In the Name of God

In the Name of God
Law
of
the Fourth Economic, Social and Cultural Development Plan
of the
Islamic Republic of Iran
2005-2009
(1384 1388)

Enacted on September 1, 2004
Iran. Laws, statutes, etc.


W; 308 p.: ill- (Publication of Management and Planning Organization; 30/00/84)

ISBN 964-425-622-0

Enacted on September 1, 2004


KMH 3199.A28 2005

ISBN 964-425-622-0


Published by: Management and Planning Organization; Deputy for Administrative, Financial and Human Resources Affairs, Center for Documentation, Museum and Publication

Translated by: Dr. A. Azimi Bolourian

Editorial Board:Mohammad Kordbache, Bayazid Mardukhi, Kooros Sadighi,

First Edition ٢٠٠٥

Circulation: 1000 copies

Price: 20000 rials

Lithography: Ghassemlou

Printed and Bound by: Tak-Gol

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Islamic Republic of Iran
President No. 40392
Date: 16/10/2004

In The Name of God

To:
The Management and Planning Organization

Attached please find for implementation the law of the Fourth Economic, Social and Cultural Development Plan which has been enacted at the open session of the Islamic Consultative Assembly on eleventh of Shahrivar of the year 1383 (01/09/2004), reviewed the Guardian Council, mediated by the Expediency Council whose proposed amendments were confirmed by the Supreme Leader. This document was received from the Islamic Consultative Assembly by the letter No. 96/66911 dated 16/7/1383 (07/10/2004).

Seyyed Mohammad Khatami
President
Islamic Republic of Iran
Islamic Consultative Assembly

Office of the Speaker

No. 96/66911
Date: 07/10/2004

In the Name of God

His Eminence Seyyed Mohammad Khatemi
President of the Islamic Republic of Iran

In observation of Article 123 of the Constitution of the Islamic Republic of Iran, I am pleased to forward to your kind attention the Low of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran based on the government bill presented by the government to the Islamic Consultative Assembly by letter No. 59515 dated 12/01/2004, as amended, by the Guardian Council, and observed by the Expediency Council and confirmed by the Supreme Leader.

The approved tables will proceed this letter.

Gholamali Haddad Adel
Speaker,
Islamic Consultative Assembly
Islamic Republic of Iran
Islamic Consultative Assembly

Office of the Speaker

In the Name of God

His Eminence Seyyed Mohammad Khatami
President of the Islamic Republic of Iran

Attached please find the quantitative tables referred to in our letter No. 66911 dated 07/10/2004 by which the Law of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran was communicated to your kind attention.

Gholamali Haddad Adel
Speaker
Islamic consultative Assembly
Law of the Fourth Economic, Social and Cultural Development Plan

of the Islamic Republic of Iran
2005-2009
(1384-1388)
Enacted on 01/09/2004
PART ONE

Knowledge-Based Growth of the National Economy in Interaction with the Global Economy
CHAPTER ONE

Laying the Ground for Rapid Economic Growth

- Article 1

In order to stabilize use of the foreign currency derived from oil in the Fourth Economic, social and Cultural Development Plan of the Islamic Republic of Iran and to convert the proceeds of oil sales to other reserves and investment and creating the possibility to realize activities foreseen in the plan, government is bound to set up a “Foreign Currency Reserve Account of the Oil Income” and take the following measures:

A. Beginning the year 1384 (March 21, 2005), the surplus oil income in excess of the figures projected in Table 8 of this law be deposited in a government deposit account with the Central Bank of the Islamic Republic of Iran to be titled as “Foreign Currency Reserve Account of the Oil Income”.

B. Equivalent to the balance of the Foreign Currency Reserve Account of the Oil Revenue, specified in Article (60) of the “Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran, enacted on 05/04/2000 and its amendments” by the end of the year 1383 (20 March 2005), as well as the balance of the government receivables from the entities that received facilities from the said account, shall be deposited in the “Foreign Currency Account of the Oil Revenue”.

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C. Use of the funds of the foreign currency deposit account to finance the government general budget deficit is permissible only when the foreign currency income from the oil falls below the figures indicated in Table (8) of this law, and when it would not be possible to meet the approved appropriations through the general revenue sources and divestiture of the financial assets. In such cases, government may make quarterly payment from the available funds in the foreign currency account. The Rial equivalent of these funds shall be deposited in the government general revenue account. Use of foreign currency account to compensate for the deficit in the non-oil budget revenue is prohibited.

D. Government is authorized to use up to a maximum of fifty percent (50%) of the balance of the foreign currency account through domestic banking network and Iranian banks abroad in form of sufficiently guaranteed credit facilities to make investment and partially finance productive and entrepreneurial projects in industry, mining, agriculture, transportation, services (such as tourism, etc.), technology, information, technical and engineering services in non-governmental sector, whose technical and economic feasibility have been approved by the relevant specialized ministries.

E. A minimum of ten percent (10 %) of the funds in the foreign currency reserve account appropriated to the non-government sector shall be given to the Agricultural Bank (Bank Keshavarzi) in order to enable the bank to grant in form of foreign currency and Rial financing to the non-government sector for investment in feasibly acceptable agricultural schemes as well as in form of working capital in export-based agricultural projects. The principle and interest of these loans will be deposited back in the foreign currency account in form of foreign currency. within the framework of the annual budget.

G. Executive By-law of this article shall be proposed by the Management and planning Organization, the Central Bank of the Islamic Republic of Iran and Ministry of Economic Affairs and Finance, and shall meet approval of the Council of Ministers prior to its enforcement.
Law of the Fourth Economic, Social and Cultural Development Plan

➢ Article 2

In order to bring about financial and budgetary discipline during the years of the plan:

A. Government is required to increase the share of expense credits provided through the government non-oil revenues in such a way as to enable the government to meet its expenses entirely through tax and other non-oil incomes.

B. Compensating the budget deficit through borrowing from the Central Bank of the Islamic Republic of Iran and the banking system is prohibited.

➢ Article 3 *

The sales price of gasoline, gasoil, kerosene, fuel oil and other oil, gas and electric products, as well as the rate of sewer, telephone, telecommunications and postal services during the first year of the Fourth Plan shall remain the same as those of the end of Shahrivar of 1383 (21/09/2004). Any change in prices of the said goods and services for the remaining year of the Fourth Plan shall be proposed through the bills presented to the Islamic Consultative Assembly by the first of Shahrivar (22/08) of each year for approval.

Any price proposal shall accompany an economic and social feasibility.

Note 1: any relevant receivables including the subscription fee, connection charges, demand, duties, etc. shall follow this rule.

Note 2: While taking necessary initiatives in order to reduce consumption of petroleum products and to increase public transportation capacity, government is bound to satisfy domestic needs for the oil products through productions of the country's refineries or through the alternate domestic products. Car manufacturing and other relevant manufacturers are bound to plan for reducing consumption of the energy carriers and/or to conform their products to the alternative sources of energy such as CNG for use in motor vehicles. Government is bound to provide for necessary mechanisms in order to secure implementation of this Note, and to foresee in the annual budget bills the funds needed to support the said development.

Note 3: Government is bound to present by the end of the year 1383 (21/03/2005) to the Islamic Consultative Assembly, the performance report on the mandate indicated in Article (5) of the Law of the Third Economic, Social and Cultural Development of the Islamic Republic of Iran enacted on 17/01/1379 (05/04/2000) concerning increase in productivity and reduction of costs.

Note 4: In order to economize and reduce unnecessary consumption of electricity and gas, the electric and gas companies are authorized to charge lump sum penalties for consumption of the said commodities beyond the consumption standard ceiling, and deposit the proceeds into the general revenue account of the Treasury. Government shall propose to the Islamic Consultative Assembly the appropriate consumption standards and the amount of the said penalties through the Notes of the annual budget bills.

Note 5: The Islamic Republic of Iran Broadcasting is charged with enlightenment and educating the public on optimal use of resources as indicated in the this article through its national and provincial networks, and present its monthly performance report to the Plan and Budget, Auditing and Energy Commissions of the Islamic Consultative Assembly.

Note 6: Executive by-laws of this article shall be prepared by the Management and Planning Organization in cooperation with the pertinent executive agencies and shall reach the Council of Ministers for approval within two months from the date of its communication.
Note 7: All the rules in the proceeding articles of this law contradictory to this article are annulled.

Article 4

It is prohibited to grant to any real or legal person including those specified in Article (160) of this law, any discount. Privilege, and/or tax exemption (either directly or indirectly), as well as import duties other than those approved by the relevant laws.

Article 5

In order to realize quantitative targets and indicators contributing to the enhancement of productivity of all production factors as indicated in Table No. 2-2 (Part Seven) of this law, the following measures are to be taken:

A. In preparation of the national, sector, provincial and special documents, all the national and provincial executive agencies are required to determine their share of responsibility in enhancing productivity of the entire production factors in the growth of their own productions, and spell out the requisites and tactics needed in order to materialize transformation of the country from an input-base economy to a productive base economy, taking into consideration the following criteria so that the share of total factor productivity in the growth of GDP rises to at least thirty one and three tenth percent (31.3).

1. Targets for each sector and sub-sector to be determined by output-input indicators so that the average annual growth rate of productivity of labor force, capital and all other production factors reach a minimum of 3.5, 1, and 2.5, respectively.

2. Share of growth of total factor productivity and productivity objectives of the labor force, capitals of the sectors and sub-sectors of the country are determined on the basis of cooperation among the country’s executive agencies,
pertinent scientific and professional societies and the consent of the Management and Planning Organization.

B. Management and Planning Organization is required to take necessary steps to review performance of the executive agencies in conjunction with production indicators and classification of executive agencies, allocate financial resources of the fourth development plan and annual budget in view of the estimates concerning enhancement of total factor productivity and the extent of their realization, and concentrate monitoring system for operation and performance of managers and authorities on the basis of assessment of their productivity.

C. In order to induce enhancement of productivity in industrial, agricultural, government and non-government service agencies, with the conviction that quality of products and services must be enhanced, and in order to implement strategies of productivity in the plan, government is authorized to initiate and design a national productivity prize, using organizational excellence models, and grant the prize to the productive entities at different levels through the years of the fourth plan.

D. Executive by-law of this article entailing the manner of defining effective indicators for measuring productivity of the executive agencies shall be proposed by the Management and Planning Organization, and be approved by the Council of Ministers.

➢ Article 6

Within the framework of the general policies of the Fourth Economic, Social, Cultural Development Plan of the Islamic Republic of Iran, including policies specified in the provisions of the upper part of the Article 44 of the Constitution of the Islamic Republic of Iran, and in order to secure continuity of the privatization program, and empowering non-governmental sector in developing of the country, government is authorized to take advantage of all the feasible methods, including deregulation, divestiture of management (such as lease, general
contracting, management contracting) and ownership (such as lease with
the option to purchase, total or partial sales of stocks, divestiture of assets),
breakdown aimed at divestiture, dissolution and mergers.

➤ Article 7

To arrange and properly use resources of the government companies,
to increase their output and productivity, and to induce better management
of those companies which are deemed to remain in the government sector,
as well as to prepare the ground for divestment of those companies whose
continued cooperation in the government sector is deemed to be unneces-
sary, government is authorized to take actions toward divestiture,
dissolution, merging, and re-structuring government companies, adjusting
and approving the companies’ articles of associations, approving financial
and transactional by-laws, employment regulations, taking into account
pertinent regulations and laws, transfer of functions, human resources,
stocks and assets of government companies and their dependent entities.

A. All policy making mandates and government sovereignty functions
must be detached from the government companies and transferred to
the relevant specialized ministries and government agencies.

B. Government corporations are organized merely within the framework
of specialized holding and affiliated companies (second generation)
and are managed under auspices of their general assemblies and
within the framework of their articles of incorporation. As for their
policies and sector programs, this group of companies is specified in
the criteria and regulations of the specialized ministries.

Note 1: Formation of (new) public corporation is permissible, specified
in the approval of the Islamic Consultative Assembly. Converting
companies in which the government share is below fifty percent (50%) to
government corporation is prohibited.

Note 2: Partnership and investment by government corporations, except
banks, credit institutions, and insurance companies, with other
corporations subject of this article will require authorization of the Council
of Ministers.
Note 3: Corporations in which the share of government and government corporations is below fifty percent (50%) are not considered to be government corporation, thus not specified in the laws and regulations that govern government corporations.

Note 4: Within a maximum period of two years from the start of the fourth development plan and upon suggestions to be made by the Management and Planning Organization, government is bound to reorganize companies entertaining a sovereignty nature into a proper organizational structure, and transfer them to the pertinent public agency.

Note 5: Government corporations identified by the Management and Planning Organization and Ministry of Economic Affairs and Finance as having been stagnant and inactive up to the beginning of the year 1383 (March 21 2004) are not permitted to resume operation and therefore must be dissolved.

Note 6: Government is bound to dissolve all offices and branches of the government corporations abroad. Indispensable cases will be determined by the Ministry of Economic Affairs and Finance and the Management and Planning Organization, and are specified in approval of the Administrative High Council.

C. Government corporations approved by the Council of Ministers to be divested to non-government sector, only for the period specified by the Board of Divestiture will not be specified in the regulations governing public corporations, and shall be managed within the framework of the commercial code.

D. Continuation of operation of the government corporation will be possible only upon the following conditions:

1. Have monopolistic operation.
2. The non-government sector shows no interest to operate in that field.

E. Conversion of the employees’ status of corporations subject of Note (1) of Item “B” of this article and in the context of the acquired rights shall be made on the basis of a by-law to be approved by the Council of Ministers.
F. Transfer of the stocks in conjunction with execution of this article (due to merger, dissolution, and reorganization) will be tax-free.

G. The government’s proprietorship right in the specialized holding companies (except corporations whose general assemblies are chaired by the President) will be exercised by the Ministry of Economic Affairs and Finance or the Organization of Ownership of the Government Corporation which according to this law will be formed under auspices of the President (as determined by the government). Government is bound to take proper legal actions in order to reform the articles of associations of this group of companies. Probable financial burden of forming the said companies will be borne through the concentrated lines (of the annual budget) which are at the disposal of the President. All the companies to which application of the law requires that their names be indicated or stipulated or have their own law are specified in the provisions of this item.

Note: Charter of this organization shall be proposed by the Management and Planning Organization and approved by the Council of Ministers.

H. Specialized holding companies are also divestible provided that they meet the criteria stipulated in Article (44) of the Constitution of the Islamic republic of Iran. Partnership of the private and cooperative sectors with these companies is permissible. The manner and method of partnership of the private and cooperative sectors with the specialized holding companies are to be proposed by the general assembly of the relevant company, confirmed by the High Commission of Divestiture, and approved by the Council of Ministers.

I. Government is bound to take measures, up to the third year of the plan, the latest, to reform the structure and profitability of the government corporations which according to the financial statement of the first year of the plan are financially impaired, otherwise they must be dissolved.

J. In all cases where according to the laws, authorization to approve charters of organizations, companies, government institutions and entities affiliated to the government, including agencies specified in
Article (160) of this law, and also institutions and non-government public entities, are entrusted to government, reforming and changing the articles of associations (charters) are to be proposed by the relevant entity, confirmed by the Management and Planning Organization, and receive approval of the Council of Ministers.

Note: Council of Ministers is charged with amending, by the end of the second year of the plan, charters of all he government banks and corporations subject of this item according to the proposed changes to be made by the Management and Planning Organization in such a manner as to unify the mandates and manner of electing members of the board of directors, managing director and the statutory examiners with due observation of articles (107), (108), (116), (118), (119), (124), and (125) of the “Commercial Law enacted on 14/03/1968”

K. Purports of article (62) of the Law of the Third Development Plan are applicable to all government corporations including those with one hundred percent (100%) of their stocks belongs to the government, their subsidiaries, and allied partners, as well as companies to which application of the law necessitates that their names be indicated or stipulated. In the event that re-appraisal of their assets is made according to the said law, the results must be taken into the companies’ accounts from the time of appraisal. Companies not appraised during the third development plan period are entitled for one time re-appraisal of their fixed assets according to the provisions of the said article up to the end of the second year of the fourth plan.

L. Regulations (by-laws and directives) contradictory with the decisions of the Council of Ministers within the framework of the authorizations subject of this article are annulled.

M. Government is charged with financing implementation of the sector of new energies specified in Article (62) of the “Law of Arranging part of the Government Financial Regulations enacted on 15/02/2001” through sources specified in item (A) of Article (3) of the plan.

N. Government is authorized to take action toward divesting property ownership, installations, machinery and any other form of
proprietorship related to water and sewer systems which are in possession of the water and sewer companies, whether established before or after incorporation of the said companies and laid at their disposal. In this case, water and sewer companies are considered to be the beneficiary entities, and the provisions of article (32) and (33) of the “Law of Plan and Budget enacted on 28/02/1972” are applicable to them.

O. All the executive agencies specified in Article (160) of this law are also specified in the provisions of this article.

► Article 8

Proceeds of sales of stocks of the government corporations shall be deposited in a special account under the title of the State Treasury General Account with the Central Bank of the Islamic Republic of Iran, and shall be transferred to the pertinent accounts as follow:

A. An amount equivalent to twenty percent (20 %) as on account withheld income tax of the relevant parent company or its subsidiaries (The State General Revenue Account).

B. An amount equivalent to ten percent (10%) as on account out of the government’s share of profit in the relevant specialized parent company (The State General Revenue Account).

C. An amount equivalent to seventy percent (70 %) to the account of the relevant specialized parent company for the following purposes:

1. Payment of liability of the specialized parent company to the government (ministries, government agencies and the State Treasury General).

2. Preparation, rehabilitation and restructuring government corporations prior to their divestiture.

3. To assist with financing adjustment of the manpower and technical and vocational training (enhancement of skills) of the employees of the corporations specified in divestiture.
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4. To assist in enabling the private and cooperative sectors in economic activities within the framework of the annual budget.

Note 1: All the proceeds of sales of the government stocks (in the name of ministries and government agencies) shall be deposited in the State General Revenue Account.

Note 2: Difference between the book value and the sales price of the stocks in the year of sales of the stocks must be foreseen in the operating account of the relevant parent company (or its subsidiaries).

Article 9

Articles (10), (12) through (18), and (20) through (27) of the Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran enacted on 05/04/2000 as amended” are validated and extended to the fourth plan period.

Article 10

Observation of the following points is mandatory in disposing the shares:

A. Divestiture shall be considered as a means of realization of the Plan objectives, and not as an end in itself.

B. Divestiture shall be undertaken in the context of the Constitution.

C. It shall not jeopardize national security or cause instability in the sovereignty of the Islamic Republic of Iran.

D. It shall not undermine the system’s sovereignty or infringe upon people’s right, or create any monopoly.

E. It shall result in a healthier and more efficient management.

F. It shall promote public participation to the widest possible extent.
**Article 12**

In order to coordinate, monitor and control the process of divestiture and to secure execution of the regulations of this Law, the High Commission of Divestiture shall be set up under chairmanship of the Minister of Economic Affairs and Finance. Secretariat of the commission shall be housed in the Ministry of Economic Affairs and Finance.

**Article 13**

The High Commission of Divestiture shall consist of the following seven members:

A. Minister of Economic Affairs and Finance (Chairman of the Commission),

B. Head of the Plan and Budget Organization (currently the Management and Planning Organization)

C. Governor of the Central Bank of the Islamic Republic of Iran

D. The relevant minister

E. Minister of Justice

F. Representatives of the parliamentary Commissions of “Economic Affairs, Finance and Cooperative” and the “Plan and Budget” (one representative from each) selected by the Islamic Consultative Assembly.

**Article 14.**

Mandates and powers of the High Commission of Divestiture are as follows:

A. To confirm list of companies to be sold, dissolved or merged, as submitted by the relevant ministries or Ministry of Economic Affairs and Finance, and to present it to the Council of Ministers for approval. The report shall include a specific time-table for each case and an explanation of method used in ceding in light of the market conditions.
B. To prepare an annual program of sales, dissolution, or merging of companies within the framework of the approved decisions of the Council of Ministers, and formulation of necessary executive policies and strategies.

C. To monitor the divestiture process and to present semi-annual progress reports to the Speaker of the Islamic Consultative Assembly. The report shall include an analysis of the strength and weakness of the program, the process feedback and headway strategies.

D. To organize cultural propagation activities in order to promote divestiture.

E. To propose to the Council of Ministers draft of a by-law for a term payment plan for the necessary cases.

F. To exercise methods of share pricing, allowances, and to determine modes of payments by the buyers in the context of a by-law to be approved by the Council of Minister.

G. To approve directives establishing priorities in sales of the share of divestible companies, as proposed by the secretariat.

H. To approve directives concerning preparation for the sales of shares and divestiture contracts as proposed by the secretariat.

I. To approve criteria for collection of the proceeds of the sales or goods specified in Article (18) of this Law, as proposed by the secretariat.

J. To approve criteria for evaluation of the capacity, credit worthiness, obligations of the buyer, and the guarantee requirements in order to facilitate selection of the buyers, as proposed by the secretariat.

Note: In specific cases where the sales through the stock exchange or bid would not be possible due to the problems of the financial structure and manpower or attraction of technology and capital, the sales could be performed through negotiation on the basis of a by-law to be proposed by the Ministry of Economic Affairs and Finance and approved by the Council of Ministers.
Article 15.

Government shall set up an organization for privatization by modifying the articles of associations of the Organization for Promotion of Ownership of Production Units. Shares of the companies that are appraised, and their modes of sales and the time-table determined by the High Commission of Divestiture, shall be given in trust by the holding companies of this organization to administer the divestiture process.

The executive by-law of this article as well as the revised articles of association of the said organization shall be proposed to the Council of Ministers for approval by the Ministry of Economic Affairs and Finance, and the Plan and budget Organization (the Management and Planning Organization).

Note: Responsibility for selling and determining the base price of the stocks of companies listed for sales by the High Commission of Divestiture shall be rested with the Ministry of Economic Affairs and Finance upon approval by the Council of Ministers.

Article 16.

Preferred stocks will be granted to the worker and employees of the entities under divestment. Also, government may cede the stocks to its own agencies, pension funds and employees upon their consent.

The manner of divesting stocks shall be determined by an executive by-law to be proposed by the High Commission of Divestiture and approved by the Council of Minister.

Article 17

Directives concerning preparation of contracts of ceding, managing, renting, as well as the mode of revocation of these contracts shall be approved by the High Commission of Divestiture. In preparation of the said directives, the commission shall take the following measures:
A. Determine the extent of the buyers’ commitments toward employment, production program, new investment, special activities aimed at protecting the environment, and avoidance of certain restrictive commercial engagements, etc.

B. Determine the manner of discounting in the stock valuation by the government in lieu of commitments on the part of the buyers, taking into account by-laws of Item (F) of Article (14) of this law.

C. Assess the impact of tax obligations in the stock pricing and valuation.

D. Determine conditions for revocation of the contract by the parties.

E. Assess capabilities, credit worthiness, obligations, and guarantee requirements of the buyers.

Article 18

In observation of Articles forty three (43) and forty four (44) of the Constitution, government may rent out through bidding to cooperative companies and/or to the private sector, the industrial, agricultural and service companies and public properties held in its possession, against cash or kind, while retaining the ownership rights. In doing so, the following conditions shall prevail:

A. On the basis of the rental contract, government shall be entitled annually, to a certain amount in cash or kind against depreciation, renovation, maintenance, or expansion of the companies under the rental contracts.

B. In the course of divestiture of the state-owned enterprises or other properties stipulated in this article, the party to the contract shall be charged with observing certain regulations and government policies concerning pricing, production planning, distribution, and preserving public interests.

C. Entrusting management of the state-owned enterprises to non-government sector shall be permissible on the sole condition that the real or legal person to whom the management shall be assigned will perform the obligations and duties in person during the term of
the contract. As such, the contract shall not be transferable to any other company or person. Breach or violation of this contract will result in revocation of the divestiture agreement and conviction of the violator on the ground of unlawful possession of the government properties.

D. In the process of divestiture of the companies or other properties specified in this article, and in screening the candidates, should the qualified employees of any of these entities set up a cooperative, this cooperative company will receive preference over other candidates.

Note: Method of computing the compensation in cash or kind shall be determined within the framework of the criteria to be approved and announced by the High Commission of Divestiture.

Article 20

Settlement of Disputes pertaining to claims made by real or legal entities against any of the decisions on the matter of divestiture is entrusted to the Arbitration Commission. This subject shall be included in the divestiture contracts and endorsed by both parties.

Article 21

The Arbitration Commission specified in Article (20) of this law consists of seven members as follow:

1. Five experts in economics, finance, commerce, technical and legal aspects of the subject matter, to be nominated jointly by the Ministers of Economic Affairs and Finance, Justice, and the Head of the Plan and Budget Organization (the Management and Planning Organization), approved by the Council of Minister and appointed for a period of six years.

2. President of the Chamber of Cooperative

3. President of the Chamber of Commerce, Industries and Mines of the Islamic Republic of Iran.
The Arbitration Commission shall review the claims and disputes and make decision pertaining to the divestiture. The procedures governing meetings of the Commission and methods of decision-making shall be compiled in a by-law and will be approved by the Council of Ministers.

**Article 22**

The quorum of the Arbitration Commission will be reached by presence of at least five members, and decision will be made by the majority votes of the participants. (Opinion expressed by the minorities shall be recorded in a process verbal and endorsed).

**Article 23**

Decisions of the Arbitration Commission shall be binding ten days after notification to the parties. Should any of the parties raise any objection, the party may put its objection in writing within the above grace period, or thereafter in case there is definite reason for delay, and submit it to the competent court of law. The Chief Justice shall refer the case to a special tribunal that will review the case on an extraordinary basis and rules a judgment. The ruling is final and enforceable.

**Article 24**

Government is bound to insure at its own expense all the officials who individually or collectively are engaged in carrying out the divestiture operation, against any possible penal or financial conviction that could be bought off and any indemnifying conviction, emanating from unintentional misconduct in connection with the divestiture. The insurance coverage should be such as to enable the insurer to compensate for whatever cost to be borne by the convicted official(s).

**Article 25**

Beginning with the date of sales of the stocks, the parent company shall be liable for payment of any compensation in connection with losses incurred prior to the sales of shares of the nationalized or expropriated companies to the private or cooperative sector.
Note: The divested company shall remain liable for payment of any other debt.

Article 26

Shares sold according to this law, as well as shares changed hand between the executive agencies as the result of enforcement of this law are exempted from the sales tax. Also, government or the concerned executive agency shall remain liable for payment of corporate income tax – finalized or otherwise – of the divested companies whose total one hundred percent (100 %) shares belong to the government (ministries and other public agencies) and the state-owned enterprises, up to the end of the fiscal year prior to the sales.

Article 27

Employees of the state-owned enterprises who are specified in the specific pension funds affiliated to the ministries, public agencies or the state-owned enterprises, and those employees whose employment in the divested company will be terminated upon ceding the shares to the private and cooperative sectors, may upon reinstatement of their employment with the same company continue to stay with the same pension fund, provided that they observe the regulations of the pension scheme in the payment of the insured and the employer’s premium.

Note: All the laws and regulations pertaining to social insurance deductions and the authority of the Social Security Organization governing insurance charges, late payment/delinquent penalties including the provisions of Articles (49) and (50) of the Social Insurance Law of 1975 applicable to the above mentioned individuals and funds shall remain in force.

Article 10

A. From the inception of the fourth plan, any allocation of the government banking facilities (breakdown into different economic
and regional sectors) as well as priorities concerning the sectors and regions shall upon approval of Council of Ministers be performed through the banking system, use of cash subsidies and the administered funds.

B. Obligation of the banks to provide facilities at a lower rate within the framework of the Islamic contracts is permissible if it is financed by the government subsidy or the administrated funds.

C.

1. In order to secure economic growth, control inflation and improve financial productivity of the banking system, government is bound to reduce its liability to the Central Bank and other banks during the term of the fourth plan by foreseeing the repayment of its debt into the annual budget.

Manner of repayment of the said liabilities shall be determined in a by-law to be proposed jointly by the Ministry of Economic Affairs and Finance, the Management and Planning Organization., and the Central Bank of the Islamic Republic of Iran, and to be confirmed by the Council of Ministers.

2. During the years of the fourth plan, a minimum of twenty five percent (25%) of the facilities granted by all the country’s banks shall be allocated to the water and agricultural sector through coordination of all the concerned agencies.

3. Increase in balance of the imposed facilities during the years of the fourth plan shall be reduced by twenty percent (20 %) per year relative to the approved figures in 2004.

4. Government is bound to take initiative from the first year of the fourth plan to establish electronic banking system and to devise national and international methods of transfer of funds and services by all the country’s banks, covering all the customers.

D. To create a healthy competitive environment, and to prevent monopoly in the country’s banking system, and in order to economize operation of entrepreneurs, public agencies and
institutions, and all other public entities as well as municipalities in receiving banking services, the said entities are entitled to select the agent bank of their own choice for the services they require.

**Note 1:** Selection of the agent bank by the entities subject of this item to provide services for that portion of their funds provided for through the government general budget will depend on the consent of the Ministry of Economic Affairs and Finance and the Central Bank of the Islamic Republic of Iran, as the case may require.

**Note 2:** Deposits made by the executive agencies specified in Article (12) of the “State Monetary and Banking Law” enacted on 09/07/1972 are not meant to be deposits of the agent bank subject of this item. Such deposits shall be recorded in the account of the Central Bank of the Islamic Republic of Iran according to the regulations of the law.

E. General assembly of the Central Bank of the Islamic Republic of Iran is composed of:

The President (as chairman of the assembly), Minister of Economic Affairs and Finance, Head of the Management and Planning Organization, Minister of Commerce, and one more minister to be selected by the Council of Ministers.

**Note 1:** Governor of the Central Bank of the Islamic Republic of Iran is nominated by the president, confirmed by the general assembly of the Central Bank of the Islamic Republic of Iran, and appointed by the President.

**Note 2:** Deputy Governor of the Central Bank of the Islamic Republic of Iran is nominated by the President and appointed by the President upon confirmation by the general assembly of the Central Bank of the Islamic Republic of Iran.

F. Composition of the membership of the Monetary and Credit Council is modified as follow:

- Minister of Economic Affairs and Finance
- Governor of the Central Bank of the Islamic Republic of Iran
- Head of the Management and Planning Organization
- Two ministers elected by the Council of Ministers
- Minister of Commerce
- Two monetary and banking experts to be nominated by the governor of the Central Bank of the Islamic Republic of Iran and confirmed by the President.
- Attorney-general or his deputy
- President of the Chamber of Commerce, Industries and Mines
- President of the Chamber of Cooperative
- Representatives of the Economic Affairs, and Plan and Budget and Account Commissions of the Islamic Consultative Assembly (one from each) as the overseers, to be chosen by the parliament.

**Note:** Governor of the Central Bank of the Islamic Republic of Iran shall chair the council.

**G.** In order to build up a proper financial structure in banks and to create the opportunity for continued presence of (the Iranian) banks in the international financial market, the international standard and requirements concerning the proportion of the banks capital sufficiency in the extent determined by the Monetary and Credit Council must be observed. To this end, upon complete settlement of the principle and interest of the special participation bound specified in Article (93) of the “Law of the Third Economic, Social and Cultural Development of the Islamic Republic of Iran, enacted on 05/04/2000”, and as long as the proportion of the fund sufficiency of each of the government banks remains less that the minimum requirement determined by the Monetary and Credit Council, an annual amount equivalent to the government income tax and the government share of profit in that bank, upon being deposited with the account of the Treasury General from the appropriations foreseen in the annual budget shall be deposited with that bank in form of increased government share of the capital. Should these found be insufficient to meet the minimum requirement, the balance shall be secured from the proceeds of sale
of the stocks or the priority right of the banks share to the account of the banks capital and/or through provision in the annual government budget.

H. In order to implement monetary policies, authorization is granted to the Central Bank of the Islamic Republic of Iran to utilize the participation papers and similar instruments within the framework of the Islamic contracts subject of the “Law of Non-usury Banking Operations enacted on 30/08/1983, upon approval by he Islamic Consultative Assembly.

I. For the purpose of preserving public confidence in the banking system, a saving insurance system shall be set up. Ministry of Economic Affairs and Finance is bound to take necessary legal measures in this respect by the end of the first year of the fourth plan.

J. Minister of Agriculture Jihad shall chair the general assembly of Bank Keshavarzi (the Agriculture Bank).

➢ Article 11

Three percent (3%) of the banks’ legal deposits with the Central Bank of the Islamic Republic of Iran on the basis of the percentage of the year 2004 be given to Bank Keshavarzi (Agriculture Bank), Bank Maskan (Housing Bank) and Bank Sanaat o Ma’dan (Industry and Mine Bank) In order to enable these banks to grant facilities for projects of the private sector in agriculture, animal husbandry, building construction and housing, completion of industrial and mining, whose main feature would be employment generation.

The executive by-law of this article shall be prepared by the Monetary and Credit Council in due observation of the “Law of Non-usury Banking Operation enacted on 30/08/1983” and to be approved by the Council of Ministers.

➢ Article 12
Articles (65), (67), and (69) of the Law of the Third Economic, Social and Cultural Development of the Islamic Republic of Iran enacted on 05/04/2000 as amended” are validated and extended to the period of the fourth plan (2005-2009).

❖ Article 65

In designing the annual budget bill, government is authorized to include in the administered funds, or through other customary methods, payment of a portion of the funds for the profit making development projects by the specialized and developmental banks within the framework of the facilities, financial and technical assistance. The return from the profit-making projects specified in Article (32) of the Plan and Budget Law enacted in 1972 shall be appropriated to other profit making projects using the same mechanism.

❖ Article 67

Ministries of ‘Industries’, ‘Mines and Metals(now Ministry of Industry and Mine), ‘Energy’, and ‘Petroleum’ are authorized to promote investment and to grant financial and technical assistance to the approved projects in the related sectors and aimed at enhancing the design level, equipment manufacturing engineering, mining and exploratory reconnaissance, provide credit facilities from the general budget in form of the administered funds entrusted to the banks and pay the interest rate differentials. Amount of the said administered funds including credit for the interest rate differentials will be foreseen into the annual budget law.

In case of necessity, a portion of the credit required for the said projects that are financed by the general budget can be considered as gratuitous aid. This aid and the interest subsidy to the projects will be determined by a committee composed of the ministries concerned and the Plan and Budget Organization. The revenues from repayment of the facilities financed through the general budget will be re-used through the above-mentioned method. The balance of the above-mentioned funds at the end of the Plan period plus the received installments of the said facilities after the termination of the Plan will be utilized to recapitalize the
specialized banks. The equivalent of which will be deducted from the
government debt to the banking sector.

❖ Article 96

Government is authorized to approve and implement special financial,
administrative, employment and disciplinary by-laws and criteria for the
insurance industry aiming at development and improvement of the service
quality and competitiveness of the insurance industry within the
framework of their particular articles of associations, proposed jointly by
the State Administrative and Employment Affairs Organization (Now part
of the Management and Planning Organization), general assemblies of the
insurance companies and the Central Insurance of Iran.

❖ Article 13

A. In order to regulate the country’s foreign currency obligations,
agencies specified in Article (160) of this law are charged with
observing the followings:

1. Administer their foreign currency operations and transactions
through foreign currency accounts opened or will be opened in
domestic or foreign banks upon confirmation of the Central
Bank of Islamic Republic of Iran. Iranian agent banks are
bound to render their services at the internationally accepted
standards of banking operation.

2. Report to the Central Bank of the Islamic Republic of Iran a list
showing all of their new foreign currency accounts abroad in
order for the Central Bank of the Islamic Republic of Iran to
authorize operation of these accounts.

B. Government is charged with:

1. Scheduling payment of the short-term and medium-term
foreign obligations and liabilities in such a way as to make
ascertain that the annual repayment of these obligations and
liabilities, regardless of the obligations due to the buy-backs, at
the end of the fourth year of the plan shall not exceed thirty
percent (30%) of the government foreign currency earning in the last year of the plan. Priority in use of foreign currency facilities shall be given to long-term ones.

2. The amount of foreign currency obligations and liabilities of the country during the years of the fourth plan shall be formulated in such a way as the current value of the net obligations and liabilities – less the obligations related to the contracts subject of item “B” of Article (3) of the “Law of Promotion and support of Foreign Investment enacted on 09/03/2001” (the difference between current value of liabilities, the country’s obligations, and the foreign currency reserve of the Central Bank of the Islamic Republic of Iran) in the last year of the fourth plan shall not exceed thirty billion dollars ($30,000,000,000).

3. Commercial and specialized banks are authorized to finance investment projects of non-government sector through international sources, taking into consideration the ceiling specified in item “2” above.

C. As for investment schemes, the executive agencies, specified in Article (160) of the law utilizing foreign financial facilities, are bound to observe the followings:

D. All the projects (entitled for foreign financing) must be under responsibility of the relevant minister or the highest ranking executive officer, be confirmed by the Economic Council, and have technical, economical and financial feasibility; and total costs of their execution shall not exceed the determined ceilings. The timetable for receiving and repayment of the facilities for each project and the extent of utilization of the domestically manufactured parts in the context of domestic capabilities and capacities in observation of the law of “Maximum use of the Country’s Technical, Engineering, Productive, Industrial and Executive Capabilities in Execution of Projects and Facilitating Export of Services enacted on 02/03/1996” as well the environmental conditions must be taken into consideration in execution of any of the said projects upon approval of the Economic Council.
E. Prior to signing any contract and upon submission of the technical and economical feasibility, an agreement should be reached with the Management and Planning Organization.

F. All the foreign transactions and contracts exceeding one million dollars ($1,000,000) shall be made with due consideration of the “Law of Maximum Utilization of the Country’s Technical, Engineering, Productive, Industrial and Executive Capabilities in Execution of the Projects and Facilitating Export of Services enacted on 02/03/1996”, and exclusively through limited and/or international tenders (to be advertised in highly circulated newspapers and domestic and foreign electronic media). Exceptional cases shall meet confirmation of the tri-party committee composed of the Minister of Economic Affairs and Finance, Head of the Management and Planning Organization, and the relevant minister.

In all the tenders the rights to control, quantitative and qualitative inspection, as well as the price control for all the imported goods and projects are preserved for the buyer. The minister-in-charge or the highest executive officer of the concerned agency shall remain responsible for good performance of this matter. Central Bank of the Islamic Republic of Iran is authorized to assume obligations or make payment solely for the projects that have received confirmation of the highest body of the executive agency as to observation of the provision of this item.

G. Government is charged with presenting the foreign currency receivable and payment tables for the remaining years of the forth plan along with the annual budget bills.

➤ Article 14

A. Government is charged with foreseeing the buy-back projects of the agencies subject of the Article (160) of this law as well as those of the non-government public entities and institution and banks into the annual budget bills, and to present the same to the Islamic Consultative Assembly.
B. For the purpose of increasing the oil production capacity, preserving and enhancing Iran’s quota in the OPEC production, attraction and protection of capital and foreign resources for investment in the forward linkage activities of the oil and gas, particularly in the shared fields and the country’s exploration projects, preserving as much as possible the increased recovery coefficient in the country’s oil and gas reserves, transfer and utilization of new technology for development and exploitation of the oil and gas fields, and creating the possibility of use of different method of international contracting, authorization is given to the National Iranian Oil Company to take actions toward making contract agreement, up to the surplus production ceiling indicated in Item “C” of this Article, for exploration and development of the fields to be financed by the foreign party or qualified domestic companies, commensurate with the conditions of each field, taking into consideration the following principle and conditions:

1- Preservation of sovereignty and exercise of proprietorship by the government over the country’s oil and gas resources.

2- Un-guaranteed return of the obligations committed by the government, the Central Bank of the Islamic Republic of Iran and the government banks.

3- Stipulating that repayment of the principle of the capital, remuneration and/or interest, risk and costs of financing and other marginal expenses incurred toward execution of the project through allocation of part of the field products and/or its profit will be based on the market price of the product.

4- Accepting the risk in case the desired targets of the contract are not achieved, the field turned to be uneconomic, and/or the case the field’s products are not sufficient enough to meet the financial obligations undertaken by the party to the contract.

5- Determining the rate of return on investment for the party to the contract, commensurate with conditions spelled out for each project and creating incentive for applying optimum methods in exploration, development and exploitation.
6- Guaranteeing sustainable exploitation of the oil and gas reserves during the term of the contract.

7- Maximum utilization of the technical, engineering, productivity, industrial and executive capabilities of the country according to the “Law of Maximum Utilization of Technical, Engineering, productive Capabilities of the Country in Execution of the projects, an Facilitating Export of Services enacted on 02/03/1006”.

8- Observation of the environmental concerns and the pertaining regulations.

H. In order to develop oil and gas fields up to the surplus production ceiling, and a daily exploitation up to one million barrel of petroleum and two hundred fifty million cubic meters of natural gas, priority be given to the shared fields, and upon approval by the Economic Council of the technical and economic feasibility and development of an agreement with the Management and Planning Organization. Repayment of the obligations undertaken in any of the oil and gas projects shall be made solely from the surplus products of that project, and in case of gas projects, from surplus products of the same internal resources of the National Iranian Oil Company).

I. For the purposes of saving accompanied gases and injecting them, renovation and optimization of the oil installations, converting natural gas to liquid products of LNG, GTL, DME...refining installations, and optimization of the fuel consumption including gas supply development projects, the National Iranian Oil Company is given authorization to execute pertinent projects upon approval of the projects’ technical and economic feasibility by the Economic Council and reaching an agreement with the Management and Planning Organization. Repayment of the obligations undertaken shall be made through the surplus income earned from the same projects (internal resources of the Iranian National Oil Company).

J. In order to make reconnaissance and to explore oil and gas throughout the country, to transfer and apply new technology in
exploration operation through all the regions of the country (with
the exception of Khuzestan, Bushehr, Kohkiluyeh and Boyer
Ahmad) where the exploration operation is done at the risk of the
contractor and may lead to exploration of the fields sufficient for
commercial production, authorization is granted to the government
to make buy-back contracts both for exploration and operation
within the framework of the figures indicated in Item “C” of this
Article, through tender, and select the contractor according to the
legal criteria, upon approval of the projects’ titles and plans in the
annual budget bills by the Islamic Consultative Assembly,
confirmation of the economic Council, and exchange of agreement
with the Management and Planning Organization. Direct and
indirect costs of exploration are to be included in the said contract.
Repayment for these costs as well as development expenses shall
be made out of the proceeds of sales of products of the same field.
Permits issued will have a deadline to be determined case by case
by the Ministry of Petroleum, and are renewable one more period.
Should no commercial field be found in the designated area by the
end of the exploration period, the contract will be terminated and
the party to the contract will have no right for any claim what so
ever.

K. Executive by-law of this Article shall be proposed jointly by the
Management and Planning Organization, Ministry of Economic
Affairs and Finance, Ministry of Petroleum, and shall meet
approval of the Council of Ministers.

➤ Article 15

A. The Stock Exchange Commission is charged with taking the
following measures throughout the years of the fourth plan:

1. Geographical expansion of the stock exchange through
appropriate ways and means including creating regional and
provincial halls, brokerage networks and commissioning local
brokers.
2. Establishment and expansion of specialized markets (such as commodity exchange).


4. Linkage with regional and global stock exchanges in order to exchange information and bonds.

B. The Stock Exchange Council is charged with taking initiatives to design and set in operation a national network for electronic bond transaction within the framework of a comprehensive payment system, designing regulatory and monitoring system and its implementation mechanism.

C. Central Bank of the Islamic Republic of Iran and the Ministry of Economic Affairs and Finance are charged with creating a favorable environment for foreign investment by designing and building up a proper regulator and monitoring framework and its implementation tools in the country’s capital market, as well as internationalizing the Tehran Stock Exchange.

The executive by-law of this article shall be proposed by the Ministry of Economic Affairs and Finance and the Central Bank of the Islamic Republic of Iran and approved by the Council of Ministers.

➢ Article 16

Government is authorized to divest the stocks of commercial insurance companies to the private or cooperative sectors upon restructuring the same on the basis of a definite time-table, according to a by-law that will be approved by the Council of Ministers, and within the framework of Item (47) of the fourth plan policies.

➢ Article 17

Due to the crucial role that water plays in development of the country, government is charged with planning and management of the country’s water resources, keeping in mind the criteria of comprehensive
management of the supply and demand in the entire chain of water, and sustainable development of natural watershed basins, taking into consideration the economic value of water, public education and public participation is such a way as to achieve the following goals:

A. Implementation of the provision of Note (1) of Articles (106) and (107) of the Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran during the term of the fourth plan along with restructuring the water consumption, setting up a proper water extraction system and use of modern irrigation and less irrigation methods so that the irrigation rate of return, and consequently, productivity of water or every cubic meter increases by twenty five percent (25%) during the plan period, and to create the conditions in order to optimize water consumption by allocating water to more valuable products.

B. For the purpose of establishing equilibrium between feeding and drawing from the underground water tables in negative-balanced plains, government is authorized to reform the exploitation permits or the said plains through providing for the required finance, organizational and managerial initiatives to be based on rational use of water (specified in Article (19) of the “Law of Equitable Distribution of Water”) in such a way as to improve the negative balance of underground water tables by twenty five percent (25%) by the end of the fourth plan.

C. Economic value of water in each watershed basin is to be assessed on the basis of its inherent and investment value of exploitation, protection and recycling foreseen in the plans for the consumption sectors. Executive by-laws of this item shall be prepared during the first year of the plan and meet approval of the Council of Ministers.

D. In order to accelerate implementation of the exploitation, regulating, conveyance plans and maximum use of the boarder river waters and the shared water reserves, government is charged with foreseeing a two percent (2 %) per annum of the total credits of the capital assets acquisition plans of the general budget in the annual budget bills under a separate program and spend it for implementation of the said schemes in form of one hundred percent
(100%) appropriated, and within the framework of agreements exchanged between the Management and Planning Organization and Ministry of Energy.

E. Inter-basin water conveyance projects must be reviewed from the standpoint of sustainable development, and in consideration of the rights of the beneficiaries, meeting the needs of various consumptions, as well as their technical, economic, social and environmental feasibility and preservation of the national interests.

F. Exchange of water with neighboring countries shall take place with due observation of the provision of Article Seventy Seven (77) of the Constitution of the Islamic Republic of Iran, technical, social and environmental feasibility and in the context of the country’s comprehensive water plan, and approval of the Council of Ministers.

G. A proper and rational culture of water consumption must be prompted through formulation of an optimal water consumption model, adjustment of tariffs for high consuming customers, gradual installation of individual water meter in all housing units, and implementation of water consumption management plans throughout the country’s urban and rural areas.

**Note:** The “Law suffixing one Item and two Notes to the Article (133) of the Law of the Third Economic, Social and Cultural Development of the Islamic republic of Iran, enacted on 30/10/2001” (on the subject of defining the model and surplus charges on water consumption model) is validated and extended through the fourth plan (2005-2009).

H. Coordination in credit allocation must be made for simultaneous preparation and execution of water supply and supplementary projects, such as backward irrigation and drainage networks and forward watershed management projects above the reservoir dams.

I. To secure continuity in implementation of the provisions of Note (76) of the law of the second development plan and Article (106) of the third development plan, and in order to expand investment, with the priority given to the irrigation, drainage and water supply projects that have technical and economic feasibility, public
resource are combined with those of the Agriculture Bank and the exploiters. The manner of defining titles and share of the government contribution shall be specified in the by-law of this item, and will be approved by the Council of Ministers.

**J.** To prepare and formulate executive plans for the drought management.

**K.** Executive by-laws of this Article are to be proposed by the Ministry of Energy and the Management and Planning Organization, and meet approval of the Council of Ministers.

> **Article 18**

Government is bound to prepare, within six month from the enactment of this law, a plan for development of agriculture and natural resources sector with the objective of attaining self-sufficiency in production of the basic agricultural products, provision of nutritional security, economizing production and development of export of agricultural products, enhancement of growth of value added in the agriculture sector up to the level of growth projected in Table No. (2), part three of this law, and implement it through the following actions:

**A.** Making investment required for execution of water and soil infrastructural works and develop irrigation and drainage networks in two million hectares of land for which water has been secured.

**B.** Integrating the general budget (in form of administered funds), with resources of the banking system and through participation of the producers in order to finance investments in agriculture sector, processing, and complementary industries.

**C.** Provision of a minimum of fifty percent (50%) insurance coverage for agriculture products and the production factors through utilization of the technical services of the private and cooperative sectors by the end of the plan.

**D.** To increase capital of the specialized parent company of the Fund for Protection and Development of Investment in Agriculture Sector up to the initial amount during the years of the plan and to
contribute to the non-government credit funds for development of the agriculture sector in form of administered funds through the capital assets acquisition plans.

E. To support expansion of the processing and auxiliary industries in the agriculture sector in such a way that the percentage of the processed products increases twofold compared with the existing figures and reduce the waste by fifty percent (50%).

F. To increase production of animal and fisheries protein toward reforming nutritional structure in such a way as to increase the per capita share of animal protein in the nutrition model up to twenty nine grams.

G. To establish a fund in order to stabilize farmers income through sharing resources of the government and of the farmers toward protection of the farmers income in such a manner as to reduce the risk from change in prices and production performance. The articles of association of the said fund shall meet approval of the Council of Ministers within six months from enactment of this law.

H. Issuance of ownership deeds, for agricultural lands situated beyond the legal limits of cities, towns and villages, in the name of their lawful owners by the Property Registration and Documentation Organization, by the end of the fourth plan.

I. Revitalization of the existing orchards/gardens and development of new gardens, with priority to be given to the gradient and potential lands up to one million hectares, and securing low cost/export oriented financing.

J. Encouraging producers and exploiters to attract specialists in order to promote education and training through technical services of the private and cooperative sectors aiming at a minimum coverage of thirty percent (30%) of the producers and exploiters, and development of applied agricultural research by twofold as compared with the conditions of the base year.
Article 19

In order to enhance rural and tribal development indicators, government is bound to take the following initiatives:

A. Policy-making, planning, leadership and supervision of the rural development affairs shall be performed under the auspices of the President.

B. To enhance the said indicators by a minimum of twenty five percent (25%) as compared with the same at the end of the third economic, social and cultural development plan, and to arrange tribal settlement while preserving and enhancing the economic capabilities of up to fifty percent of the country’s tribal population.

C. Rural and tribal credits up to one hundred percent (100%) of the figures of the approved annual budget be allocated and paid during the plan period.

Article 20

Article (108), (121), (122) and (134) of the “Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran enacted on 05/04/2000 a amended” are validated and extended to the fourth plan (2005-2009).

Article 108

A. To utilize the skilled forces and entrepreneurs in the water and agricultural sector, given priority to the rural inhabitant, government is authorized to cede to these groups of people large parcels of lands of the economic scale in the areas known as ‘natural resources’, who are capable of reclamation and restoration for agricultural uses at reasonable conditions, and build the required infrastructures and provides them with financial facilities. Government is required to appraise, in advance of divestiture, that
section of the public land, idle lands and other state-owned lands specified in divestiture which will be used by the real and legal entities for different types of investment, and collect the tallyman within a maximum period of five years. The added value emanating from improvement of these lands will belong to the users, and government is not authorized to reap the benefit.

B. In order to clear the natural resource territories, and to exercise optimum exploitation management, government is charged with ceding to the tribal and animal husbandry license holders, or the ordinary exploiters and economic enterprises, the cultivable land in its possession, or the land situated in the tribal ecosystem (the summer and winter quarters) to be sued for agricultural purposes; or in case of pasture land, to implement pertinent projects including feed production (which shall receive priority) in such a way as to secure a level of livelihood above the poverty line. The remaining portion of the land will be allocated for investment on the basis of the applicable criteria.

Article 121

In order to economize and rationalize consumption of energy and to protect the environment, government is required to take the following measures:

A. To prepare and codify the standards and technical specifications pertaining to consumption of energy in equipment, processes, and the energy using systems in such a way that all the consumers, producers and importers of these equipment, processes and systems be required to comply with the said specifications and standards. The said standards will be drawn by a committee consisted of representatives of the Ministry of Energy, Ministry of Petroleum, the Iran Standards and Industrial Research Institute, the Department of the Environment, and the relevant ministries.

B. To prepare a by-law in order to govern the working hours of the professional guilds during the year, particularly during the seasons of peak energy consumption, by Ministry of Commerce in cooperation with Ministry of energy and Ministry of Interior.
C. To regulate the seasonal working schedule of factories and industries by the concerned ministries in such a way as to reduce the consumption of energy and electricity during the months of peak consumption, and to exercise incentive policies for the users during the non-peak hours.

**Note:** In cases of electricity black out that may cause damage, the consumers will be exempted from payment of ‘demand’ and other relevant charges.

D. A committee compose of representatives of the Ministry of Housing and Urban Development, Ministry of the Interior, Ministry of Petroleum, Ministry of Industries (now Ministry of Industries and Mines), Ministry of Energy, the Plan and Budget Organization (now the Management and Planning Organization), and the State Engineering Order, shall draw up regulations and criteria for observing the energy consumption standards in designing and construction of buildings in the government and non-government sectors, with the objective of avoiding energy waste, and to regulate and enforce incentive methods of using energy consumption standards in existing buildings.

**Note:** Units with the annual fuel consumption in excess of five thousand (5000) cubic meter equivalent of the fuel oil, or energy use in excess of five (5) megawatts, and not complying with the standards, criteria and the approved by-laws stipulated in this Article within a reasonable grace period, are obliged to pay a higher charge for the energy they consume.

The executive by-law of this Article shall be prepared by the Plan and Budget Organization (the Management and Planning Organization) and the relevant executive agencies, and shall be approved by the Council of Ministers.

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**Article 122**

B. Ministry of Petroleum is authorized to issue permit to the applicants in the cooperative or private sectors to build refinery and production units for other products related to the oil industry,
individually or collectively through joint ventures. The applicants must be able to demonstrate that they possess sufficient financial means to undertake the work and that the proposed projects are technically, economically and environmentally justifiable. The said ministry is required to take necessary actions within the framework of the contract agreement to supply them with their required material and to purchase their products at the international prices (whenever necessary), and also to issue export permit for the products in excess of domestic consumption.

C. Ministry of Energy is authorized to issue permit for building power plant and production of electricity to the applicants of the cooperative or private sectors individually or collectively through joint venture with a foreign party who possesses sufficient financial means and has a technically, economically and environmentally feasible project, and to determine the conditions including facilities in order to convert the earned income to foreign currency, and to issue purchase guarantee for the electricity produced by these entities.

D. In order to encourage other domestic entities to enter into production of electric power through power plants not under supervision and management of the Ministry of Energy, the ministry is required to determine and announce, on yearly basis, the conditions and the guaranteed prices of the electricity.

E. Ministry of Energy is authorized to divest part of the installations at the distribution voltage and properties of the regional power companies and the Khuzestan Water and Power Company to the electric power distribution companies. Equivalent to the value of the divested properties and shares of the electric power distribution companies shall belong to the regional power and the Khuzestan Water and Electricity Companies.

❖ Article 134

Issuance of any permit for exploitation of the surface or underground water and use of the city water supply networks in large productive, industrial, animal husbandry and service entities and other uses that
generate large quantity of sewage, and also continuation of the previously issued permits will be specified in provision of installation of hygienic collection and treatment of the sewage. Until such installations are not operationally in place, the violators will be fined on the basis of the type and intensity of the contamination emanating from their operation, and according to a by-law and the rate to be determined and approved by government. The proceeds will be settled with the Treasury, and equivalent of which will be granted to the Department of the Environment through a special credit line to be foreseen in the annual budget bill in order to finance programs related to qualitative conservation of water resources and hygienic treatment and disposal of sewage. The executive by-law of this Article shall be prepared by Ministry of Energy in cooperation with the Department of the Environment and other concerned agencies, and shall be presented to the Council of Ministers for approval.

**Article 21**

Government is charged with preparation of a national plan document for development of industry and mine sector, within six months from the enactment of this law. The said document should emphasize competitive-based development as the main attribute of industrial and mining development of the country, based on technological development and be oriented toward realization of the target of industrial and mining production growth rate of eleven and two-tenth percent (11.2%) as the average annual growth rate, and an average growth rate of industrial and mining investment of sixteen and nine-tenth percent (16.9) per year in such a way as to entertain a share of fourteen percent of GDP for the industry and mine sector in the year 2004 and sixteen and two-tenth percent (16.2%) per year in 2009, and an average growth rate of fourteen and eight-tenth percent (14.8) for the industrial export. The following focal measures must be taken:

A. Development of technological capability and creation of the conditions favorable for utilization of the technological overflow in the world, emphasizing fields of high development potentials in modern industry.
B. Strengthening competitive advantages and in resource-based industrial development (energy intensive industries, mining industries, petrochemical industries, processing and complementary agricultural industries and their backward linkage industries).

C. Reforming and empowering institutions supporting entrepreneurial development and small and medium industries.

D. Improving and expansion of information system, development and expansion of databases of the earth science (???) in order for the government to provide investors and entrepreneurs with access to the needed information.

E. Expansion of export-oriented production within the framework of the country’s commercial policies.

F. In order to mobilize resources required for industrial and mining development:

1. Government is bound to increase the capital of the Industry and Mine Bank proportionally to the ceiling approved by the bank’s charter during the year of the plan.

2. Use of modern sciences and technologies in all fields of mining such as exploration, extraction, processing of the minerals and mining industries. Government in bound to prepare the ground for foreign investors in these fields.

3. Empowering specialized holding companies toward development of non-government sector, using foreign general financing and the proceeds of sales of the stocks of the subsidiary companies, providing the stock market with the stock of the specialized holding companies up to the ceiling of forty nine percent (49%) excluding the cases indicated in Article forty four (44) of the Constitution of the Islamic Republic of Iran.

4. In order to create a higher value added and using the gas resources toward industrial and mining development, government is authorized to commit and provide for up to nine billion dollar ($9,000,000,000) for development of energy-intensive industries and export-oriented industries with relative advantages, taking into account the approved ceilings of Article (13) of the plan.
5. Providing for necessary infrastructure in large mines and mining regions by the government.

6. Reforming the articles of associations of the insurance funds for mining activities and the fund for promotion of R&D in electronic industry in order to empower and develop the institutions that cover investment risks in the private sector in the field of mining exploration and risk-prone investment in modern industries.

Article 22

A. Government is bound to lay the foundation, through necessary policy making, for car making industry based on fuel consumption at the global standards and supply of the products at a competitive price; to design and implement promotional policies and price mechanisms for supplying natural compressed gas and alternative fuels in such a way as to enable the industry to supply a minimum of thirty percent (30) of its manufactured or imported vehicles being equipped with dual-fuel apparatus.

B. Ministry of Petroleum is charged with gradually building CNG gas stations and putting them to operation in the country’s cities and towns through support and protection of investment by the private and cooperative sectors. Municipalities are bound to cooperate in this endeavor.

C. Price of CNG shall be equivalent to forty percent (40%) of the gasoline price (with thermal value equivalent) at most.

Article 23

In order to integrate economic activities, emphasizing relative and competitive advantages especially in the oil, gas, petrochemical industries and their support industries and services, energy-intensive industries and their backward linkage in the framework of the principles and criteria of the territorial/spatial planning (amenagement du territoire) during the years
of the fourth plan, thirty percent (30%) per year of the natural gas royalty (rent) shall exclusively be spent to execute the infrastructural and preparatory projects in the coastal areas and the Iranian islands of Persian Gulf and their direct zone of influence. The said amount shall be recorded in the plan for acquisition of the capital assets in the budget law. The said project shall be proposed by the Management and Planning Organization and to be approved by the Council of Ministers.

➢ Article 24

Authorization is given to the government to lay necessary foundation for economic growth, enhancement of technology and quality of products, increasing employment opportunity, promoting exports in the productive fields including manufacturing, mining, agriculture, infrastructure, and information technology and services, and for implementation of the “Law of Promotion and Protection of Foreign Investment enacted on 09/03/2001” for purpose of attracting foreign investment, the necessary ground must be prepared through the ways and means indicated in Item “B” of article (3) of the said law.

Government is bound to undertake payment of all the contractual obligations of the Iranian government companies that are party to the contracts intended for procurement of goods and services that government requires to purchase, and have been confirmed by the Economic Council. The payment shall be guaranteed and made out of the funds and resources of the said companies. This commitment shall not be made in connection with the public funds and resources.

Despite it commercial nature, this payment guarantee should not cover any commercial risk and loss that might be sustained by the investor due to his failure to meet his contractual obligations.

In order to achieve the projected growth of foreign investment during the years of the fourth plan:

1. Government is given authorization to make available to the Organization for Investment and Economic and Technical Assistance of Iran an amount equivalent to one thousandth of the total and real direct foreign investment per year under the Law of
Promotion and Protection of the Foreign Investment (enacted on 09/03/2001), aside from the annual budget foreseen in the annual budget laws.

2. In order to increase efficiency of the Organization for Promotion and Protection of the Foreign Investment and Technical Assistance of Iran toward achieving the projected foreign investment targets of the plan, and in consideration of the law of promotion and protection of the foreign investment, government is required to take measure to empower and reform the organizational structure and status of the said organization.

➢ Article 25

A. While preserving its own proprietorship, government is bound to divest to the real and legal entities a minimum of ten percent (10%) of its capacity to perform activities pertaining exploration and extraction of oil and gas, refining, distribution and transportation of the oil and gas material, taking into consideration the “Law of Oil enacted on 01/10/1987” And also to cede a minimum of ten percent (10%) of its capacity to perform of activities related to production and distribution of electricity to the real and legal entities, while preserving the government responsibility toward provision of electricity and guaranteeing continuation of the said services, in such a manner as to prevent monopoly in the non-government sector.

B. While preserving its responsibility in provision of electricity, government is bound to determine by the end of the first year of the fourth plan, the conditions for production and guaranteed purchase price of electricity in order to encourage other domestic entities to get into production of electricity as much as possible through the power plants out of managerial and supervision jurisdiction of the Ministry of Energy.
Article 26

In order to rationalize cost of electricity, gas, telephone, water and sewer and also the preferred rates toward promoting production (as compared with non-productive sectors), a committee composed of representatives of the ministries sponsoring productive and infrastructural affairs (as the case may be) and the Management and Planning Organization will prepare on annual basis the criteria for determination of the sales price (both subscription and inputs rate) commensurate with the said objective and proposed it to the Economic Council.

Costs of subscribing the above infrastructures for productive, industrial, mining and agricultural units, in addition to the cost of digging well, price of land and cost of the permit used in non-government productive units that apply for subscription of these services during the term of the fourth plan, shall be charged and collected through a five-year term payment schedule from the start of operation by the concerned agencies.

Note: For the purpose of promoting investment and employment throughout the country, particularly in less developed regions, government is authorized to provide for funding investment, proportional to the share of the applicants, in employment-generating projects, and part of the interest and financing charges of the said facilities in the framework of the annual budget bills, using the administered funds.

Article 27

In order to promote investment and employment throughout the country, especially in the less developed regions, government is authorized to provide facilities proportionate with the share of the investors in the employment generating projects, within the framework of the annual budget bills and through the administered funds, and to assume a portion of the interest and banking charges for the said facilities.
Article 28

To strengthen the economy of transportation, proper utilization of the territorial situation of the country, and to increase safety and ease of passenger and cargo transport, government is charged with realization of the following goals in the fourth plan within the framework of the “The state Transportation Development Plan” which shall be approved by the Council of Ministers, provided that the required credits for its realization in the framework of the resources allotted to the sector will not exceed the ceiling indicated in Table No, (4) of this law.

A.

1. Complete elimination of the known accident generating points in the country’s freeways, highways, and major roads.
2. A minimum of fifty percent (50%) completion of the freeway/expressway networks connecting the provincial centers.
3. One hundred percent (100%) completion of the north-south/east-west corridors and the Asian expressway within the country.
4. A minimum of fifty percent (50%) completion of the highways connecting township centers.
5. A minimum of fifty percent (50%) completion of the roads connecting district centers.
6. A minimum of seventy percent (70%) completion of the rural networks connecting rural areas of over one hundred households.
7. Renovation of the road transportation fleet (passenger and cargo) by using the administered funds in a manner that the average age of the said fleet would reach to ten years at most by the end of the plan.
8. Complete coverage of the country’s freeways with I.T.S. system.
9. To prepare the necessary ground for setting up rest/convenience facilities along the country’s roads through granting gratuitous financial assistance and ceding the lands in possession of the Natural Resources Organization free of charge by the Ministry of Agriculture Jihad.
B.

1. Completion of the north-south and east-west cargo and passenger railroad network.
2. Completion of the Asian railroad network inside the country.
3. Creation of the opportunity for the non-government sectors sector to enter the country’s railroad industry.
4. Complete equipping the country’s railroad network with a system of signals and communications.
5. Renovation of the country’s railroad fleet, using the administered funds, in such a way that the average age of the railroad passenger fleet would reach fifteen years at highest by the end of the plan.
6. Connecting the capital with the major metropolitan areas, the coastal areas in the north and south, and major tourist centers by high speed trains and through participation of the non-government sectors.

C.

1. Classification of the country’s airports on the basis of estimated demand for cargo and passenger air transportation at the end of the plan and complete equipment of the airports commensurate with the demands.
2. One hundred percent (100%) completion of air navigation equipment and complete radar coverage of the country’s space at the level of the international standards.
3. Renovation of the air transportation fleet, using the administered funds in such a way that the average age of the air fleet reaches a maximum of fifteen years at the end of the plan.
4. Duties concerning security of all the country’s airports rest with the police forces. The pertaining duties shall be defined in a by-law that will be proposed by the ministry of Interior and Ministry of Road and Transportation, and will be approved by the Council of Ministers.
5. Taking or granted sovereignty and monopoly of the government over aviation and air transportation, including landing and take-off navigation, foreseeing proper initiatives to be taken in order to prevent monopoly in the non-government sectors, and guaranteeing continuation of the service provision, government is authorized to divest to the non-government sectors up to fifty percent (50%) of the shares of the Airlines of the Islamic Republic of Iran as well as the shares of Irantour Company in such a way that a minimum of fifty one percent (51%) of the shares of Iran Air Company remains in the government possession.

D.

1. Equipping and renovating the country’s commercial ports and restructuring their management and operations in such a manner as to increase loading/unloading capacity of the commercial ports to a minimum of one hundred and ten million tons by the end of the fourth plan period.

2. Renovation of the marine transportation fleet by using the administered funds.

E.

1. Compiling and applying transportation standards at the level of the global standards.

2. Creating necessary facilities and coordinating relevant authorities in expansion of cargo and passenger transportation.


4. Maintenance of the infrastructures already built for transportation by the international norms and standards.
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Article 29

Articles (127), (128), (129), (131) and (132) of the “Law of the Third Economic, Social, and Cultural Development Plan of the Islamic Republic of Iran enacted on 05/04/as amended” are validated and extended to the fourth plan:

Article 127

Ministry of Road and Transportation is authorized:

A. To sell or lease to the qualified contractors and cooperative road maintenance companies part of the machinery, equipment and buildings that are considered to be in excess of the needs, aiming at realization of the privatization policies, and on the basis of a by-law to be prepared by the Ministries of Economic Affairs and Finance, Road and Transportation, and the Plan and Budget Organization (now, Management and Planning Organization), and to be approved by the Council of Ministers.

B. To take measures in order to reduce, and make adjustment in, the manpower of this sector on the basis of a by-law to be recommended by the said ministry and the Administrative and Employment Organization (now part of the Management and Planning Organization) and to be approved by the Council of Ministers. The required financial resources to reform the manpower structure in order to attain the intended objective will be provided through Item “B” of this Article and within the framework of the annual budget law.

Article 128

On the conditions that the government proprietorship of the railroad is preserved, the country’s comprehensive and coordinated rail transportation policy exercised, monopoly in the non-government sector prevented, and continuation of the service provision secured, the Ministry of Road and Transportation is authorized to cede to the domestic real and legal entities of the non-government sector part of its undertakings pertaining to transportation of cargo and passengers, repair, maintenance and renovation
of the network and the rail transportation fleet; and in the case of necessity, supporting privatization through joint venture between the non-government sector and the Railways of the Islamic republic of Iran, and providing them with necessary facilities. Criteria and regulations of this Article shall be approved by the Council of Ministers.

Article 129

Due to the fact that aviation and air transportation (including air navigation, landing and take-off) is the exclusive responsibility of the government and must remain so under full control of the State Aviation Organization, and in anticipation that no monopoly will be created in the non-government sector, and that continuation of provision of the service will be guaranteed, government is authorized:

A. To take measure to cede to the cooperative and private sectors the government share in the airline companies of the Islamic Republic of Iran: Iran Air (up to a maximum of 49%), Asseman Air Lines, Payam Air Lines, Naft Air Transportation, the Helicopter Services (Sakheh), Shipping Lines of the Islamic Republic of Iran and its controlled companies, and the National Iranian Oil Tanker Company.

B. To revise articles of association of the country's air lines companies (Asseman, Payam, Naft Air Transportation, and the Helicopter Services) through joint proposal of the High Council of the State Aviation, and the relevant executive agencies. Any change of articles of association of the Air Lines of the Islamic Republic of Iran must be approved by the Islamic Consultative Assembly.

Article 131

In order to provide assistance for procurement of the intra-city road transportation fleet and building cargo and passenger terminals and roadside convenience facilities by the non-government sector, with priority given to the cooperatives and the war-veterans, the State Road and Transportation and Terminal Organization is authorized to provide banking credit facilities, using domestic resources, in the framework of the administered funds with the bank and pay the differentials of the interest
rate through its own internal resource. The amount of the said administered funds including the funds pertaining to the payment of the interest rate differentials will be determined in the annual budget of the said organization.

**Article 132**

In order to secure the financing required for developing, maintenance, and operation of the road transportation affairs, the State Road Transportation and Terminal Organization is authorized:

A. To collect tolls from movement of goods and passengers through the country’s roads on the basis of ton/kilometer and man/kilometer. The toll fare will be proposed annually by the General Assembly of the State Road and Transportation and Terminals Organization and will be approved by the Council of Ministers.

B. To collect a maximum toll of fifty (50) Rials per ton/kilometer of goods transited through the country by the international transportation companies undertaking transit transport, upon confirmation of the Minister of Road and Transportation, and through the frontier posts.

C. To collect one hundred percent (100 %) reparation for the damages inflicted to the technical buildings and the infrastructure installations, except the loss incurred as the result of unexpected natural events and calamities that the government, depending on its ability to pay, is responsible for their compensation.

D. Upon the said collection, all the proceeds specified in this Article will be transferred to the State Road and Transportation and Terminal Organization’s account with the Treasury General to be spent according to the agency’s annual budget.
Article 30

In order to give identity to the urban and rural landscape, to increase building and construction resistance, to attain sustainable development, and to improve the living environment in urban and rural areas, government is charged with taking the following measures in urban and rural development and housing sector:

A. To give identity to the landscape and spatial physiognomy of cities, to preserve and promote architectural and urban planning culture, and to set in order provision of urban services through:

1. Preparation and compilation of a comprehensive urban planning and architectural law for the country by the end of the first year of the fourth plan.

2. Conforming urban and rural spaces to the needs of physically and movement disabled war veterans, and enforcing these criteria in public and government places and buildings by the end of the fourth plan.

3. To improve urban traffic along with increasing the share of public transportation up to seventy five percent (75%) of all inter-city trips.

4. Enhancing indicators of population under the service coverage of urban water and sewer network up to the ceiling of one hundred percent (100%) and forty percent (40%) respectively.

5. Revitalization of the dilapidated and undesirable textures of urban areas and prevention of expansion of boundaries of cities on the basis of comprehensive urban plans, and re-arranging the marginal textures (shanty towns) of the country’s urban areas with the aim of rehabilitating residents of these areas.

B. Creating safety and resistibility of buildings in order to reduce human and economic losses emanating from unexpected events including:

1. All the builders and investors in building construction in all cities and rural areas as well as in new towns and areas beyond the limits of cities and rural areas are required to observe the Iranian
building code in connection with design of building vis-à-vis earthquake.

Ministry of Housing and Urban Development is bound to enforce supervision during all the stages from designing thru construction.

2. To standardize building material and effective methods of building resistibility by the end of the fourth plan, and supporting the manufacturers of the said material.

3. Issuance of the certificate of performance for public building and housing complexes will depend on presentation of the building quality insurance.

4. Iran Broadcasting (Sedaa va Simaa-ye Jumhoori-ye Islami-ye Iran) and Ministries of ‘Islamic guidance’, ‘Science, Research and Technology’, ‘Housing and Urban Development’ and Education are bound to educate people about the risks involved in living in unresisting buildings against earthquake and the necessity to observe the technical principles in building construction, and the manner of encountering risks of earthquake.

5. Ministry of Economic Affair and Finance is bound to expand the building insurance system in such a way as to cover earthquake and other unexpected events, explore and determine ways and means of universalizing accident insurance and take legal initiatives to implement the revised system, taking advantage of experience of the international community.

6. Government is bound to initiate renovation and renewal of the dilapidated textures of the cities and rural areas and enhancement of building resistance against earthquake through utilization of the domestic and foreign resources indicated in Item “B” of Article (12) of this law and take necessary measures to conclude execution of these provisions throughout the country and within a maximum period of ten years.

7. Ministries of Oil, Energy, Communications and Information Technology, and their dependent companies are bound to introduce immunity into their service systems related to water,
electricity, telecommunications and fuel supply in such a quality as to resist earthquake and other events, using the latest technology.

8. In the event of failure of the consulting engineer or the structural engineer or the builder including the contractor, the work owner and the supervising engineer to observe the pertaining codes, they are bound to indemnify the losses sustained by the residents or the proprietor (in case they themselves are not guilty of negligence). If the negligence is repeatedly occurred, then the license of the culpable shall be revoked.

C. In consideration of the interaction of the housing sector and the national economy and the balancing role it plays in enhancing quality of living and reducing imparities, Ministry of Housing and Urban Development is required to prepare the comprehensive housing plan and have it approved by the Council of Ministers by the end of the first year of the fourth plan at the latest. This plan shall include the following focal issues and have the orientation toward sustainable development, social justice and empowering lower income groups:

1. Empowering housing cooperatives and non-government charity organizations active in the housing sector.

2. Integrated and solid management of land used for housing, and urban and rural development within the framework of the development plans.

3. Establishing second mortgage market based on the lawful criteria approved by the Islamic Consultative Assembly.

4. Increasing share of mass construction by threefold of the same in the third development plan

5. Expansion of the housing capital market and taking necessary measures for securing capital for the sector.

D. In implementation of the Article thirty one (31) of the Constitution of the Islamic Republic of Iran, government is charged with taking the following actions:
1. Supporting creation and utilization of participation of organizations, societies and charitable groups active in providing housing for the vulnerable groups.

2. Promotion and inducement of foreign investment in the housing sector.

3. Providing the builders with subsidy on banking charges in connection with housing loans (private, cooperative and public sectors) for low cost and rental housing units within the framework of the approved criteria and standards in small and medium-size cities and all the rural areas of the country for low income groups, employees and women head of households.

4. Enhancing indicators of rural housing rehabilitation up to twofold of the same indicators in the third plan.

5. Graduated payment of the bank loans in the housing sector.

6. Financial and technical assistance for rehabilitation and renewal of rural housing, as well as promoting establishment of production workshops, supplying building material and supporting technical service providers.

E. In order to implement the law of rent control, granting substitute for the ownership estate, and execution of other development plans, Ministry of Housing and Urban Development is authorized to purchase the needed suitable properties situated in the dilapidated and grey areas of urban textures at the appraised market price.

F. In order to partially finance implementation of the “Law of Promotion, supply and Building of Rental Housing Units enacted on 14/06/1998”, authorization is given to the Ministry of Housing and Urban Development to sell the urban lands at it possession at the market price and through bidding at a price, which in any case should not be less than the appraised market price.
Article 31

In order to increase efficiency and effectiveness of the investment projects and sub projects that are end-result oriented and to get into a system of quality control in line with the economic, social and ecological/ climatic conditions of the country, government is required to compile the country’s technical and executive system and have it implemented by all agencies specified in Article (16) of this law as follow:

A. Cost-control system to be incorporated with at least forty percent (40%) of the projects in order to control the quality and timing of all phases of the project- from design to execution and operation, taking advantage of modern methods, such as turn key design, building and management based on a very specific operational plan.

B. With the goal of increasing building safety and strengthening resistibility of the structure of the building in mind, measure should be taken in order to promote rehabilitation culture and compilation of necessary criteria, regulations and circulars based on a carrot-and -stake approach, as well as use of modern material and construction methods.

C. Prepare and make available a set of necessary mechanisms in order to establish quality management system and value engineering in the capital assets acquisition projects, beginning the first year of the fourth plan.

D. To set up evaluation and impact study mechanisms for the proposed projects upon availability of the financing, and based on technical, economic and environmental feasibility in order to avoid execution of unfeasible projects, from the inception of the fourth plan.

E. Elimination of the demand for submission of the clearing certificate by contractors and consultants.

F. Compilation of the “National Accounting Standards for the Capital Assets Acquisition Projects” in order to precisely determine performance of the private sector investment accounts as well as to
determine the cost price of the projects on the basis of productivity indicators in each sector and exercising value management in them.

G. Executive by-law of this item shall be proposed by the Management and Planning Organization and approved by the Council of Ministers.

➢ Article 32

Appropriations for the new capital assets acquisition projects are confirmed only once on the basis of the technical, economic and environmental feasibility reports and at the fixed price of the year in which the concerned project is foreseen in the annual budget for the first time, as broken down by the years of the fourth plan and thereafter, are to be approved by the Islamic Consultative Assembly.

The Management and Planning Organization is charged with computing the appropriations needed for the remaining years of the fourth plan by applying the changes in its own communicated rate and foresee it according to the plan/agency into the country’s annual budget bills.

The agreements exchanged on the work description of the profit-making and non-profit making capital assets acquisition projects including the project’s objectives, description of the executive activities, approved appropriations, physical progress and the technical specifications are performed only once during the plan period. This agreement will be valid as the reference document for the period of the plan.

Agreements exchanged to conform the extent of the annual appropriations for the projects with the annual budget law are considered to be revision and should not cause any increase in the targets and number of the sub projects of the project. Exceptional cases leading to an increase in the volume of the work or number of the sub projects shall be treated as new project.

Exchange of agreement for the capital assets acquisition projects that are solely military and in the defense sector is specified in a specific work order that will be proposed jointly by the General Staff of the Armed Forces, Ministry of Defense and Logistics of the Armed Forces and the
Management and Planning Organization, and confirmed by the commander-in-chief of the Armed Forces.

Executive by-law of this article including the manner of communication and allocation of credit for the national projects and the manner of applying provisions of this item for the provincial capital assets acquisition projects will be proposed by the Management and Planning Organization and approved by the Council of Ministers.
CHAPTER TWO

Proactive Interaction with the Global Economy

Article 33

To renovate and streamline trade, to increase the country’s stake in the international trade, to export non-oil goods and services, to promote competitiveness of the country’s exportable goods in the international market, and to proliferate application of technology in the economy, commerce and trade within the framework of the country’s national commerce document, government is bound to:

A. Take measure to mobilize and equip the country’s entry and exit ports and terminals, develop secured, free and rapid transit and passage of all goods and services at competitive fares

B. Take measures to target and regulate subsidies and export licenses within the framework of direct and indirect protections.

C. Take measure to increase capital of the Export Guarantee Fund as well as providing for the differentials of the credit rates and expansion of insurance coverage in the target countries for export of goods and services particularly technical and engineering services.

D. Levying any tax or tariff for the export of non-oil goods and services are prohibited during the plan. Government is authorized,
in order to preserve resources and their optimum use, levy and
collect special tariffs on export of unprocessed raw material. The
High Council of Export is charged with the responsibility of
determining these cases. Amount of the tariff will be proposed jointly
by the Ministry of Commerce, Ministry of Economic Affairs and
Finance, Ministry of Industry and Mine, and Ministry of Agriculture
Jihad, and approved by the Council of Ministers.

**Note:** Export of goods and services is exempted from any permit except
the compulsory standards and the customary certifications in the
international trade (as requested by the buyers).

E. Create trade balance with the counterpart countries and economic
blocks, in such a way as to increase the share of the non-oil export
as a percentage of the total export of the country from twenty three
and one-tenth percent (23.1%) in 2003 to thirty three and six-tenth
percent (33.6%) in the year 2009.

F. To set in order the border markets and border exchange and
commodity swap through reforming the executive system, devising
criteria for their formation and the administrative procedures.

G. Take measure to eliminate all non-tariff and non-technical barriers
in due observation of the shari’a principles, and levying tariff-
equivalent rate with a specific scheduling and in the framework of
the advance notice by the end of the first year of the plan at the
latest.

H. Take effective and protective actions, compensatory and anti-
dumping initiatives in the cases of goods imported into the country
under unusual conditions and significant advantage.

I. By equipping pertinent agencies and entities and observation of the
standards and the framework of the electronic commerce (e-
commerce) and trade system, take the following actions through the
said entities:

1. Updating databases and information retrieval centers and
   providing for services of the relevant entities in a computerized
   and networking environment.
2. Performing tenders and bids, competition and contests for buying and selling goods, services and performing financial-credit activities in a computerized and information networking environment.

3. Creation of virtual markets.

4. Performing procurement and business activities in the framework of e-commerce from the second year of the plan.

**Note:** The Judiciary branch is bound to devote a branch or branches of the courts of law to review electronic offenses as well as offenses concerning e-commerce and mobile business.

**J.** Take action through Ministry of Commerce to set up and put into operation offices, branches and/or representative offices of the Trade Development Organization in the target countries upon obtaining approval of the Council of Ministers.

**Note:** All the trading houses and distribution networks are charged with observation of the standards communicated to them by the Ministry of Commerce toward renovation of the country’s distribution network and membership in the World Trade Organization (WTO).

**K.** Establishing coordination between monetary and financial policies and strategic trade policies.

**L.** In order to actively pursue interaction with the global economy and bring prosperity to the foreign trade, government is bound to review and amend the “Law of Export Import Regulations”, the “Law of the Custom Affairs” and the “Law of the Free Trade and Industrial Zone”; and prepare anti-dumping regulations and have them approved by the relevant authorities.

**Article 34**

In order to facilitate trade and transportation, establishing marine industries, develop tourism, assisting sustainable exploitation of the fisheries resources and optimum utilization of these regions for development of productive activities and services, government – while
preserving its own policy making, planning and monitoring functions- is charged with disposing the competitive-based functional affairs to non-government sectors in the coastal areas and seas, undertake a comparative study of laws, regulations, by-laws, charters and articles of associations and description of duties of the executive agencies related to the marine activities, prepare the bills needed for development of the marine activities through amending the pertaining laws and eliminating parallel, similar and contradictory duties, integrating the homogenous functions of any of the agencies, complete separation of functions of the agencies for proper exercise of sovereignty and on the basis of the following axes and present them to the Islamic consultative Assembly.

A. Unification of definitions and legal terms (with a view of the international definitions and terminology) of the international conventions in which Iran is a member.

B. Provision of security and order, determining legal regulations and judicial procedures.

C. Performing all the trading affairs through the official ports and commercial piers and customhouses.

D. Immunity at the sea, marine insurance, relief and rescue at the sea

E. Environmental protection, boundary demarcation, coastal strips, internal and international waters

F. Sustainable exploitation of the coastal and marine areas, protection of the marine fleet of the Islamic Republic of Iran on the basis of the international rules, protection of investments in economic activities such as marine transportation (shipping), non-renewable marine resources (oil, gas, mines, etc.), renewable marine resources (fisheries. etc.). Marine tourism, marine logistic and industrial services.

G. Scientific, engineering, management, legal, and specialized marine skills and navigation

H. Marine research, registration of the oceanographic monitoring, information technology and marine communications
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I. Protecting the national navigation fleet on the basis of the international rules

J. Providing for the capabilities and infrastructures required for development of the fisheries activities including: development, equipment, maintenance and renovation of the fishing ports

K. Setting in order and equipping small fishing dejection centers and enhancing productivity of the fishing ports aimed at quality improvement, increased fishery's value added and expanded participation of the non-government sectors

Article 35

Government is bound to take the following measures in order to exercise singular management and create proper economic growth in the free zones:

A. Management of the free zone organizations on behalf of the government is considered to be the highest executive authority, and all the executive agencies established in the free zones, except the defense and security agencies, are bound to observe Article (27) of the Law of the Manner of Administration of the Commercial/Industrial Free Zones enacted on 28/08/1993, and take measure to reform and eliminate their contradictory regulations with those of the free zones.

B. Ministries, government organizations and institutions and the subset corporations shall provide the free zones, within their jurisdiction and through coordination with the organizations of the free zones, services such as electricity, water, telecommunications, fuel and other services at the approved current fares in the same geographical region of the country.

C. Goods manufactured or processed in the free zones are permitted to enter other parts of the country up to their total value added and the value of their domestic material and domestically manufactured parts. These goods are considered to be domestic products and are therefore exempted from import duties.
Note: Foreign primary material and the secondary goods used in manufacturing are considered to be primary material and domestic goods on the condition that their import duties are paid.

D. In cases where the ports and harbors are built by the private or cooperative sectors or by the free zones, duties, tariffs, port charges from ships and vessels for the port services according to the prevailing law are collected by the free zones.

E. The offshore limit whose extent is proposed by the Council of Ministers and approved by the Islamic Consultative Assembly, on the basis of the security and defense considerations, shall entertain the privileges of the Law of the Manner of Administration of the Commercial/Industrial Free Zones of the Islamic Republic of Iran enacted on 28/08/1993 as amended”.

F. Goods exchanged between the free zones and abroad and also with other free zones are free of all the import duties and charges (except the charges specified in Article (10) of the “Law of the Manner of Administration of the Commercial/Industrial Free Zones of the Islamic Republic of Iran enacted on 28/-8/1993), and any tax.

G. In order to develop scientific relationships with the credible international education and research centers, Ministries of ‘Science, Research and Technology’ and ‘Health, Medicare and Medical Education’ shall take measures to issue permit, in the context of the legal criteria and regulations and sanctions of the High Council of the Cultural Revolution, to establish private universities in the commercial/industrial free zones.

Article 36

Articles (114), (117) and Note (2) of Article (86) of the “Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran enacted on 05/04/2000, as amended” are validated and extended to the fourth plan period (2005-2009).
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Article 114
Regulating domestic market shall not prevent export. Export of all goods and services is permissible except the following items:

A. Antiques and objects of cultural heritage.
B. Animal, plants and vegetable items that are considered to be of genetic reserve or environmental protection significance.
C. Export of goods subsidized by government will be authorized upon approval of the Economic Council, based on the proposal made by the pertinent agency.

Note: In order to regulate the domestic market and off set the emerging scarcity, Ministry of Commerce is authorized upon its findings to satisfy the domestic needs by importing the needed commodities without any foreign currency transfer.

Article 117
In order to formulate the country’s export strategies, to determine assistance and facilities to be provided to the export sector, to eliminate the barriers, and to implement the approved policies of the Third Plan, the High Council of the Non-Oil Export Development will be established under chairmanship of the President or the Vice President, with the membership consisted of the Ministers of Commerce, Industries, Mines and Metals (now Ministry of Industry and Mine) Cooperative, Foreign Affairs, Petroleum, Economic Affairs and Finance, Agriculture, Construction Jihad (these last two ministries have been merged and called Ministry of Agriculture Jihad), governor of the Central Bank of the Islamic Republic of Iran, Managing director of the Export Development Bank, and the heads of the Iran Export Development Center, the Customs of the Islamic Republic of Iran, presidents of the Chamber of Commerce, Industries and Mines, and Chamber of Cooperative. Secretariat of the said council shall be housed in the Ministry of Commerce. Decisions of the council shall be binding upon ratification by the Council of Ministers and within the framework of the pertinent laws in connection with provision of the export facilities for all ministries, entities and the government-owned enterprises, no-government public entities and institutions, and also the private real and legal entities. Three members of the Islamic Consultative
Assembly representing the Commissions of ‘Commerce and Distribution Affairs’, the ‘Plan and Budget Affairs’, Economic Affairs and Finance, and Cooperative’ shall participate in the meetings of the High Council of Non-Oil Export Development as observers. The secretariat of the said council is charged with submitting quarterly progress reports of the council’s performance to the said commissions.

The provincial Export Development Committee will be chaired by the provincial governor-general and will consist of the director-general of the Commerce, the Customs, the Plan and Budget Organization, and other relevant directors, as the case may call for, and the managing director of the province’s Export Bank. Duties of the secretariat of the province’s Export Development Committee will be entrusted to the provincial Director-General of the Commerce.

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 Note (2) of Article (86) (of the Third Plan)

 Note 2: Ministry of Commerce is the responsible authority for regulating the balance of payment of the country. All ministers are required to cooperate with the Ministry of Commerce in preparation of operational plan and breakdown of the quantitative and qualitative targets, regulating and prioritizing the country’s balance of payment.
CHAPTER THREE

Economic Competitiveness

Article 37

In order to create a favorable atmosphere and suitable grounds for promoting competitiveness and productivity of the labor force by an average increase rate of three and half percent (3.5%) per annum and an average growth rate of ten point seven percent (10.7%) per year for export of the non-oil goods, and enhancing export share of high tech products in the total of non-oil export from two percent (2%) to six percent (6%), government is charged with taking the following actions:

A. Prepare legal, legislative, economic, commercial and technical systems in such a way as to strengthen economic competitiveness.

B. Support and protect production of goods and services in the modern and forerunning technological areas of the country, through allocation of a part of the government’s demand to purchase these products.

C. Lay the foundation for participation of the professional/specialized/non-government organizations (NGOs) in different sectors in the relevant planning and policy making processes.
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D. Develop and/or create advance commercial, technical, financial, banking and insurance services.

**Note 1:** Developmental organizations authorized to make joint investment with the non-government sector on the basis of their charters, are prevented from competition with the non-government sector and shall put in order their activities solely toward strengthening investment by the non-government sectors and getting out of the said investment within the shortest possible time.

**Note 2:** Insurance certificates issued by the insurance undertakers shall be valid as securities for the banking financing.

➤ **Article 38**

A. Government is charged with submitting to the Islamic Consultative Assembly a bill designed to facilitate competitive conditions and anti-monopoly in the economic fields in which there exist natural or legal monopoly, as well as in the areas where new monopoly, emanating from economic development network and information technology and communications is created, by the end of the first year of the fourth plan, while observing the rights of the citizenry.

B. The “Law of the Manner of Distribution of Sugar and Cane Sugar Products of the Country’s (sugar) Plants, enacted on 18/04/1974 and its subsequent amendments” shall be suspended during the fourth economic, social and cultural development plan of the Islamic Republic of Iran.

➤ **Article 39**

Government is bound to take the following actions during the fourth plan period toward restructuring and renovating the economic sector:

A. Restructuring and reorganizing economic enterprises and promoting their competitiveness through the following actions:
1. Creating proper links between small, medium and large enterprises (by providing targeted assistance), developing networks, clusters and taking necessary initiatives to strengthen technical, engineering, specialization capabilities, R & D, and marketing in the small and medium enterprises and development of information dissemination centers and introduction of e-commerce.

2. Solving problems and eliminating barriers of growth and development of small and medium enterprises and assist them to come to age, converting them into large and competitive enterprises, and restructuring their current polar system.

B. Bringing the quality evaluation systems in line with the international standards; developing and enhancing level of the national standards, active participation in compiling international standards, continuous increase in conforming products with the national and international standards, prohibiting purchase of goods that are not in line with the national mandatory standards by the agencies specified in Article (16) of this law, non-government public agencies and executors of the capital assets acquisition projects.

C. Pricing shall be confined to the public and monopolistic goods and services. The list and criteria for pricing of these types of goods and services shall be determined on the basis of the economic rules by a working group composed of the Ministry of Commerce, the State Administration and Panning Organization and the concerned ministries, and approval by the Council of Ministers within six months from enactment of this law. Should the government for any reason impose a price for the sales of the said goods and service lower than the determined price, the differentials between the determined price and the imposed price shall simultaneously be determined and paid out of the government credit lines and resources in the year of performance and/or be cleared (bartered) with the obligations of the concerned agency toward the government.
Article 40

Government is bound to take the following actions during the fourth plan toward enhancing the technological level and attracting high technology in every economic sector:

A. To merge companies and enterprises and to form large corporations at the global scale, the following actions are permissible:

Merging the trading companies subject of chapter third of the “Commercial Law” as long as it would not create concentration and emergence of monopolistic power, in a unilateral form (getting one of the companies in place – the accepting company, merger, creation of a new legal entity – the new company) by approval of four-fifth of the stock holders in the extraordinary general assembly of the joint stock corporations or four-fifth of the stock holders in trading companies specified in merger.

All the rights and obligations, assets, liabilities and receivables of the company or companies specified in the merger shall be transferred to the admitting company, or the new company, and the admitting or the new company, upon the merger, shall be managed according to the regulations set forth in the “trade Law”, depending upon its specifications.

Employee of the companies specified in merger will be transferred to the admitting company or the new company, as the case may call for. In the event that some employees prefer no to be transferred, the admitting or the new company is bound to redeem their services (early retirement) according to the regulations of the “Labor Law enacted on 19/11/1990”. Should the merger admitting company or the new company in certain cases face over-employment, it should act according to the provisions of the “Law of Rearranging Some of the Regulations Facilitating Renovation of the Country’s Industries, Amending the Article (113) of the Law of the Third
Economic, social, and Cultural Development Plan of the Islamic Republic of Iran, enacted on 16/08/2003”.

The capital of the company born out of the merger specified in this item up to the ceiling of the total capitals of the merged companies is exempted from the tax specified in Article (48) of the “Law of Direct Taxes enacted on 21/02/1988 and its Amendments”.

Government is bound to formulate conditions preventing centralization, coercive use of power, monopoly, useful and permissible range of the mergers, and foresee the same in compiling the bill of law for “Facilitating Competitiveness and Preventing Monopoly”.

**B.** The following actions are to be taken toward increased competitiveness of enterprises active in the modern industries:

1. To establish special industrial zones based on the high technology in suitable locations in vicinity of the scientific/industrial poles of the country.

2. To set up technology towns (parks) in appropriate locations.

3. To Provide assistance to investment by non-government enterprises through joint investments, creation and development of specialized institutions, financing modern technology and industries such as investment credit institution.

4. To create necessary research institutions with the mandate of developing new and advance technology through partnership of the economic enterprises and corporations with the research centers (higher education) of the country.

**Article 41**

Government is charged with taking the following measures toward improvement of the business environment of the country, preparing the ground for economic development and interaction with the surrounding world:
A. Control severe fluctuations of the foreign currency rate in the framework of the continued policy of unification of the said rate, in form of administered floating rate and application of the demand and supply mechanisms, taking into consideration preservation of the competitive capability of the exporting enterprises and the policy of export boom (take off) in observation of provisions of Item (4) of the requisites of Table (2) of this law.

B. Devising tariffs for import of production input goods (machinery and primary material) based on rational protectionism and in line with comparative advantages of the their domestic productions and towards facilitating export-oriented productive activities.

C. Planning and implementation of infrastructural development aimed at reduction of the production costs, creation of competitive advantages in line with the country’s needs for economic development.

D. Reexamination of the law and regulations concerning the labor force, using a trilateral mechanism (government – labor – employer) in such a manner as to:

1. Detach the mandates concerning social and employment security from the “Labor Law enacted on 19/11/1990” and include the same in the “Comprehensive Law of Social Security and Unemployment Insurance).

2. Ensure necessary flexibility for settlement of disputes.

3. Foresee special regulations in the law appropriate with the special conditions and exigencies of different economic sectors.

E. Prepare the “Comprehensive Bill of Facilitating Competition, control and Prevention of Monopoly formation” during the first year of the fourth plan and submit it to the Islamic Consultative Assembly.

F. Act toward expansion and deepening of the capital market and diversification of the instruments used in it.
Article 42

Articles (34) and (88) of the “Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran enacted on 05/04/2000 and its Amendments” are validated and extended to the fourth plan (2005-2009).

Article 34

Monopolistic provision of insurance services by Iran Insurance Company to the country’s executive agencies specified in Article (30) of the Iranian Central Insurance and Insurance Provision Law of 1971 shall be suspended. Executive agencies are henceforth authorized to enter into insurance contract with the domestic insurance companies of their own choice.

Executive criteria for implementation of this Article shall be proposed by the Ministry of Economic Affairs and Finance and shall be approved by the Council of Ministers.

Article 88

In order to maximize utilization of the country’s technical and engineering, productive, industrial and executive capabilities and potentials the executive agencies content of this law are required to extend invitation to the Iranian manufacturers and contractors to participate in all the tenders in the framework of the Plan and Budget Organization’s (the Management and Planning Organization) pre-qualification criteria, and in light of the “Law of Maximum Use of the Country’s Technical and Engineering Potentials”, and provide domestic and foreign contractors, consultants and manufacturers with equal foreign and domestic currency conditions.
CHAPTER FOUR

Knowledge Based Development

Article 43

In view of the significance of knowledge, technology and skills as the most essential factors in creation of value added in modern economy, government is charged with taking the following measures in this respect:

A. Revising and reformulating research, technological and educational policies and strategies in order to enhance accountability of the scientific, research and educational centers of the country to the social, cultural and industrial demands and working in an increasingly competitive milieu of the global arena during the first year of the fourth plan.

B. Preparation of comprehensive plans for scientific and technological development of the country (especially the high scientific level technology and the globally prevailing technology) in different sectors, during the first year of the fourth plan.

C. To foresee necessary initiatives aimed at maximum utilization of the national and regional potentials in the fields of information
technology, biotechnology and nanotechnology, environmental aerospace and nuclear technologies.

D. Reexamination of the structure and renovation of the processes of research and human science education, social and cultural studies, aiming at qualitative development and professionalizing research in the said fields and creating theorization capability in the social fields at the global level, as well as meeting the needs of decision making in the country’s executive agencies, during the first year of the fourth plan.

➢ Article 44

In order to set up an information society and guarantee a secured, and inexpensive accessibility of the citizens to the needed information, government is charged with taking the following measures:

A. Promote investment in production and supply of various types of text and information in Farsi and in a computerized environment, with emphasis on the potentials of the private and cooperative sectors.

B. Take necessary initiatives in order to attain a proper stake in the international information and communications market by taking advantage of the country’s regional communication opportunity through development of national internet/information centers and development of communication infrastructure, placing emphasis on resources and potentials of the private and cooperative sectors and attraction of international participation.

C. Prepare and approve a strategic plan document for establishing security in the production environment and exchange of the county’s information in computerized environment by the end of the first year of the fourth plan.
Article 45

In order to expand the market for knowledge-based and scientific-based products, commercialization of research and innovative achievements and promoting the role of the private and cooperative sectors in this area, government is bound to take the following measures:

A. Designing and setting up a complete system of intellectual property right, both national and international, and predicting the required executive fabrics.

B. Provide for, and payment of part of the expenses related to the patent registration at the international level and acquisition by the manufacturers of domestically registered patents.

C. Take initiatives necessary to insure research and technical contracts, productive and service activities performed on the basis of the achievements and outcomes of the domestic research.

D. Support all the commission researches (applied for) through foreseeing the credit line in the annual budget, on the condition that at least forty percent (40%) of the expenses are met by the work-owner.

E. Develop organizations and infrastructures necessary for the growth of knowledge-based activities in the government and private sectors, particularly creation and expansion of parks and centers for promotion of science and technology.

F. Take measures to reform the laws and regulations and creation of the necessary facilities to assign the work and make contract with the private and cooperative sectors for research and technical activities of the government, and back up entry of the private and cooperative sectors in the international markets in the area of knowledge and technology.

G. Take necessary initiatives and tactics for direct financial assistance to the centers, small and medium companies in the private and cooperative sectors for performing developmental research leading to innovation, invention and enhancement of products and methods.
H. Assisting establishment and development of non-government funds for research and technology.

I. Predicting necessary initiatives and mechanisms for evaluation and exchange of invisible knowledge-based products.

Article 46

Government is charged with taking the following actions in order to set up a comprehensive research and technological system:

A. To design and to implement the national innovation system on the basis of a comprehensive plan for development of technology and expansion of modern industries.

B. To re-arrange the country’s research and technological system (by the end of the first year of the fourth plan), through assigning priorities, targeting credit lines, structurally reforming the research institutions within the framework of the following tasks:

- Training up-to-date human force in research and technological processes.
- Development of the knowledge frontiers.
- Conversion of idea into new products and methods.
- Compilation and production of technical knowledge and performing semi-industrial research works.
- Transfer and attraction of technology
- Performing research aiming at increasing competitive capability of the country’s productive and service sectors.
- Performing applied research works oriented toward solving the country’s problems.

C. Renovation of the management styles in the research sector including: creation of homogenous networks of research and technology units in the executive agencies, with the mandate of targeted and optimal distribution of research funds and supervision
and monitoring activities in the relevant scientific fields, with emphasis on the global indicators.

D. Development of effective international cooperation in the area of research and technology through reforming and simplifying the pertaining laws and regulations.

E. Sustained increase of the government investment in research and technology (subject of mandates indicated in Item “B”, at the level of a minimum of two percent (2%) of GDP, out of the general credit line of the executive agencies on one percent (1%) of the operation income of the government companies, banks (except the banking deposits) and profit-making entities affiliated to the government, by the end of the fourth plan, and orienting the above investment toward mandated and demand-based research works.

➢ Article 47

In order to create and develop knowledge-based companies and to foster international cooperation, the research, technological and engineering entities located in the science and technological parks, in performing their commissioned undertakings are authorized to entertain the legal advantages of the free zones in conjunction with labor, tax and tariffs exemption, foreign investment and international financial transactions.

➢ Article 48

In order to enhance the adherence between educational levels and entrepreneurship in the country, government is bound to take the following measures during the fourth plan:

A. To prepare the ground and provide for necessary supports for creation of non-government companies for technological development and engineering service companies with the mandate of production, transfer and attraction of technology.
B. Formulating and compiling criteria and providing for necessary protection of the foreign parties to the international contracts and foreign investors to transfer part of the relevant research and development (R&D) into the country and do the work through partnership with the foreign companies.

C. To take necessary initiatives towards reforming the country’s educational system and the universities entrance examinations, in due consideration of the educational background and inducing participation of universities in order to enhance productive, innovative, risk taking and entrepreneurial potentials of the educating people and creating the spirit of independent learning and research amongst the young generation.

➢ Article 49

To prepare the ground and educate specialized, devoted, productive and entrepreneurial man power, in the line with the needs of the software movement, and with the objective of quantitative and qualitative development from the beginning of the fourth plan, government is authorized to take the following measure in the mandates and structure of universities and institutions of higher educations in order to meet the needs of different sectors of the country:

A. Universities and institutions of higher education and research as well as specialized academies licensed by the Higher Education Development Council and the Ministries of ‘Science, Research and Technology’, Health, Medicare and Medical Education’ and other relevant lawful authorities are administered solely according to the by-laws and administrative- financial-employment- and specialized regulations approved by the Ministries of Science, Research and Technology, and Health, Medicare and Medical Education, as the case may be, and irrespective of the requirement for observation of the Law of Public Accounting, the Civil Service Law and other laws and administrative, financial and employment regulations. As long as the by-laws and regulations remain undecided by the board of trustees, they act according to the previous regulations. The current appropriation will be allocated to the executive agencies on
the basis of the cost price and through the government general budget. The appropriation of acquisition of the capital assets and earmarked appropriation of these institutions are considered to be assistance, and will be accounted for in the shut-down costs. Share of the government of the costs of higher education in the government sector will be determined on the basis of per capita costs, and its proportion to the government general budget increases proportionally with the growth of the student coverage, as compared with the similar figure in the Third economic, Social and cultural Development Plan of the Islamic republic of Iran.

B. Any reform in the financial, administrative, employment and organizational structures of universities and government institutions of higher education and research, as well as specialized academies is exclusively specified in the provisions of this Article.

C. Continuous evaluation of the universities and centers of higher education and the government and private research institutions by Ministries of Science, Research and Technology, and ‘Health, Medicare and Medical Education’ with cooperation of scientific societies, intervening on that basis, and investment in selected sciences, and emphasis on setting up scientific poles, on the basis of the relative advantages and the future needs of the country.

D. Review of the academic fields on the basis of the social needs, the labor market and scientific changes, toward development of interdisciplinary sciences with emphasis on the human sciences.

E. To create singular trusteeship in policy making and management of the affairs concerned with exceptionally brilliant talents as well as optimal use of the existing material and spiritual potentials in this field, Ministry of Science, research and Technology, and Ministry of Health, Medicare and Medical Education are authorized to support establishment of non-government club for, and preserve the country’s brilliant talents.
Article 50

In order to properly meet the increasing demand for higher education, with optimum use of the existing potentials and promoting popular participation:

A. Executive agencies having an affiliated unit of higher education are authorized to obtain permission from the Higher Education development Council to admit students for the certificate level and charge them for the cost and deposit one hundred percent (100%) of the proceeds in the earmarked revenue account. The said revenue accounts specified in the provisions of Article (4) of the “Law of Performing Financial and Transactional Affairs of Universities and Institutions of Higher Education and Research enacted on 08/01/1991”, is appropriated on the basis of the regulations concerning performing these courses and enhancement of the quality of the educational unit.

In cases when receiving education creates obligations on the part of student to render certain service or it would lead to enhancing the user’s employment rank, the concerned agencies must obtain necessary authorization from the Management and Planning Organization.

Implementation of the bachelor degree courses not offered by other universities for practical and financial reasons is permissible on exceptional cases and upon authorization of the Higher Education Development Councils.

B. In order to achieve equal educational opportunity and enhance the student population coverage (ratio of the student population to the population aged 18 through 24 years) to thirty percent (30%) by the end of the fourth development plan, university and institutions of higher education are authorized to set up educational courses through diversifying methods of providing higher education such as evening courses, second turn, remote (semi-attendance), virtual educations, joint programs with credible foreign universities as well as specialized programs, and collect the relevant costs upon confirmation of the Ministries of Science, Research and Technology, and “Health, Medicare and Medical education”, as the
case may be, and deposit the proceeds in the universities earmarked revenue account. The said revenue is specified in the provisions of the Article (4) of the “Law of manner of Performing financial and transactional Affairs of Universities and Institutions of Higher Education enacted on 08/01/1991.

Tuition for the students suffering from twenty five percent (25%) and more disability and their children, children of the martyrs, POWs and their children, as well as the students supported by the Imam Khomeini Relief Committee and the Welfare Organization will be paid from the appropriations of the special budget lines by the Management and Planning Organization. Number of the students specified in this item, as broken down by the provinces, must be reported to the Management and Planning Organization and the ‘Plan and Budget and Auditing’, and ‘Education and Research’ Commissions of the Islamic Consultative Assembly.

C. Government is authorized to provide the students welfare funds or other relevant institutions with the credit lines in the context of long-term non-usury loan in order to enable the needy students of the courses indicated in item “B” of this Article as well as the needy students of the universities and the government institutions of higher education to pay their tuition, using this funding, and repay the same gradually after graduation.

D. In order to support students of the non-government/not-for-profit institutions of higher education that are licensed by the Ministry of Science, Research and Technology, and Ministry of Health, Medicare and Medical Education whose students welfare funds are not established yet, government is bound to provide the Students Welfare Fund with a special line of credit in addition to the usual credits temporarily so that the students could benefit from the long-term non-usury loans. The users of the said loan are charged with repayment of the loan through long-term installments after graduation.

E. Payam-e Noor University is to be funded by the students tuition, popular support and appropriations of the general budget.
F. Government is authorized to grant subsidy through the general budget for the interests of the banking financing of the investment projects of the private and cooperative sectors in establishing and development of higher education units upon conformity with the criteria and policies of the country’s higher education and case by case on the basis of the criteria of the Ministry of Science, Research and Technology and Health, Medicare and Medical education out of the general budget. Establishing non-government colleges aiming at development of the scientific- applied certificate-level programs shall receive priority in the banking facilities.

G. Ministries of Science, Research and Technology, and Health, Medicare and Medical Education are bound to prepare special programs for enhancing capabilities of the country’s parent and major government universities with programs in the fields of education and research comparable to those of the credible international universities, and have their programs approved by the Council of Ministers by the end of the first year of the plan at the latest.

H. Granting university degrees or acting as an intermediary for that purpose in any form and under any title without acquiring authorization from the Ministries of Science, Research and Technology, and Health, Medicare and Medical Education and other lawful and relevant authorities is prohibited and violators are specified in the singular article of the “Law of Suspending Unauthorized educational, research and cultural Institutions and Units, enacted on 28/12/1993.

I. Responsibility to grant agreement in principle, and provide for the mechanism needed for investment by the private and cooperative sectors in the areas of setting up and developing universities and institutions of higher education rests with the Ministries of Science, Research, and Technology, and Health, Medicare and Medical Education.

Criteria for setting the said institutions into scientific operation and operational management upon completion and readiness of the said institutions are to be observed.
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J. Government is charged with taking necessary initiative during the first year of the fourth plan to prevent inexpedient outflow of the human, intellectual, scientific and technical resources of the country, upon careful investigation and studies of the issue.

Topics:

Article 51

Item “A” of Article (154) and items “A” and “B” of Article (144) of the “Law of the Third Economic, Social and Cultural Development of the Islamic Republic of Iran, enacted on 05/04/2000 and its Amendment” are validated and extended through the fourth plan period (2005-2009).

Article 154

In order to facilitate utilization of the specialized and technical potentials of the academic faculty of the universities and institutions of higher education, and to redirect the academic research works toward the country’s scientific and specialization needs:

A. Universities and institutions of higher educations and research centers are authorized to take measures in the line with the following premises to form public companies in order to render scientific, research and technical services under certain regulations and in the line with the commercial code:

1. Services rendered by these companies shall be exclusively confined to the realm of research, scientific inquiries and technical services not undertaken by enterprises and institutions of the public sector, and shall not diverge the university’s mandates from its main educational and research objectives.

2. A maximum of forty nine percent (49%) of the shares of these companies must be held by the academic faculty, the research staff, technicians and employees of the same university or the institution of higher education and/or the research center. The shareholders and the relevant enterprises will be exempted from the limitations imposed by the Law of Non-intervention of the Ministers and Members of the Parliament and the Government
Employees from the State and Government Transactions, enacted on 16/01/1959.

A model articles of association for each of the above enterprises in any university and institution of higher education and research center will be drawn up and recommended by the Plan and Budget Organization (the Management and Planning Organization), and shall be approved by the Council of Ministers.

❖ Items “A” and “B” of Article 144

A. In cases where the non-government real and legal entities undertake a build, develop, complete and equip spaces for educational purposes, sport uses, dormitory, dinning halls for the students of the lower and higher education affiliated with the Ministry of Education and institutions of higher education, within the framework of the comprehensive plan and/or development plan, the costs of these undertaking will be accepted as tax deductible expenses.

B. The non-government real and legal entities donating and divesting any property such as building, residence, garden, land, and their patrimony for educational purposes, to universities, institutions of higher education and to the Bassij Resistance Forces (including the lines) and to theological schools as well as to the Islamic Azad University or the research centers affiliated with universities and the Physical Education Organization are exempted from any transfer (sales) tax or other similar charges and duties.

➢ Article 52

With the purpose of guaranteeing access to equal educational opportunity, particularly in the less developed regions, developing knowledge and skills, and enhancing productivity of human wealth, specially in the female population, as well as quantitative and qualitative development of the public education, government is charged with the
The responsibility of taking that set of the following measures which do not require legislative action:

A. Development of necessary fields with the aim of implementing programs of universal education.

B. Making obligatory the lower education up to the end of the junior high school proportionally with the gradual preparation of the ground in the regions to be announced by the Ministry of education in such a way as to realize the said objective by the end of the fourth plan.

C. In addition to the appropriations for the educational sector, necessary initiatives to be taken with the intention of developing financial, managerial and executive independence of the educational units (schools), toward utilization as much as possible of the capital and the executive potentials of the non-government sector in development of their capabilities and enhancing their productivity.

D. To introduce necessary reform in the educational tutoring programs, deepen and improve teaching of mathematics, science and English language.

E. To enhance capability and professional skills of the teachers, through assemblage of the teachers professional standards from the standpoints of knowledge, behavior and performance, using the international experience and the indigenous conditions of the country.

F. Enhancing professional motivations of the teachers through securing a proper professional status and reforming the remuneration system commensurate with the extent of productivity and quality of their services.

G. Should the outflow of the manpower of the Ministry of Education during the term of the fourth plan exceed the number projected in Table (9) of this law for the said agency, Ministry of Education is authorized, upon confirmation of the Management and Planning Organization, take steps to hire a maximum of half of the number in excess of the projected number of the outflows, with priority be
given to the less developed regions and exclusively for educational purposes.

H. To prepare and execute a system for evaluation of the scientific qualifications of teachers, grading, and manner of enhancing the teachers’ teaching levels.

I. To plan for designing educational programs concerning with promotion of health and manners of healthy living.

J. Devising and implementing a strategic literacy plan for the country, taking into consideration geographic, ecological, social and cultural characteristics of different regions of the country, and with the intention of inducing participation of public and non-government organizations (NGOs) in such a manner as to attain, at least, completed literacy of people under thirty years of age.

K. Using information technology (IT) in curriculum development and execution of educational programs at all the levels, and equipping the country school system with computer facilities and information networking.

L. Updating knowledge and skills of the employees of the Ministry of Education in the fields of information technology and communications.

M. Projecting facilities and resources needed to renovate educational spaces, enhancing their resistibility and standards and fitness, particularly in the schools used by female students, and devising mechanisms to support the philanthropists interested in school buildings.

N. Formulating and executing necessary regulations for provision, attraction and securing manpower needed in less developed regions of the country, such as granting employment authorization, in the framework of Table (9) of this law, hiring educational and welfare services.

O. To provide appropriate means necessary for eliminating educational deprivation by expansion of boarding and village-based schools, centrally located dormitories, remote education through media, provision of nutrition, transportation and health services for
the students and other funds pertaining boarding schools, and also creation and expansion of educational physical education and sport space and facilities proportional to the gender, as well as provision of other programs concerning development of pre-school and preparatory education, particularly in dual language regions.

P. Executive by-law of Items “F”, “H”, “J”, “M”, and “N” of this article will be proposed jointly by the Ministry of Education and the Management and Planning Organization, an shall be approved by the Council of Ministers.

Article 53

Articles (149) and (151) and Item “A” of Article (147) of the “Law of Third Economic, social and Cultural Development Plan of the Islamic Republic of Iran enacted on 05/04/2000 and its Amendment” are validated and extended through the period of the fourth plan (2005-2009).

Article 149

A. Ministry of Education is authorized to rent out through contract, preferably to the employees engaged in educational activities, educational spaces and buildings not used by the Ministry for certain period of time and collect the proceeds and spend it on the basis so the provisions of Item “B” of this Article. In this case the said employees shall not be specified in the Law Prohibiting Intervention of the Public Employees in the Governmental Transaction.

B. Authorization is given to Ministry of Education to deposit into the accounts to be opened by the Treasury for any of the national and provincial executive agencies in income collected on the basis of the approved laws. The funds deposited as such will be included in the special account of the relevant agency. Equivalent to one hundred percent (100%) of the deposited funds will be foreseen in the annual budget law to be granted to the pertinent agency.
C. The rents indicated in Item “A” of the Article in the national executive agencies shall be proposed by the Ministry of Educational and approved by the Council of Ministers. The rents for the relevant provincial executive agencies shall be determined and adopted by the provincial educational councils.

❖ **Article 151**

In order to coordinate policy making decisions pertaining the formal and informal technical and vocational education and training including skill and applied scientific training under the auspices of Ministry of Science, Research and Technology, and Ministry of Health, Medicare and Medical Education, the technical and vocational training at the middle school level, the work-and-training administered by the ministry of Education, short-term technical and vocational training by the Ministry of Labor and Social Affairs, in-service training of the government employees, and the specialized professional management training programs run by the State Administrative and employment Affairs Organization (now part of the Management and Planning Organization), the High Council of Training (articles “5” and “6” and “7” of the Apprenticeship Law enacted by the former consultative assembly and the senate in 1970) and High Council of Coordination of the State Technical and Vocational Training (enacted in 1980 by the Council of Revolution of the Islamic Republic of Iran) and the High Council of Scientific and Applied Education established by the High Council of the Cultural Revolution in 1990) are dissolved, and the Technical and Vocational Training Commission is established, to be chaired by the First Vice President and with the membership of the Ministers of Education, ‘labor and social Affairs’, ‘Science, Research and Technology’, ‘Health, Medicare and Medical Education’, ‘Agriculture and Construction Jihad (the latter two have been merged and called ‘Ministry of Agriculture Jihad), the Head of the Plan and Budget Organization (the Management and Planning Organization), Secretary-General of the state administrative and employment Affairs Organization (now part of the Management and Planning Organization), and the Head of the Center for the Women participation Affairs. Other ministers will be invited to attend the meeting should the circumstances so required. The Head of the Plan and Budget Organization (the Management
and Planning Organization) shall serve as the Secretary of the Commission. Other functions and mandates of the dissolved councils are delegated to the pertinent ministries. Upon approval of the Council of Minister, decisions made by the said commission will be binding for all the ministries and councils concerned with the above mandates.

By-laws of this Article shall be adopted by the Council of Ministers on the basis of the recommendations made by the commission within three months from the enactment of this law.

**Item “A” of Article 147**

A. Those employees of the Ministry of Education who are or will be member of the educational Employees Reserve Fund are required to deposit with the account of the said fund up to five percent of their salary and fringe benefits. Government is charged with matching the said deposits equally with an amount equivalent with the total contribution made by the members of the said reserve fund through a special budgetary line in the annual budget of the relevant year.

**Article 54**

A. Executive agencies are charged with foreseeing a percentage of their expense credits to be allocated for design and implementation of in-service training programs for their own employees (out of the country’s formal higher education system) and spend it for the following purposes:

1. In-service training programs in line with duties of the employees in order to enhance their productivity level and the skills needed in connection with their jobs (especially for women) preferably through short-term training courses.

2. Training courses to be specially designed for the male employees

B. All the executive agencies are charged with preparation and execution of their own annual education programs within the
framework to be determined by the Management and Planning Organization within a maximum period of six months from enactment of this law.

Executive by-law of this article including the share of the credit line and manner of spending the fund stipulated in Item “A” of this Article, as well as anticipation of the requisites and legal formalities shall be proposed by the Management and Planning Organization to the Council of Ministers for approval.

➤ Article 55

Government is bound with taking necessary initiatives, within one year from enactment of this law, to devise necessary mechanism and predict appropriate requisites along the following lines, in order to expand knowledge and skill, to reform the educational pyramid of the labor force and to enhance capability of the human wealth, to reduce the gap between the country ‘s level of knowledge and skill of the labor force and the level of the global standards, and also to create new job opportunities for the youth, for the technical and vocational and scientific-applied educational system of the country:

A. To take necessary legal actions in order to set up a policy making institution in the technical/vocational and scientific-applied education, taking advantage of the domestic and global experience, to serve as the principle authority for adopting the prospective, macro strategies and policies of the sector, and continue to function until the coordinating staff of the technical and vocational education, specified in Article (151) of the “Law of the third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran enacted on 05/04/2000” is formed.

B. Continuation of the apprenticeship and training system for all the formal (middle and higher) educations, and informal technical/vocational and scientific-applied educations.

C. Formulation of a set of standards system and evaluation of the skill of the country’s labor force, with an international approach.
D. Preparation of a comprehensive plan for development of the human resources in order to meet the needs of this sector including: attraction, motivating, job enhancement, training, rehabilitation and preservation of the manpower.

E. A system for supporting the government and non-government institutions and enterprises in developing technical/vocational/scientific-applied education particularly designed for the less developed regions.

F. Renovation and restructuring of the capabilities, enhancing quality of the technical, vocational and scientific-applied educations and development of the center for technical and vocational training, information technology and communications through maximum participation of the private and cooperative sectors and international cooperation.

G. Utilization of the resources and potentials of the government and non-government sectors in development of the technical/vocational, and scientific-applied educational programs.

H. Assessment of the needs and estimating the needed specialized labor force, giving the required authorization and support, in order to establish and develop educational centers at the certificate level in the private and cooperative sectors, in such a way to create the needed capacities by the fourth year of the plan.

➢ Article 56

In order to form the ”State National Statistic and Location Network System”, government is charged with preparation of the national statistic program, based on reforming and strengthening the country’s information and statistic management, standards, criteria, production and supply of recorded statistics, promotion and creation of the statistical data bases and information retrieval, enhancement of the statistical culture, the manner of interaction of the agencies, leadership, and coordination; and take action to implements the above during the plan period.
Article 57

Government is required to take the following measures with the objective of developing communications and information technology (IT), realizing a knowledge-based economy and attaining a higher regional status:

A. With the objective of setting up the facilities required for accessibility to expanded quality communications and arranging and developing modern service provision opportunities, and growth for individuals of the society and households, enterprises and corporations, territorial networking, establishment and promotion of networking economy, the ground must be prepared for enhancing the proliferation coefficient of the fixed and mobile and internet communications of the country at least to fifty percent (50%), thirty five percent (35%) and thirty percent (30%) of the country’s population respectively; and also creation of multiple and multimedia communications at least in cities of over fifty thousand people and increase of the postal delivery service capacity up to twenty mails per person.

B. Provision and guaranteeing the basis services and information technology throughout the country.

C. Preparation of the bill of “Comprehensive Law of Communications” in the first year of the Fourth plan.
PART TWO

Environmental Protection
Territorial Spatial Planning
and Regional Balance
CHAPTER FIVE

Environmental Protection

➢ Article 58

In order to accelerate implementation of the protection and utilization of the country’s bio-diversification plan, government is charged with establishing the required coordination among the relevant agencies. The country’s bio-diversification indicators must approach the level of the global standards and fit (the country’s need) by the end of the fourth plan.

➢ Article 59

For the purpose of estimating the economic values of natural and environmental resources and the costs emanating from the environmental pollution and destruction in the development process and its effects on National Accounts Management and Planning Organization is bound to prepare instructions for computing the values and costs of the items of high priority such as forest, water, soil, bio-diversity and environmental pollution in sensitive areas, and have them approved by the relevant authorities. The values and costs for which the said instructions to be approved shall be applied in the feasibility study of the capital assets acquisition projects.
➢ **Article 60**

In order to strengthen and enable the entities concerned with the environment and natural resources, government is charged with devising necessary mechanisms for expansion of the specialized environmental public education in all the educational units and higher education centers, promote and protect investment in the environmental and natural resources sector, and create and enable proper entities for environmental activities in the agencies affecting the environment.

➢ **Article 61**

Government is bound to take the following measures during the fourth plan:

A. To initiate self-declaration plan of monitoring sources of pollution. All the productive, service and infrastructural units are to take measure to take sampling for measuring pollutants and destructive elements on the basis of the guideline/instruction of the Department of the Environment and submit the findings to the said organization. Violators of the provisions of this Article shall be specified in Article (30) of the “Law of the manner of Preventing Air pollution enacted on 22/04/1995”.

B. To adopt measure to gradually increase use of compost fertilizer and biological campaign aiming at preventing improper increase in consumption of chemical fertilizers and insecticides. The criteria for import, production, formulation and consumption of chemical fertilizers and insecticides from the standpoint of their environmental impact shall be prepared and to be approved by the Ministries of Agriculture Jihad, Health, Medicare and Medical Education, the Department of the Environment, the Iran Standards and Industrial Research Institute, and to be approved by the Council of Ministers.

C. To present the country’s waste management plan and to adopt a method of implementation through coordination of the municipalities, district governorates, and village councils. The plan
shall be implemented by the end of the fourth plan in three provinces of Mazanderan, Guilan, and Golestan in the first phase and in such a manner that collection, transportation and disposal of all the wastes be performed by technical/health and environmental methods. Furthermore, necessary funding be made in order to complete, all the ongoing collection and waste treatment networks and installations in Khuzestan, Guilan, Mazanderan, Golestan and Tehran provinces and the provincial centers, and be put into operation. Studies for other cities must be done and implemented on the basis of the priority given.

Article 62

Government is bound to:

A. Reduce air pollution of the cities of Tehran, Ahvaz, Arak, Tabriz, Mashhad, Shiraz, karaj, and Isfahan to the level of the standards approved by the High Council of Environmental Protection.

The executive by-law of this Item shall be prepared jointly by the Environment Protection organization, the Management and Planning Organization, and Ministries of Petroleum, Industry and Mine, ‘Health, Medicare and Medical Education’, Road and Transportation, and the Interior, and receive approval of the Council of Ministers.

B. Take measure in order to dispose all the country’s run down motor vehicles and motorbikes.

Article 63

In order to regulate the coastal areas and prevent their pollution and destruction, with priority given to the Caspian seas shore lines, government is charged with reviewing and revising the coastal areas comprehensive regulating plan by the end of the first year of the fourth plan at the latest. The plan should entail necessary measures such as determining and clearing the buffer zone, setting up integrated coastal management,
adopting environmental, navigation, fishing and fisheries standards and
criteria; completing compilation of the laws and regulations, and adopting
policies concerning responsibility of each of the relevant agencies in the
area of policy making, implementation and monitoring.

**Note:** Government is bound to regulate ministries and government
institutions in such a manner that a sixty-meter coastal line buffer set back
be completely (one hundred percent-100%) accomplished.

Executive by-law of this Article shall be prepared by the
Management and Planning Organization, the Environment Protection
Organization, Ministries of Housing and Urban Development, the Interior,
Agriculture Jihad, Road and Transportation, and other relevant agencies as
it may be deemed necessary, and be approved by the Council of Ministers.

**Article 64**

Environment Protection Organization is bound to:

**A.** Prepare the executive by-laws concerning sustainable development
in line with enhancing public knowledge of environmental
protection, placing emphasis on the affecting and priority groups,
and on the basis of the recommendations of the High Council of the
Environment, from the inception of the Fourth Economic, Social
and Cultural Development Plan of the Islamic Republic of Iran, and
have it approved by the Council of Ministers. All the pertinent
agencies, government media and the Islamic Republic of Iran
Broadcasting Organization are bound to implement educational
programs subject of this Article, free of charge.

**B.** Create the country’s environmental information system at the
national, provincial and regional levels by the end of the first year
of the fourth plan in order to prepare the ground for environmental
monitoring, information dissemination and evaluation. All the
relevant agencies are bound to cooperate in designing and
implementation of the system.
Law of the Fourth Economic, Social and Cultural Development Plan

> **Article 65**

Government is charged with taking measures toward formulating the principles of ecological sustainable development, particularly in production and consumption models and the related optimization instructions. The relevant agencies are bound to observe the said principles and instructions in handling their own plans and executive programs.

> **Article 66**

All the executive agencies and non-government public institutions are charged with taking measures toward reduction of the government expenditure, enforcing policies of optimal use of the basic and environmental resources, and implementation of the green management program including consumption management of energy, water, primary material and furnishing (such as paper), reducing the solid waste and their recovery (in building and vehicles), according to a by-law which will be prepared by the Environment Protection Organization, the Management and Planning Organization, and with cooperation of the relevant agencies, and to be approved by the Council of Ministers.

> **Article 67**

A. Ecological management plan in sensitive ecosystems, especially in Orumiyeh Lake will be prepared and implemented. Executive by-law of this Article will be prepared by the Environment Protection Organization in cooperation with the Management and Planning Organization, and Ministries of Energy and Agriculture Jihad, and shall receive approval of the Council of Ministers.

B. In order to prevent improper hunting and annihilation of the biodiversity, government is bound to take measures to limit the number of hunting gun permits proportional to the game population through cooperation of the relevant authorities in the Armed Forces of the Islamic Republic of Iran, and review the criteria regulating issuance of such permits as determined by the Environment
Protection Organization, and take measure in order to collect unauthorized arms by the end of the fourth plan.

➢ Article 68

A. Government is charged with preparation and implementation of the plan for protection, revival, and renewal of the country’s marine environment and the sustainable exploitation methods by the end of the first year of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran.

B. In observation of the Article (72), and (85) of the Constitution of the Islamic Republic of Iran, government is authorized to set up the “National Fund for the Environment” aiming at reduction of the pollutants entering and destructing the environment. The required resources for the said fund to perform the said functions will be provided by the domestic and foreign non-government contributions. The charter of the national fund for the environment shall be prepared jointly by the Department of the Environment, Ministry of Economic Affairs and Finance, and the Management and Planning Organization, and shall be approved by the Council of Ministers.

C. Ministry of Agriculture Jihad is charged with taking actions toward discerning and subdividing national and government resources form the exceptional cases and those individually owned, by the end of the fourth plan, in order to make a final decision on the government proprietorship over the natural and government lands. The State Deeds and Documents Registration Organization, must, until the deeds are issued, recognize the national and government land maps as the official documents, and refer to them accordingly.
Article 69

Government is bound to prepare and implement the plan for protection, revitalization, development and exploitation of the renewable natural resources, giving priority to followings:

A. Driving out domestic animals and regulating the forest settlers in the north up to seventy percent (70%) of the remaining animals and forest settlers by the end of the fourth plan.

B. Fifty percent (50%) reduction of the excess livestock in the pastureland in order to create a balance between the animals and the pastureland; also annulment and revising the related grazing licenses.

C. Performing watershed operations in twenty percent (20%) of basins of the dams under construction and/or completed, and ten percent (10%) in the basins of other regions.

D. Development of plantation in at least one hundred thousand hectares, elimination of the wood import tariff, and intensification of campaign against the smugglers.

E. Development of green space and the forest under plantation up to a minimum of five hundred thousand hectares; also, execution of the programs aimed at controlling the critical centers of desertification by a minimum of one and a half million hectares.

F. Performing floodwater dissemination in urban, rural, agricultural area and natural resources up to one and a half hectares in order to create afforested pastureland, converting desert lands into agriculture areas and feeding the irrigable areas.

G. Complete protection coverage of the country’s forests (the north, Zagross, Arasbaran, Oman Gulf, and Irani-Turani)

H. Complete coverage of fuel supply to the tribal population, forest settlers and the rural inhabitants.

I. Expansion of participation of the rural councils and local Bassij for protection of forests and pastures up to fifteen percent (15%) of the operational areas.
J. Exploitation of forests, solely on the basis of ecological balance and the necessity to protect them. The Executive by-law of this Item shall be prepared by the Ministry of Agriculture Jihad in cooperation with the Environment Protection organization and shall receive approval of the council of ministers.

➢ Article 70

With the objective of sustaining natural resources and ordering management of the pasture grazing, and protecting the generic resources of domestic animals (nomadic animals), government is bound to take measures, from the inception of the fourth plan, to ascertain that the pastureland and grazing management projects are executed through the rightful tribes. As such, divesting the potential lands situated in the tribal territories to the decamping households should be done within the framework of the plan for regulating tribal settlement and preservation of their rights.

The executive by-law of this Article shall be proposed jointly by the Ministry of Agriculture Jihad and the Management and Planning organization, and shall be approved by the Council of Ministers within a maximum time period of six month from enactment of this law.

➢ Article 71

Article (105) and Item “C” of Article (104) of the “Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran enacted on 05/04/2000 as amended” are validated and extended to the fourth plan period (2005-2009).

❖ Article 105

All the large production and service providing projects must, in the process of feasibility study and before execution, be assessed from the standpoint of their impact on the environment, on the basis of the criteria that will be proposed by the High Council of the Environment and
approved by the Council of Ministers. Persons in charge of execution of the projects are required to observe findings of the assessment. The Plan and Budget Organization (now, the Management and Planning Organization) is responsible to monitor proper performance of this Article.

**Note:** The Department of the Environment is required to draw up and provide practical and executive guidelines and instructions for proper and timely execution of the development and employment-generating projects in the conservation regions in line with the environmental protection criteria.

**Item “C” of Article (104)**

C. In order to reduce environmental pollutants, particularly those contaminating the country’s natural and water resources, all the manufacturing entities are bound to take measures to bring their technical specifications in line with the environmental criteria, and to reduce the extent of the pollution. To this end, the performance expenditure shall be considered as tax-deductible costs for these entities.

The units refusing to comply with these provisions, whose operation causes pollution and destruction of the environment shall be charged a compensatory fine commensurate with the extent of the inflicted damage; the proceeds will be settled with the general revenue account and will be spent to implement environmental rehabilitation programs. The by-law of this Item, including rate of the said charges, collection and spending procedures shall be prepared by the Department of the Environment and approved by the Council of Ministers.
CHAPTER SIX

Territorial Spatial Planning and Regional Balance

Article 72

In order to properly distribute population and activities throughout the country, and in line with the goal of efficient use of the country’s potentials and advantages, government is bound to implement the territorial spatial plan at the following levels, from the beginning of the fourth plan, using the studies already undertaken:

A. Macro level, including:

1. Long-term vision of the country’s spatial development, within the framework of the general guidelines of the nation, based on an analysis of the regional and international conditions and potentials, territorial constraints and advantages.

2. General strategies for distribution of population, settlement pattern, urban and rural system of the country.

3. Special strategies for development of the regions and areas of significant characteristics, as seen from the standpoints of “security and defense”, protection of natural resources and environment and cultural heritage”.


4. Location and geographical database and the related pictorial documentation.

B. Sector level, including:

1. Coordinated and compatible strategies concerning long-term development and spatial distribution of the various economic, social and cultural sectors in line with the country’s features.

2. Regional and territorial policies and recommendations of the sectors.

3. Prioritized actions and operations in the sectors development.

C. At the provincial level, including

1. Basic approach to development of provinces, including the principle and priority sectors in provincial development and determination of the role each province plays in the national division of labor.

2. The spatial structure of the province development (the axes and the main centers of development of the province).

3. The most important actions and operations in development of the province.

Note: The national sector development and the national provincial development plans, specified in Chapter Thirteen of this law, are formulated on the basis of approaches and orientations of the national territorial/spatial planning, relative to the characteristics of each, and upon approval of the Council of Ministers, will serve as the basic guideline for the executive operations of the Fourth Plan. Government is bound to prepare the annual budget bills on the basis of the said documents and present them to the Islamic Consultative Assembly.

The national plan is a strategic planning document in which the principle approaches of the sector, province and/or special plans are clarified within the framework of the twenty-year vision for development, and approved by the Islamic Consultative Assembly and/or by the Council of Minister, as the case may require.
The executive operations of these documents are performed within the framework of the annual budget bills and other pertaining laws.

➢ Article 73

Government is charged with preparation of a comprehensive plan for the state administrative divisions within the first year of the plan. The plan should encompass the indicators overseeing re-examination of the existing divisional units for creation of the new divisional levels in line with the goal of decentralization and delegation of authority to the local administrators, empowering the role of the provincial governors as the highest representatives of the government, and present the said plan to the Islamic Consultative Assembly for approval. Creation of any new level must be done with the provisions of this article in mind.

➢ Article 74

In order to coordinate developmental activities and the new investments corresponding with the national and international changing conditions, government is bound to take the following actions in due observation of the fundamentals of a futuristic approach, appropriate analysis of the country’s regional and international position, the cultural structure of the Iranian/Islamic identity, as well as the country’s potentials and opportunities:

A. Placing the national territorial planning documents as the principle reference for the inter-sector, inter-regional, and sector-regional coordination in the executive decision-makings

B. Up-to-dating of the national territorial plan document, in order to correspond to the global, regional, scientific and technical changes and through using the basic and location information, and interaction of the regional macro and micro levels in such a way that the fifth economic, social and cultural development plan of the Islamic Republic of Iran be prepared in complete harmony with the territorial planning document.
Article 75

In order to utilize the country’s territorial potentials and advantages in line with enhancing the international role and position of the country and an effective interaction with the international economy, the Management and Planning Organization is bound to implement the following territorial planning strategies and priorities through coordination with other relevant agencies and in the framework of the executive programs from the inception of the fourth plan:

A. Proper utilization of the position and potentials of different areas of the territory, for development of science and technology and creating active interaction with the global economy, through various means including establishment of technological, research and specialized centers and parks, and also by determining the role and performance of the free zones and special economic zones.

B. Proper use of the capability and potential of the metropolises toward strengthening the trans-national role and enhancing the international position of the country through empowering the developmental management, planning and implementation in these cities, determining the trans-national and international functional areas of each and simultaneous delegation of their national and regional functions to other cities.

C. Proper utilization of the country’s transit capabilities through assigning priority on certain axes through the east-west and north south communication corridors and preparation of the development plans for the origins, networks and specific points along these axes.

D. Preparing the ground in different areas of the country for attracting new activities, creating new job opportunities in line with the potentials of each region, through completing, developing and furnishing the infrastructure networks.

E. Utilization of the spreading impact of the national and trans-national investments in development of the surrounding regions (particularly the plains and the areas around the dams) through preparation of multi-sector plans and spreading modern modes of
subsistence and activities and regulating settlement of population and activities.

**F.** Utilization of the rich oil and gas resources (especially in the South Pars gas fields) toward development of the related and energy-intensive industries; and regulating the settlement of population and activities in the southern marginal areas of the country on that basis.

**G.** Development of the border regions aiming at promoting national cohesion, and establishing linkage between the border regions and the national and intra-national economies.

**H.** Use of the environmental, economic, social and cultural potentials of the country’s rural areas through development of human resources, diversification of the economic activities, regulating the service provision, and reforming the rural development planning system, with emphasis on increased cooperation and localizing the processes.

**Article 76**

The Management and Planning Organization is charged with formulating and defining the goals and subject-matters of the fourth plan whose realization requires participation of a few sectors and provinces within the framework of specific plans (inter-sector) and in line with creating coordination among the executive agencies, and determining the role of each executive agency in the context of the legal functions of each agency. All the sector and provincial executive agencies are charged with execution of the programs determined by the Management and Planning Organization.
Article 77

Government is given authorization to take measure in order to coordinate inter-provincial development affairs with regionalization of the country from the standpoint of the territorial planning and creation of the coordinating bodies and determining their duties and functions. Executive by-law of this Article will be prepared on the basis of the recommendations of the Management and Planning Organization and coordination of the relevant agencies and shall receive approval of the Council of Ministers.

Article 78

A certain proportion of the incomes deposited in the auxiliary treasury of each province in the framework of the annual budget shall be allocated to provide for the budget (expense or capital-wise) of that province. The said proportions will be determined by the Council of Ministers on recommendation of the Management and Planning Organization,

Article 79

Titles of the development programs and that set of the government functions whose applied consequences would not reach beyond the province (provincial functions) and must be financed within the framework of the provincial budget, shall be approved by the Council of Ministers on recommendation of the Management and Planning Organization.

Article 80

In formulating the annual budget, the Management and Planning Organization is bound to specify the revenues and the proceeds of divestiture of the provincial assets projected by the provincial development and planning council, as stipulated in the budget law within the framework of independent headings and lines as divided by each province and communicate them as such.
Article 81

A. Beginning the fourth plan, the provincial annual budget will be put into operation on the basis of the national provincial development plan. The provincial annual budget includes: the province’s incomes and other resources, the allocated share of the national resources and the expense funds and acquisition of capital assets within the framework of the country’s total budget and is formulated in the contractual framework and (in form of “the annual budget of the province”) and exchanged between the heads of the provincial planning and development council and the Management and Planning Organization.

B. “The Province Annual budget document” that specify obligations of the provincial development and planning council and the Management and Planning Organization toward implementation of the provincial development plan, includes the quantitative targets of the province, target indicators for each sector, credits for the capital assets acquisition and the province’s expense credits.

C. The national plans benefiting a few provinces or the whole country shall be implemented by the national executive agencies.

D. The Management and Planning Organization is bound to prepare the provincial budgeting system within the framework of the “national provincial development plan” within six months from enactment of this law and have it approved by the Council of Ministers.

Article 82

In complete implementation of the provincial income-expenditure system, government is bound to collect the following incomes as the provincial revenues and deposit the same in the province’s auxiliary treasury through the Treasury General, and spend them for performing the provincial current and development duties:

A. All the direct taxes (except government corporate tax)
B. Tax on goods and services with the exception of the import duties.

C. That set of revenues resulting from the government proprietorship whose collection is ordinary in all of the country’s provinces.

D. Incomes resulting from services supplied in provinces and collected by the provincial agencies, with the exception of the income derived from the public assets (Anfal) and judicial services of the judicial system of the Islamic Republic of Iran.

E. Income derived from penalties and damages collected in provinces except the income emanating from penalties related to the campaign against smuggling and narcotics.

➢ Article 83

Articles (70), (71), (77), and (81) of the “Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran, enacted on 05/04/2000 as amended” are validated and extended through the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran (2005-2009).

➢ Article 70

The Council of Planning and Development will be established in every province under the chairmanship of the provincial governor-general in order to make decision, approve, coordinate and supervise planning and development of the province in the framework of the country’s macro plans, policies and strategies.

Note 1: To achieve the goals and perform the mandates of the provincial councils of planning and development, specialized committees will be established composing of the directors and head of the directorate-generals, offices, branches and representative offices of the government agencies, non-government entities and institutions in the province that are included in the provincial budget or are in charge of a segment of the provincial development functions (provincial executive agencies). The by-law of the provincial Council of Planning and Development and the specialized committees shall be prepared by the Plan and Budget
Organization (the *Management and Planning Organization*) and approved by the Council of Ministers.

**Note 2:** Upon establishing the specialized committees specified in this Article, other existing councils, committees and their related stag functions in the province shall be dissolved and their duties will be restructured and organized in line with functions of these new committees.

- The township panning committee shall be composed of the township governor (the committee chairman), representative of the Management and Planning Committee (the committee’s secretary), and membership of the heads of the executive agencies whose directors-general are members of the Provincial Development and Planning Council. The governors are charged with inviting the township representatives in the Islamic Consultative Assembly as overseers, one week in advance of the committee meetings.

- The provincial development projects, upon approval by the township planning committee, shall be presented to the Management and Planning Organization in order to exchange agreement with the relevant executive agencies.

**Note 3:** Functions of the Secretariat of the Provincial Planning and Development Council will be entrusted to the Provincial ‘Management and Planning Organization’.

**Article 71**

The Provincial Planning and Development Council is charged with the following tasks:

A. To review and approve the provincial long-term development plans including the provincial design of the long-term provincial development within the framework of the country’s planning system and in line with the country’s long-term vision of the national territorial/Spatial Plan (Amenagement du territoire).

B. To review and approve the province’s medium-range plan including its targets and objectives, policies and strategies for
socio-economic and cultural development and investment priorities in development of the province. The provincial medium-range plan will be prepared for the same period as specified for the national medium-range plan and on the basis of the general guidelines, macro policies, sectoral policies, and in line with the national medium-range plan.

C. Approval of development projects as well as organization of the urban and rural services within the context of the provincial development plan, taking into consideration the policies adopted by the High Council of Architecture and Urban Planning.

D. Taking necessary measures for realization of the portion of the government general and earmarked revenue (provincial income) that are collected in the province by the provincial executive agencies and settled with the provincial treasury, and proposing ways and means of acquiring new sources of income within the framework of the approved government policies.

E. To take necessary measures in order to economize the expenses and to propose ways of economizing the expenditures in light of the government approved policies.

F. To review and approve the proposed provincial annual budget, including the required funds from the province’s income, contribution of the national resources and the current and development funds of the provincial executive agencies out of the public revenues in the framework of the circulars and directives for preparation and formulation of the county’s general budget, for presentation to the Plan and Budget Organization (the Management and Planning Organization).

G. To review and distribute the approved development funds amongst different sectors’ programs and development of projects as well as between the provincial executive agencies (as broken down by county), on the basis of the proposal made by the Provincial Plan and Budget Organization (Provincial Management and Planning Organization).
H. To review and distribute the current budget of the provincial executive agencies by program and expenditure categories on the basis of the proposal made by the Provincial Plan and Budget Organization (*Provincial Management and Planning Organization*).

I. To review the promotional policy on the provincial non-oil export, and to propose, if necessary, strategies for operation of the cross-border transactions including the border markets and cooperatives of marchers within the framework of the country’s overall foreign trade policies.

J. To review the annual and medium-term plans for administrative reform commensurate with the approved development plans, and to propose the same to the relevant agencies.

K. To assess relative potentials and comparative advantages of the province, and to set up sufficient facilities in order to promote and develop private investments in the economic and social fields.

L. To restructure the aids, and promote public participation in the process of development programs that are of the public benefit.

M. To explore ways and means of mobilizing private savings with a view to utilize these saving in provincial development within the framework of the government development policies.

N. To propose to the competent authorities a plan for promoting women and youth participation, and Bassij Forces in particular, in the socio-economic and cultural activities of the province, and to formulate the needed executive policies.

O. To propose to the competent authorities a plan for human resources development, and to formulate the needed executive policies.

P. To propose to the competent authorities a plan for establishing national social security system in provinces, and to formulate the needed executive policies.
Q. To review the employment situation at the provincial level and to devise ways and means of promoting investment in employment-generating activities.

R. To propose programs and resources for fostering provincial Bassij Forces.

Article 77

The Provincial Fund Appropriation Committee will be set up and will be composed of the provincial deputy governor-general for development, the head of the provincial Plan and Budget Organization (Management and Planning Organization), and province’s director-general of the economic Affairs and finance, in order to determine the ceiling of the current appropriations for the province’s executive agencies, or the capital appropriation according to the budget categorization.

Note: Duties of the Secretariat of the Provincial fund Appropriation Committee are entrusted to the provincial Plan and Budget Organization (Management and Planning Organization).

Article 81

In order to reorganize the province's incomes and to continually improve the methods of acquiring provincial income and reorganize new revenue sources, the Provincial Income and Resources Mobilization Committee composed of the following members is set up in each province under the chairmanship of the provincial governor-general:

A. Provincial governor-general.

B. The Province's Head of the Management and Planning Organization.

C. The Province's director-general of the Economic Affairs and Finance.

D. One of the Province's MPs selected by the Islamic Consultative Assembly (as observer).
E. One expert in the field of economy and finance (to be appointed by the governor-general).

F. The Head of Province Auxiliary Treasury.

G. The head of the province's Islamic Council (the head of the Islamic Council of the central city of the province will act as a substitute until the province's Islamic Council members are elected).

**Note 1:** In cases where the subject under consideration in the Revenue Committee is related to a specific sector, the person in-charge of that executive entity shall participate in the meeting with the voting right.

**Note 2:** The mandates of the Secretariat of the Income and Resource mobilization Committee shall be entrusted to the directorate-general of the Economic Affairs and Finance of the province.
PART THREE

Enhancement of Health, Human Security and Social Justice
Article 84

In order to institutionalize management, policy-making, evaluation and coordination in this area, including food and nutrition security in the country, securing a desirable food basket, reducing the ailments emanating from malnutrition, and promoting the public health in the country, government is charged with taking the following measures:

A. To form the “High Council of Health and Nutritional Security” through consolidation of the “Council of Food and Nutrition” and the “High Council of Health”, upon due process of the law.

B. To prepare and implement necessary educational programs in order to enhance the society’s nutritional culture and education.

The Islamic Republic of Iran broadcasting Organization and the executive agencies are bound to cooperate with the Ministry of Health, Medicare and Medical Education in preparation and implementation of the said comprehensive plan, and avoid advertising harmful goods.

C. To allocate funds, and provide for banking and subsidized facilities required for production, distribution and consumption of nutritional items, toward achieving a desirable nutritional basket. To allocate necessary funds for promoting healthy food within the framework
of the students’ inter-meal nutritional requirements, as well as providing the needy groups with nutritional assistance.

1- To prepare and implement programs for:

2- Food security.

3- Reduction of food wastes from production through consumption.

➤ Article 85

Government is charged with preparation of the bill for protection and enhancement of health of the individual members of the society and reduction of the threatening risks of health including the following points, and to present the said bill to the Islamic Consultative Assembly for approval, within six months from enactment of this law:

- Reducing the traffic accidents, through reconnaissance of the accident-generating points and axes along the road and highways, and reducing the number of such points by fifty percent (50%) by the end of the fourth plan.

- Placing emphasis on the principles of safety and safe driving regulations.

- Regulating and completing the pre-hospital and hospital medical emergency networks of the country and reduction of death tolls emanating from traffic accidents by fifty percent (50%) by the end of the fourth plan.

- Enhancing the safety plan for motor vehicles and enforcing the human and safety engineering standards.

- Reducing the threatening hazards in the working place, pollutants of the air, water, soil, agricultural and animal husbandry products; defining the terms, extent and manner of determining and collecting tolls and indemnificatory penalties, and the manner of spending the proceeds.
Article 86

Ministry of Health, Medicare and Medical Education and other relevant agencies are bound to take necessary actions aiming at reduction of individual and societal risks and hazards of addiction, to prevent and cure AIDS, as well as reducing the burden of mental ailments.

Article 87

In order to prepare the ground for effective presence in the global market and turning the Islamic Republic of Iran into the regional health and medical relief center, Ministry of Health, Medicare and Medical education is charged with providing the facilities required for introducing the capabilities, supplying and marketing the health services and medical education, tools, equipments and pharmaceutical products, within the framework of the strategic trade policies, in such a way that the foreign currency to be earned out of the export of services and products reach the level of thirty percent (30%) of the foreign currency expenditure of the health and medical care sector at the end of the final year of the fourth plan.

Article 88

Ministry of Health, Medicare and Medical Education is required to take the following measures in order to continuously enhance quality of the health services, performance of the clinical services, increase productivity and optimum use of the country’s health and medical care potentials:

A. Compiling, supervision and evaluation of standards and indicators of the improved service quality, and revising hospital ranking/grading system on the basis of the model used for enhancement of the clinical performance.

B. Turning the health and medical care units into customer-based entities through reforming the processes and restructuring their
economic management (including reforming the accounting system, payment based on performance, functional budgeting).

C. Administering the hospitals selected by the medical science universities by the board of trustees, or in corporate form, delegating the management mandates, attraction and using the financial/administrative manpower within the framework of the approved fares.

D. Distinction of hospitals according to the educational and non-educational beds and applying funding and manpower indicators on that basis.

E. Design and establishment of the comprehensive information system for the health of Iranian citizenry.

➤ Article 89

Ministry of Health, Medicare and Medical Education is bound to design a system for delivery of the health and medical care services of the country at the minimum required standards, based on the service grading, rationalizing it in line with the needs of various areas of the country. Creation, development and equipment in conformity with the change in the country’s medical and medical care capacities, as well as allocating manpower for delivery of services shall be performed according to the country’s grading of the medical care. Establishment, creation and development of the health and medical care units by the agencies specified in Article (160) of this law and the Armed Forces, is possible solely upon confirmation of the Ministry of Health, Medicare and Medical Education.

As for the environmental health and safety (H.S.E.) units, the matter will be taken care according to the special regulation.

Note: Provisions set forth in this Article do not include the health and medical care services rendered through investment and administration by the private sector.
Article 90

In order to enhance distributional fairness in accessibility of people to the health and medical care services and toward reduction of the share of low income and vulnerable households of their health and medical care costs, distribution of the health and medical care resources and facilities must be made in such a manner that the “the people’s fair share of financial participation indicators” be enhanced up to ninety percent (90%), and share of the people of the health expenditure does not exceed thirty percent (30%), and the number of vulnerable households suffering from unbearable health expenses be reduced to one percent (1%). Ministry of Health, Medicare and Medical Education, in cooperation with the Management and Planning Organization, is bound to prepare the by-law of the manner of balancing share of the people in provision of health and medical care resources toward realization of the said objectives, within six months from enactment of this law and submit it to the Council of Ministers for approval.

Article 91

The following measures shall be taken in order to increase effectiveness of the health service delivery system in the country and to enhance and develop the medical insurance system:

A. All the commercial and non-commercial insurance companies are permitted to render the basic and supplementary insurance services solely by observing the laws and regulations of the High Council of Medical Insurance Services.

B. The High Council of Medical Insurance Services shall initiate the required ways and means of establishing doctor-family-based health insurance and referral system.

C. In order to universalize fairness in utilization of the health and medical care services, the basic rural/tribal medical insurance services shall be defined and executed equally with those of the urban areas.
D. All the expatriates residing in the country are required to have
insurance to cover any probable accident and illnesses during their
stay in Iran.

E. Funding the medical insurance services in the annual budget during
the term of the fourth plan shall be based on actual per capita, and
shall be approved annually by the Council of Ministers.

F. Executive by-law of this Article shall be prepared by the Ministry
of Health, Medicare and Medical Education within three months
from enactment of this law and shall receive approval of the
Council of Ministers.

➢ Article 92

Ministry of Health, Medicare and Medical Education is charged with
taking measure toward unconditional treatment of the injured persons in
traffic accidents and other events in the health and medical care centers.

In order to fund the above services, a charge of equivalent to ten
percent (10%) of the insurance premium of the third person, the driver and
other riders will be collected and settled with the special revenue account
of the Ministry of Health, Medicare and Medical Education in order to
cover the treatment costs of all traffic, road and driving injured persons,
using this fund and other resources. Distribution of these resources shall
be made by the Ministry of Health, Medicare and Medical Education,
every six months, and on the basis of performance of any of the insuring
organization.

➢ Article 93

A. In order to regulate the pharmaceutical market, Ministry of Health,
Medicare and Medical Education will make public, annually, a list
of permitted drugs. Import, supply and recommendation of drugs
out of the said list is prohibited.

B. Supply of medicine to the final consumers out of pharmacies is
prohibited (except for the non-prescription drugs list of which will
be made public by the Ministry of Health, Medicare and Medical Education).

C. In order to guarantee the pharmaceutical products, all the drug manufacturers are required to control the quality of their products through setting up quality control, and hiring relevant specialist. To this end, the relevant manufacturers are authorized to use up to fifty percent (50%) of the income subject of the “law of Amending Item “2” of Note (2) of Article (5) of the Law of Necessity of Retraining and Training the Medical Society, enacted on 06/09/1992”, within the framework of the annual budgets.

Article 94

Article (194) of the “Law of the Third Economic, Social and Cultural Development plan of the Islamic Republic of Iran, enacted on 05/04/2000 as amended” is validated and extended through the fourth plan (2005-2009).

Article 194

All the centers of production and distribution of the food items, cosmetic and hygienic products and also all the centers rendering services related to these areas must obtain, in addition to complying with the hygienic criteria that will be set forth by the Ministry of Health, Medicare and Medical Education and other related agencies, periodical certificate of inspection and compliance from the authorized legal and real entities (public and private) whose qualification in the matter are confirmed for a certain period of time by the aforesaid agencies. Ministry of Health, Medicare and Medical Education and other concerned agencies are required to monitor continually the services of the qualified real and legal entities. In case of any violation, the qualification certificate must be revoked and the matter be reported to the competent authority.

By-law of this Article including the method of identification of the production, distribution and service delivery units content of this Article, determining the period of validity of the hygienic certificate for any of the
concerned centers, tariff rating, handling the violators either to charge them or to refer them to the court of law, the criteria for determining qualification of the real and legal supervisors, and other related matters will be prepared within a maximum period of six months from the date of enactment of this law by the Ministry of Health, Medicare and Medical Education in cooperation with the relevant agencies and shall be approved by the Council of Ministers.
CHAPTER EIGHT

Enhancement of Human Security and Social Justice

Article 95

In order to establish justice and social stability, to reduce social and economic disparities, to reduce the gap between income deciles and to secure fair distribution of income in the country, as well as to alleviate poverty and deprivation, enabling the poor, via allocation of effective and targeted allocation of the social security resources and payment of subsidy, government is bound to prepare and implement comprehensive plans for eradicating poverty and promoting social justice on the basis of the following principles, and take measures within six months from enactment of this law to review the existing regulations and to prepare the bills for realization of the following policies:

A. To expand and deepen comprehensive social security system from the points of view of comprehensiveness, wholeness and effectiveness.

B. To enforce taxation policies aimed at fair distribution of income.

C. To determine the poverty line, to define appropriate enabling plans; to regulate the social support service system, to bring the entire segment of population who are under the absolute poverty line under the cover of the social security system, making ascertain that
the population between the absolute poverty line and the relative poverty line are covered, to follow up and record the implications of the social and economic plans on the poverty line, on the population below the poverty line, as well as the extent of income in the lowest three income deciles and the poverty gap, and to compensate for the implications of the economic and social plans on the three lowest income deciles through increasing their purchasing power.

Government is charged with identifying and completely covering all the households below the absolute poverty line by the agencies and institutions responsible for the social security system.

D. To design special programs for employment, enabling, attraction of the social participation, training the work skill and skills of living, especially for the population of the lowest three income deciles of the country.

E. To enhance participation of non-government institutions and charity entities in the poverty eradication programs, to identify the orphans and the households below the poverty line throughout the country by the regional managements and to provide social, cultural and economic protections for the said individuals by the same entities and agencies and the institutions responsible for the social security system.

F. Possibility of providing healthy and adequate food in line with a desirable nutritional basket and guaranteeing free health, medical care and rehabilitation services, providing low-cost housing, as well as ascertaining that the people under eighteen years of age in the families situated within the lowest three income deciles are covered for free public education, through replacement, and efficient allocation of the subsidy resources.

G. To provide legal support, social counsel and social work, in order to defend the individuals, family and social rights of the poor.

H. To adopt an enabling approach, and promote community participation, on the basis of the model for the basic requirements of development, having the local communities to identify the needs
of their communities in order to enable provision of social services through a motivational system through small developmental projects commensurate with the local capabilities through enforcing the above measures at the community levels and public participation.

I. To devise the method required in order to increasing productivity and income of the rural and nomadic population, to create job opportunities, especially in the periods beyond the cultivation and harvest in line with participation of the rural and tribal people, and through support of the free-interest loan fund for rural employment and the fund for employment of the needy.

➢ Article 96

Government is bound to increase gradually, and implement, the population coverage, services and financial supports, concern of the Article twenty nine (29) of the Constitution of the Islamic Republic of Iran, according to the laws and using resources of the general revenues and the income derived from public participation, through insurance, protective and relief activities as follows, taking into consideration the organizational setting of the comprehensive social security system in the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran:

A. To increase the social insurance coverage, with due consideration of the rural inhabitants, tribal population and urban employees who have not been covered up to now, in such a manner that the social insurance programs for the rural inhabitants and tribal population be prepared through participation of the government, rural and tribal population, and be implemented upon approval by the government and from the second year of the fourth plan.

B. Complete population coverage (one hundred percent) by the public insurance for the basic medical care.

C. To provide special insurance (within the framework of the supporting activities), to support women heads of households and unprotected individuals, given priority to unattended children.
D. To target supportive activities in order to enable persons under the coverage of the protective institutions to obtain insurance coverage.

E. To take necessary initiatives in order to repay the government debt to the insurance agencies in such a way as to settle the entire government liabilities to the insurance agencies by the end of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran, while avoiding any new obligation.

F. To adopt necessary measures in order to shorten the period of unemployment compensation toward regulating the labor market, to increase the background needed in order to qualify for unemployment compensation, in the first year of the Fourth Economic, Social and Cultural Development plan of the Islamic Republic of Iran.

G. Government is charged with taking necessary measure, using the global experience, within the framework of insurance accounting, taking into consideration the changes and the upward trends in population indicators, life expectancy, and the need to sustain social insurance funds, and to introduce rational reform in their accounting fundamentals.

H. In the case where the rate of growth of the labor wage as declared for the last two years of the employment exceeds the natural growth rate of the labor wages, and that the declared wage does not comply with the same for the previous years, provided that the increase in the wage does not reflect enhancement of the level of employment, the Social Security Organization will collect from the employer the differentials of the withholding shares of the premium for the worker and the employer proportionate with the real wage and the declared wage in the previous years, in addition to the losses incurred which will be determined by a bill to be prepared by the Council of Ministers and submitted to the Islamic Consultative Assembly for approval.
Law of the Fourth Economic, Social and Cultural Development Plan

Article 97

With the purpose of preventing and reducing social calamities, government is bound to take measure to prepare a comprehensive plan to control social calamities, to encompass the following actions, placing emphasis on prevention of narcotics addiction:

A. Enhancing the level of mental health, expanding social work services, enabling the family foundation and empowering the calamity—prone individuals and groups.

B. Expansion and spread of the spirit of joy, happiness, hopefulness, social confidence, profound religious values and social behavior.

C. Identifying the calamity prone and critical social areas in the urban texture and in the shanty towns, concentrating social protections, health medical care services, social work, social and legal counseling, protected employment programs, with exercising the strategy of inter-sector coordination and regulating management of the social calamities in the said areas.

D. Initial prevention of rise of the social calamities through revising the educational curriculum for the public education courses, predicting social educations and enhancing the living skills.

E. Timely delivery of services to the individuals who are vulnerable to social calamities through participation of the non-government organizations.

F. Rehabilitating the victims of social calamity, and preparing the ground for returning them to the society.

G. Preparation of the national plans to combat narcotic and psychedelic drugs, along the following lines:

1. Prevention of addiction to narcotics, narcotic trafficking and smuggling, by using all the national resources and means.

2. Giving priority to the strategy of reducing calamity and risks, work therapy, training of the skills of a health living, psychotherapy, society-based treatment of the addicts, and
utilization of other scientific findings and the global experience in the pragmatic actions and planning.

3. Preventing change in the consumption model from narcotics to the chemical and industrial substances.

4. Preventing money laundering of the proceeds of the criminal activities in the area of narcotic and psychedelic drugs.

5. Using all the national resources and capabilities in order to combat trafficking and transit of narcotic drugs, their supply and sales throughout the country.

6. Strengthening the people’s role and non-government organizations (NGOs) in prevention and campaign against addiction.

H. Continued implementation of the plan for regulating and rehabilitating the chronic mental patients, aimed at coverage of at least seventy five percent (75%) of the target population at the end of the plan.

I. Continued implementation of the plan for regulating and rehabilitation of the elderly, aimed at a minimum coverage of twenty five percent (25%) of the target population.

J. Preparation of a comprehensive enabling plan for the self-guardian women and women heads of households through cooperation with other relevant agencies and non-government organizations, and its approval by the Council of Ministers, within the first six months of the first year of the plan.

K. Regulating and developing public participation and voluntary services in the arena of welfare, necessary planning and actions aimed at supporting the charity and non-government institutions, with a view of improving their activities.

L. Increasing monthly pension of the needy and unprotected families and women head of household under patronage of the protective organizations on the basis of at least forty percent (40%) of the salary and wage, in the first year of the plan.
➤ Article 98

In order to preserve and enhance social capital, enhance public satisfaction and to expand civic institutions, government is charged with taking the following measures during the first year of the fourth plan:

A. Preparation of the measurement and evaluation mechanisms of the country’s social capital.

B. Presentation of an annual report on the country’s social capital that will include an analysis of the causes and factors affecting it.

C. Approval of the executive mechanisms required in order to increasing the social capital, including public confidence, social harmony, law-abiding, and individual and social conscience.

D. Annual evaluation of the public satisfaction, and publication of the changes reflecting the sovereignty’s performance.

E. Preparation and approval of a comprehensive enabling plan to protect the women rights, in the legal, social, economic dimensions, and its implementation by the relevant authorities.

F. Preparation of a comprehensive plan for public participation and monitoring by people, organizations, and non-government institutions and the Islamic councils in sustainable development of the country, and preparation of the ground for qualitative and quantitative expansion of the civic institutions, through exercising motivational policies.

➤ Article 99

Government is charged with preparation and implementation, within six months from enactment of this law, of a strategic plan to provide services to the Sacrificers (the exalted families of the martyrs, the war-wounded, POWs and their families), toward empowering them and improving their employment status, provision of low-cost housing, enhancing the social class, medical care, livelihood, and improvement in the educational and cultural situation, preservation and stabilizing their employment position, and foreseeing the mechanisms required on order to
monitor the performance of the said plan. The plan shall be funded through the government general budget and domestic resources of the institutions. In all the employment generating programs including attraction, employment and granting privileges and facilities, priority is given to the Sacrificers, and government is charged with providing them with necessary protection and support in order to preserve and stabilize their employment status.

➢ Article 100

In order to enhance human rights, to lay the foundation of growth and advancement and to create a feeling of personal and social security in the society and to raise an active, responsible, sacrificing, faithful, and satisfied generation, with a performance conscience, discipline, having spirit of cooperation and social conformity, dedicated to the revolution and the Islamic system and prosperity of Iran, proud of being Iranian, government is charged with formulating the “Charter of Citizenry Rights” encompassing the following principles, and have it approved by the relevant authorities:

A. Developing law abidance, law-base public education, and developing of culture of law, order and civility.

B. Preserving freedom and securing people’s votes and freedom of suffrage-the right to elect and the right to be elected.

C. Guiding political and social activities toward legal processes, protecting and guaranteeing the said activities and lawful assemblages.

D. Securing freedom and security needed for development of the social organizations in the area of preservation of the rights of children and women.

E. Propagating the unification and respectability concepts toward social groups and different ethnic groups in the national culture.

F. Preservation and protection of the individual privacy.
G. Enhancement of the feeling of social immunity in people and the society.

➢ Article 101

Government is charged with preparation of the national plan for development of the “meritorious work” as a new dialogue in the arena of work and development, on the basis of a “trilateral” strategy entailing self-respect, equal opportunity, freedom and security of the labor force, combined with necessary preservation, including the following principles, by the end of the first year of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran, and presenting it to the Islamic Consultative Assembly:

A. Fundamental labor rights (freedom of association and protection of the right of civic organizations, the right to organize and negotiate collectively, equal remunerations for men and women in a similar work, prohibition of discrimination in employment and profession, observation of the minimum working age, prohibition of child labor, and the minimum wage to be commensurate with the subsistence level).

B. Social dialogue between the government and the social partners (civil institutions of the labor relations), enhancement of the human and social capital, enhancement of the industrial relations and labor relations, collective negotiation and bargaining, developing collective agreement, establishment of the trilateral council for national consultation, development of the trilateral mechanisms in the labor relations, structural reforms, propagation of the social dialogue, and fostering civic organizations concerned with the labor relations.

C. Expansion of social protections (social security, unemployment insurance, creating, development and strengthening compensatory mechanisms, social protection of employed persons in the informal labor market, rehabilitation of the disabled, and equalization of the opportunities for female and male, and enabling women in order to take advantage of suitable job opportunities).
D. The right to pursue the professional and civil labor rights.

E. Review and reform the laws and regulation of the social security and the labor relations (changing the laws of social security and the labor relations on the basis of the trilateral mechanisms - government, worker and employer -, in order to bring about interaction and more flexibility in the labor market).

F. Productive employment (capacity building for employment in the small and medium units, targeted educations and employment oriented, employment-oriented educational planning, entrepreneurial education, collection and analysis of data on the labor market, establishing complete correlation and cohesion between education and employment, elimination of the structural barriers of unemployment, development of skills/technical and vocational training in line with the needs of the labor market).

G. Reforming the laws and regulations in order to conform the national laws and regulations with the international standards and conventions, consular, as well as the global changes, and elimination of discrimination in all the social arenas, particularly in the area of labor relations and employment.

H. Adoption of the measures necessary for dispatch of the labor force abroad.

➢ Article 102

Government is in charge with preparation of the development plan for the cooperative sector in line with effective utilization of the potentials of the cooperative sector in establishing social justice and fair distribution of incomes, securing resources required for investments, through accumulation of the small capitals, execution of Item “2” of the Article forty three (43) of the Constitution of the Islamic Republic of Iran, increasing competitive power and empowering the small and medium economic enterprises, reducing the government non-sovereignty functions, expansion of ownership and public participation in the economic activities encompassing the following principles, and submit it to the Islamic Consultative Assembly by the end of the year 1383 (20 March, 2005):
A. Enabling the youth, women, graduates and other employment-seeking individuals, in line with creating social interactions required for formation of activities of the cooperative enterprises.

B. Enhancement of productivity and development and improvement of the cooperative management.

C. Promulgation of the cooperative culture, and reforming the legal environment for development of the sector and presentation of the required legislative bills.

D. Assigning priority to the cooperative sector, in transfer of the non-sovereign activities of the government economic sector to the non-government sectors.

E. Development of the field of activities of the cooperative sector, within the framework of the Item “47” of the overall policies of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran, that will be communicated at a later time.

F. Facilitating the process of accessibility of the cooperatives to resources, potentials, modern technologies and markets, an improving the business environment.

G. Facilitating communications and developing technical, economic and financial linkages between different types of cooperatives.

➢ Article 103

Article (42), and Item “A” of Article (46) and Articles (48) through (51) of the “Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran, enacted on 05/04/2000, as amended” are validated and extended to the Fourth Economic, Social, and Cultural Development Plan of the Islamic Republic of Iran (2005-2009).

➢ Article 42

All the insured persons (except personnel of the Armed Forces and Ministry of Intelligence) may change their insurance agency. Transfer of
insurance premium and insurance deductions among the insurance funds shall be made in the basis of the criteria to be prepared within a maximum period of six months by the State Administrative and Employment Affairs Organization (now part of the Management and Planning Organization), Ministry of Health, Medicare and Medical Education, on the proper actuarial basis, and shall be approved by the Council of Minister.

**Item “A” of Article 46**

A. Government is bound to take legal actions, by the end of the second year of the Third Economic, Social and Cultural Development plan of the Islamic Republic of Iran, and through studies and expert reviews, in order to target payment of subsidies for the basic commodities including wheat, rice, vegetable oil, cubic sugar and sugar, cheese, milk, medicine, dry milk, fertilizer, insecticide, energy carriers and other materials in such a way that from the third year of the said program on, the subsidy payment system be changed in line with realization of the following goals:

1- To rationalize consumption of subsidized goods, and to prevent smuggling such goods.

2- Promotion and development of investment and protection of domestic production of the subsidized goods.

3- To reduce the share of the upper income classes and to increase share of the lower income classes of the subsidized goods.

4- To replace gradually the social welfare programs with payment of subsidy.

5- Funding infrastructural investment and eradication of deprivation in the country as well as development of employment.

6- Development of productive employment through granting loan, out of the proceeds (in form of the administered funds).
Article 48

Ministry of the Interior is required to take appropriate measures to identify within the first year of the Third Five-year Economic, Social and Cultural Development Plan of the Islamic Republic of Iran all foreign nationals who do not possess the permit to work in Iran and deport them to their country of origin, provided that their lives will not be jeopardized. Otherwise they should be confined in live in the refugee camps.

Final judgment as to the existence of such a condition rests with the Ministry of Foreign Affairs.

Executive by-law of this Article shall be prepared jointly by the Ministry of the Interior and Ministry of Foreign Affairs, and shall be approved by the Council of Government.

Article 49

In order to encourage employers of industrial establishments and factories to employ new manpower, government is required to offer the following incentives to those employers who hire new manpower through the Employment Service Centers of the Ministry of Labor and Social Affairs:

A. To rebate the employer’s contribution to the social insurance premium, and provide the necessary funds in the country’s budget.

B. To reduce tax obligations of the employers of these industrial establishments up to an amount equivalent to the taxes charged on the salary of the newly hired employees.

Executive by-law of this Article shall be prepared within a maximum period of three months from the date of enactment of this law, jointly by the Ministry of Labor and Social Affairs, Ministry of Health, Medicare and Medical Education, and the Plan and Budget Organization (the Management and Planning Organization), and shall be approved by the Council of Ministers.

Note: New workshops reaching their operational stage during the plan period will be entitled to the privileges provided in this article for the employment in excess of the work-force envisaged in the feasibility report of the project and in the establishment permit.
Article 50
In order to create employment opportunities in the less developed regions, government is authorized to:

A. Offer exemptions to the investors who invest in these regions during the plan period, with respect to the government’s duties and charges. The by-law governing such an arrangement shall be prepared jointly by the Ministries of Economic Affairs and Finance, Industries (now Ministry of Industries and Mines) Labor and Social Affairs, and the Plan and Budget Organization (the Management and Planning Organization), and shall be approved by the Council of Ministers.

B. Pay part of the profit accruing to the credit facilities granted to the investors of the private and cooperative sectors including producers, service cooperatives, rural and nomadic production cooperatives, as well as the interest payable to the credit facilities extended to the activities related to exploitation of natural resources and self-employed projects.

C. Allocate the facilities envisaged within the annual budgets and their executive by-laws, with preference given to the less developed regions and in proportion to their employment so that a balance of employment could be reached throughout the country by the end of the plan period.

Article 51
In order to develop both the quality and quantity of the technical and vocational skills of the labor force and to lay the ground for the provision of appropriate training programs, government is required to take necessary measures to establish a special fund to subsidize the interest accruing on the credit and facilities granted to the investors of the private and cooperative sectors who set up technical and vocational schools.
PART FOUR

Safeguarding Islamic-Iranian Identity and Culture
CHAPTER NINE

Cultural Development

➢ Article 104

With the intention of promoting the economy of culture, increasing employment, improving quality of goods and services, competitiveness, creating new resources, fair distribution of cultural products and services, and laying proper foundation in order to inter into the international culture and art markets, as well as providing for adequate spaces for the supply of cultural products, government is bound to take the following measures:

A. Reform the laws and regulations aiming at eliminating monopolistic barriers, promoting competitiveness, preparing the ground for promoting participation of the public, non-government organizations (NGOs), professional and vocational institutions in the fields of culture and art.

B. Take legal action required to set up non-government guarantee funds aiming at protecting productions, distribution and export of the cultural and artistic, cinematic, journalistic, and sport goods and services at the national and international levels.

C. Reckoning and enhancing share of the cultural sector in the national economy on the basis of the relevant indicators, and foreseeing an appropriate annual growth in the budget bills aiming at achieving the national standards which will be approved by the government in the first year of the fourth plan.
D. Approval and communication of the standards for utilization of the
cultural, artistic, sport and tourist facilities in different parts of the
country, distribution and provision of the national and provincial
funds to the relevant planning divisions for each year of the fourth
plan in order to arrive at the indicators and standards approved by the
Council of Ministers in the first year of the fourth plan.

E. To assist development of the organizations and infrastructures
required for the growth of production and distribution of the priority
cultural, artistic and sport goods by the private and cooperative
sectors.

F. To devise special facilities for import of the primary material,
machinery and equipment needed for industries of the cultural sector,
in order to achieve improved quality of the products and export of the
cultural, artistic and sport products to the global market.

G. To regulate the subsidy system of the cultural sector, giving priority
to children, students, and students of the higher educations,
reorienting the subsidy system from production toward consumption
by all the social groups, and purchasing the cultural products.

H. To provide support, or to make partnership with artists and the
collectors intending to open up private museum of their own art
works or library, including use of the government spaces temporally
and in form of trust, with cooperation of the Ministry of Culture and
Islamic Guidance, Ministry of Housing and Urban Development, all
the municipalities and other pertinent executive agencies.

I. To support the real and legal entities acting within the framework of
the regulations approved by the High Council of Cultural Revolution
in development of the virtual cultural, artistic and journalistic spaces
in the computerized and internet environment, especially granting
facilities required to set up databases and information websites
concerned with cultural, religious, historical and scientific
information in Persian language and the scripts by different executive
sectors of the country for public use, as well as creating necessary
conditions by the Islamic Republic of Iran Broadcasting Organization
in order to receive vocal and visual programs through cable TV and
satellite channels on the basis of the criteria of the Islamic Republic of Iran Broadcasting Organization.

The pertinent executive by-law shall be prepared with cooperation of the Ministries of Culture and Islamic Guidance, Communications and Information Technology, and the Islamic Republic of Iran Broadcasting Organization, and approved by the Council of Minister.

I. Government is authorized to spend equivalent to half a percent (0.5%) of the appropriations of the agencies subject of Article (16) of this law, on the recommendation of the head of the relevant agencies, for the performance of cultural, art, cinematic, and journalistic affairs, toward promotion of the ethical virtues and Islamic acquirements of their employees.

J. Executive by-law of this Item shall be prepared by the Ministry of Culture and Islamic Guidance and the Management and Planning Organization, and receive approval of the Council of Ministers.

K. To take measures to provide cultural and art spaces including central libraries, cultural and art halls, movie gardens, contemporary art museums, and permanent cultural and art exhibitions in all cities and the provincial centers, corresponding with the population, social, cultural characteristics of the target cities, in such a way as to meet the minimum utility needs of the said centers, and through cooperation with the private and cooperative sectors.

L. To provide a maximum of fifty percent (50%) of the costs of completion of the incomplete cultural and art centers of the non-government sectors that are deemed necessary to be completed and put into operation for public use, in form of aid, and on the basis of a by-law approved by the government. In the event of change of use of these centers from public to private, the funds paid by the government must be returned at the market prices.

M. All the agencies subject of Article (160) of this law are charged with providing their cultural, art and sport facilities and spaces to the applicants intending to perform cultural, artistic and sport programs on the basis of a by-law which will be approved by the Council of Ministers.
Article 105

Articles (156), (161) and Item “A” of Article (162) of the “Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran, enacted on 05/04/2000, as amended” are validated and extended through the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran (2005-2009).

Article 156

In order to utilize the capabilities and potentials of the urban and rural Islamic Councils in administration of the religious and cultural affairs, these councils are required to perform the following duties in addition to the mandates specified in the law of their formation:

A. To examine the cultural, art, sport and educational problems and their inadequacies, and to make necessary recommendations to the concerned officials and authorities.

B. To contribute to, and participate in preservation and maintenance of the cultural buildings and the Martyrs’ Rose Gardens (cemeteries of the war victims), to enhance the utilization of the cultural and art and sport centers; and to promote people’s cooperation in creating the needed facilities and spaces.

C. To cooperate in preservation of the historical and cultural buildings, relics, cultural and historical precincts and textures, and to prevent any change in their uses.

Executive by-law of this Article including the manner of participation and cooperation of the councils in performing the said duties shall be prepared jointly by the Ministry of Culture and Islamic Guidance, Ministry of the Interior, the Islamic Propagation Organization, and the Physical Education Organization, and shall receive approval of the Council of Ministers.

Article 161
In order to renovate cinemas and cultural complexes and to build new movie hall, cultural complexes and theater halls in cities of over fifteen thousand (15,000) population:

A. The country’s municipalities may directly of through partnership with the real and legal entities utilize banking facilities in order to build and renovate movie buildings.

B. Allocation of the land suitable for building cinemas and cultural complexes in new towns shall be the responsibility of the Ministry of Housing and Urban Development. The same responsibility but in the urban development plans rests with the municipalities.

The lands indicated in this Item shall be ceded to the real and legal applicants at the zone’s price and in form of ten-year term payment.

C. Municipalities of the said cities are authorized to divest to the real and legal entities the land suitable for building movies and cultural centers owned by the municipalities in form of twenty five (25) years lease contract, with minimum charge for the land and without transfer of the title.

D. As for renovation of the existing movies and cultural centers or building new movies and theater halls, the municipalities are required to issue building permit free of any charge or cost; and in the case of need to coordinate the matter with the comprehensive city plan, the permit for commercial and service uses should be issued for a maximum floor areas of the show hall. The movies and cultural centers built through these concessions will not be permitted to change their uses for ten years from the date of inception of the operation.

Executive by-law of this Article will be proposed jointly by the Ministry of Culture and Islamic Guidance, Ministry of the Interior, and the Plan and Budget Organization (now the Management and Planning Organization), and shall be approved by the Council of Ministers.

Item “A” of Article 162

A. Ministry of Culture and Islamic Guidance is required to take measures to define cultural indicators in the context of the goals and
ideals of the Islamic Republic of Iran system and the cultural policies approved by the High Council of Cultural Revolution, through necessary studies aiming at specifying the fundamental definitions and concepts of the cultural sector. Upon confirmation of the council, the said indicators shall be used as the basis to produce information through cooperation with the Iran Statistical Center and to measure changes of the said indicators during the years of the third Plan as follow:

1. To determine biannually the transformation of the indicators related to the mental, intellectual and behavioral changes of the society, and present the findings to the relevant agencies and institutions.
2. To determine annual changes in the indicators as related to the consumption of cultural goods and services throughout the country and in different regions.
3. To determine annual data and statistics and changes of the indicators related to the manpower, cultural spaces and their breakdown by the provinces.

껍데기 Article 106

With the objective of deepening values, believes, culture of spirituality, preservation of the Islamic-Iranian identity, enhancement of religious acquaintance, and promotion of the Quranic culture, government is bound to take the following measures:

A. Expansion of ethical knowledge and virtues amongst different population groups, and preparation of the ground for the actions required in order to creating a healthy cultural environment and appropriate conditions for revitalizing the ordinance of commanding the law-abiding and avoiding the wicked, and commitment to this principle.

B. Expansion of activities of the national media and mass communications, aiming at counteracting the cultural invasion, creating a health public environment, sound information
dissemination, and realization of the overall policies of the fourth plan, through preparation the proper ground for publication of the performance reports of agencies and increasing accessibility of the society to the general, technical, vocational, propagation educations and higher education through the networks of the Islamic Republic of Iran Broadcasting Organization.

C. To support strategic and fundamental research works in the area of enhancement of the religious acquaintance and development of Quranic activities.

D. To prepare the comprehensive plan for propagation and development of the prayer culture.

E. To prepare the comprehensive plan for development of religious spaces and mosques by the Islamic Propagation Organization, pious endowment and charitable affairs, with cooperation of the Cultural Heritage Organization by the end of the first year of the fourth plan.

F. Continuation of the Quran-learning movement.

G. To promote book-reading in the religious field in the country, especially in the deprived regions, and establishing religious libraries in mosques and other religious places.

H. To prepare the comprehensive plan for development of the culture of the pious endowment and charitable affairs.

I. To adopt and apply modern means, tactics and tools of religious propagation.

J. To support planning, assessment of needs, and providing the religious missionaries with necessary education toward improving the quality of religious propagation.

K. Continued performance of the plan for propagation of the culture of sacrifice and martyrdom.

L. To regulate media advertisement, to improve the contents of the educational texts, to set up the environment and the legal structures aiming at preservation and enhancement of the Islamic-Iranian
identify, enforcement of the family institution on the basis of the teachings of the spiritual heritage of the Iranian society.

M. Compilation and performance of educational and propagation programs at all levels of the society for the purpose of teaching, development and deepening the culture of work and social order, reconnaissance of the value of time, and it observation in handling all daily activities.

N. To prepare the comprehensive plan for reviewing and performing religious convergence, by the end of the first year of the fourth plan, the latest, aiming at promoting higher convergence amongst different Islamic colts and religions in the country.

O. To develop popular participation in the religious culture, planning and actions aimed at supporting the religious missions and religious organizations aiming at improving quality of their activities and avoiding superstitions and deviations.

P. The theological schools shall entertain all the facilities and exemptions granted, or to be granted, to the educational and research centers.

Q. For the purpose of enhancing research in the area of theoretical and religious foundations of the system, and to secure accountability toward the problems raised in the Islamic Republic of Iran, the Bureau of Islamic Propagation of the Qom Theological Seminary is charged with taking proper actions in order to improve teaching and research during the fourth development plan, using the scientific potentials and capacity of the field of theological studies.

Article 107

Article 163

In view of the importance of developing religious spaces and mosques simultaneously with preservation of the principle of reorganization of the mosque buildings, their restoration and equipment through public participation, as well as by the urban and rural councils, the executive agencies subject of this Article are required to take the following actions during the years of the plan implementation:

A. Ministry of Housing and Urban Development, municipalities and other organizations responsible for the design and implementation of the comprehensive plans, detailed plans and the guide plans for urban and rural areas are required to prepare the said plans on the basis of the concept of the mosque-centered community.

B. Ministry of Housing and Urban Development and municipalities are required to provide lands suitable for erection of mosque and bases for the Bassij Resistance (paramilitary) Forces. Upon preparation of the land, it shall be divested to the volunteers interested in mosque building and Bassij Resistance Forces free of charge. The land price should be included in the cost of land preparation for the city.

C. Ministry of Road and Transportation and Ministry of Petroleum are required to take necessary measures in a coordinated manner in order to build mosques and/or prayer houses in the passenger terminals and gas stations along the roads connecting the cities, to maintain and manage the existing mosques and prayer houses, aiming at facilitating accessibility of the passengers to the religious centers.

D. Ministry of Economic Affairs and Finance is required to accept as tax deductible all the funds contributed by the real and legal entities in connection with building mosques, repairing and equipping mosques and other religious spaces.

E. Municipalities and the Forests and Pasture Organization are required to allocate suitable spaces in the national and public parks for mosques building and praying houses, as the case may call for.
F. The following tasks will be performed during the Third Plan period aiming at enhancement of position of mosques and schools in the social and cultural activities of the neighborhoods, cities and villages; coordinating the organized activities in line with fostering faith and moral values and flourishing scientific, cultural and artistic creativity amongst different groups of the society, particularly among the youth and adolescents:

1. To support applied research from the legal, financial and legislative standpoints, aiming at identifying the executive strategies to enhance the position of mosques and school in the country’s social and cultural activities.

2. To define the joint mosque-school educational, cultural and artistic activities in the by-laws and regulations governing education, culture, art, Islamic propagation, physical education and the sport sectors.

G. In order to reorganize the manner of allocation and use of the government funds in the areas of restoration and renovation of mosques, provision of assistance to the research centers of the religious seminaries, activities pertaining to the religious propagation aiming at fostering public participation and promoting people’s contribution to finance these activities, the Islamic Propagation Organization is required to prepare a plan within the framework of the guidelines extended by the supreme Leader and through consultation with the relevant authorities and performing necessary studies in cooperation with the State Administrative and Employment Affairs Organization and the Plan and Budget Organization (both are now combined and called the Management and Planning Organization) and present it to the government. Upon review and approval of the plan by government, it will be used as the basis for projection and use of the government resources.

Note: In the rural areas, where fifty percent (50%) of the costs of construction of mosques are secured through self-help contribution by the inhabitants, the government will match the other fifty percent (50%) out of the government funds.
Article 108

For the objective of keeping alive and visible the religious and political thinking and the practical disposition of Imam Khomeini (Pbah), and to signalize his deed as a fundamental yardstick in all policy making and planning, and its proliferation through the entire system, government is charged with taking the following measures:

A. To support fundamental and applied research works in the area of culture building, research, education and information dissemination, with emphasis on science, technology, and proper utilization of the potentials of universities and research institutions and to support theses of the complementary courses on the subject matters related to the Imam and the Islamic revolution.

B. To support production and publications of the valuable scientific, artistic and literary works related to the Imam with cooperation of the Institute of Compilation and publication of the Imam Khomeini Works, and supplying the country’s public library with the published works in this area.

C. To support production of diverse and proper programs in line with explanation and honoring the Imam’s disposition and ideas and to introduce his full face through the Islamic Republic of Iran Broadcasting Organization and with cooperation of the institute indicated in Item “B”.

D. To identify, renovate, preserve and maintain places, squares and streets which have witnessed the most important events of the Islamic Revolution, and also to utilize the cultural, artistic centers and public places toward propagation and proliferation of Imam khomeini’s ideas and dispositions, as well as to honor him, by the municipalities.

E. To prepare proper plans for establishing ties with the real and legal influential entities abroad in order to perform the affairs indicated in this article by the Islamic Culture and Communications Organization and the Ministry of Foreign Affairs and with cooperation of the institute mentioned in Item “B”.
F. To prepare and implement constructive plans by the national Youth Organization through cooperation of the institute indicated in Item “B” in order to expose and relate the young generation with the ideas and life of the Imam and the ideals of the Islamic Revolution.

G. The cultural entities that use the general budget in one way or the other, as well as municipalities and cultural centers are charged with allotting a minimum of three percent (3%) of the cultural and propagating operation budget toward performing the functions indicated in the Article.

H. Executive by-law of this Article shall be prepared by the Organization of Compilation and Publication of the Imam Khomeini Works, and the Management and Planning Organization, and shall be approved by the Council of Ministers.

Article 109

In order to preserve and introduce the historical identity of Iran and utilize the elements and features of the Iranian Identity, particularly the Persian language, government is charged with taking the following actions:

A. To support scientific and interdisciplinary research works in the field of Iranian studies and the nation’s lasting and historical past, and to collect useful reports and books for different educational and research levels.

B. To study and compile the systematic verbal history, dialects and accents, civilities, costumes and the elements of the national and indigenous culture.

C. To support expansion of resources and information in Farsi language and script; to compile and approve national and international standards in order to introduce, and promote, Farsi alphabet in a computerized environment.

D. To train, and encourage the skilled teachers of the Farsi language, for different educational levels, particularly for the level of elementary education.
E. To strengthen cultural interaction and indigenous languages with the national culture and heritage, and to introduce the diverse facets of the indigenous culture, at the national level aiming at solidifying national unity, especially in the country’s educational system, media and production of the cultural and artistic artifacts.

F. To identify, honor and introduce the highly praised religious, cultural, sport, artistic, literary and scientific learned personalities, on the basis of the criteria set forth by the High Council of Cultural Revolution.

G. To identify the principles and criteria of formation of the Iranian-Islamic architecture in the country’s urban and rural areas in order to introduce characteristic features of the art of Iranian Islamic architecture, through performing the required research works.

➢ Article 110

In order to promote the culture of peace, understanding, non-violence and peaceful coexistence among the nations in the international relationship, and realization of the dialogue between cultures and nations, government is bound to take the following measures:

A. Make planning for participation and active presence in regional and international processes, institutions and conventions in the area of dialogue between the civilizations.

B. To provide necessary conditions for exchange of ideas and views of intellectuals, scientists, artists and scientific, cultural and civic institutions.

C. To take efforts in introducing the cultural, artistic and literary features of Iran to other parts of the world, and to lay the foundation to acquaint and expose the elites and the scientific and cultural centers and the Iranian society to the new cultural achievements in the world.

D. To promote, and to exchange, cultural agreements at the regional, continental and international levels; and to provide for the proper
conditions required for execution of these agreements within the context of the programs of the executive agencies.

E. To improve executive organizations and to support establishment of non-government institutions aiming at realization of the dialogue among the cultures and civilizations in line with reducing the non-sovereign functions of the government and toward privatization of these activities.

F. Executive by-law of this Article shall be recommended by the Management and Planning Organization within the first year of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran, and shall be approved by the Council of Ministers.

➢ Article 111

With the objective of strengthening the role of women in the society and development of opportunities and enhancement of the level of their participation in the country, government is charged with taking the following actions:
A. Compilation, approval and implementation of the comprehensive plan for development of women participation, including reexamination of the laws and regulations, especially the civil law, strengthening women’s skills in line with the needs of the society and technological transformations, identification and increase of the investment entities in the employment-generating opportunities, with attention be paid to the gender composition of the supply of the manpower, enhancement of the quality of life of women, as well as promoting public convictions toward their worthiness.

B. To prepare necessary bills for reinforcing the family foundation, and to present these bills to the competent authorities for approval.

C. To take necessary actions, including preemptive plans and lawful and legal initiatives in order to eliminate violence toward women.

D. To present to the Islamic Consultative Assembly the required bills aiming at supporting creation and development of non-government organizations (NGOs), civic institutions and other organizations for women.

Note: All the executive agencies are charged with foreseeing the required funds for performance of the lawful mandate subject of this Article and pertaining to their legal duties in the annual budget bills under the relevant program, and take necessary actions in coordination with the Center for Women Participation Affairs.

➢ Article 112

In order to define and strengthen the social status of the youth, as the country’s human and social wealth, and in consideration of the especial efforts toward growth and enhancement of the young generation, government is bound to prepare the plan for reorganization and regulating the youth affairs, including the necessary executive programs encompassing manners of reforming the public view, and creation of the culture of positive thinking toward the youth, lay the foundation for intellectual and scientific growth, presence, enabling and enhancement of the level of their overall participation in the country’s development process, to increase welfare, physical and mental health, and to create
enthusiasm, motivation and hope toward the future among the youth and eliminating the impediments toward job, marriage, housing and social calamities within the framework of an intra-sector approach and as a fundamental strategy, with maximum use of the existing potentials of the executive agencies and non-government organizations (NGOs) and through capacity building in the country, and through structural reforms of the administrative, economic, social and cultural systems, by enforcing a system of strategic management within the framework of the fourth plan. The said plan shall be prepared within six months from the enactment of this law.

➢ Article 113

In order to glorify and develop the Islamic and Iranian concepts and manifestations in the political, economic, social and scientific systems, and to effectively interact between the cultural, historical, geographical, and linguistic Iran aiming at sustainable development, government is bound to:

A. Prepare the plan for application of the Iranian and Islamic signs, symbols, and artistic relics to architecture, city planning and urban landscape, to give name to places and domestic products, during the first year of the fourth plan and implement it.

B. Lay the foundation for creating science and technology museums and scientific public parks, small cultural, sport, historical, industrial, and the sacred defense museums, and exhibition halls in order to introduce the country’s modern industrial achievements.

C. Take measure to compile and execute protectionist policies in favor of the producers who produce their products in line with the country’s cultural advantages and factors.

D. Use the cultural capacities and advantages in order to facilitate and improve the international affairs and relationships.
E. Take necessary actions toward policy planning, coordination and support of the cultural activities abroad as well as policy making and planning of the cultural affairs of the expatriate Iranians.

F. All the executive agencies and executors of the capital asset acquisition projects are authorized to spend up to one percent (1%) of their construction and building funds for the art works designed, made and exhibited in line with the religious and national culture and memories of the sacred defense, in the same project.

➤ Article 114

In a national drive to identify, preserve, research, repair, revive, utilize and introduce the country’s cultural heritage, and to enhance the tourism capability, to generate wealth and employment, and to promote cultural exchange in the country, government is charged with taking the following measures during the fourth plan period:

A. To prepare and implement plans concerning “protection of the owners” of the legally possessors and users the historical-cultural relics and properties located within their protective boundaries, and “regulating management, supervision and protection of the owners and the legally authorized possessors of the cultural and historical moveable properties” by the end of the first year of the fourth plan.

B. To set up and develop specialized research museums affiliated with the executive agencies.

C. To identify and document the historical-cultural relics, within the geographical boundary where the plan is executed, by the executive agency and under supervision and confirmation of the Cultural Heritage and Tourism Organization.
D. To set up and equip the cultural heritage bases in the country’s important historical monument sites and their main themes as related to the subject of the cultural heritage.

E. To identify and to protect the existing Iranian cultural-historical relics and monuments in the neighboring countries and regions, giving recognition to them as the shared cultural heritage.

F. For the goal of attracting participation of the private and cooperative sectors, the Cultural Heritage and Tourism Organization is authorized to issue permit for establishing and operating private and specialized museums and consulting firms specialized in cultural heritage works, workshops to repair the moveable and immovable cultural-historical relics, firms specialized in management of museums and historical-cultural sites, firms specialized in appraisal of the cultural-historical properties, traditional art workshops as well as other private entities concerned with cultural heritage. Executive by-law of this Item shall be approved by the Council of Ministers on the recommendation of the Cultural Heritage and Tourism Organization.

G. The Cultural Heritage and Tourism Organization is granted authorization to set up the fund for reviving and utilizing the cultural-historical buildings and places in order to grant permit for the proper use and exploitation of revivable historical buildings and places aiming at attraction of investment by domestic and foreign private sector. The revivable historical buildings and sites except the exquisite national relics (properties and assets) as defined by the said organization are exempted from the provision of Article (115) of the “Law of the Country’s Public Accountings, enacted on 22/08/1987”.

H. To enhance the position of non-government sector and to increase competitiveness in the tourism industry through revising the laws and regulations and providing the necessary facilities, preparation of the supportive, administrative, and banking criteria for the non-government organizations, as well as attraction of investors and
partnership of specialized domestic and foreign entities and insurance undertakers to insure foreign tourists, and presentation of the same to the Islamic Consultative Assembly for approval.

I. In order to preserve the traditional, ethnic, tribal, and national cultures and relics, and to promote development of the tourism industry in the country, government is bound to take measures for creation of the centers for preservation of the tribal relics and culture in the country’s provinces and counties, such as tourist village, tribal recreation centers and camping sites, museums and exhibitions, foreseeing the required funds and facilities in the annual budget law. Partnership of the government and private sector, ceding the land, granting facilities to the private sector in execution of this type of projects are permissible.

J. Executive by-law of this Item shall be proposed jointly by the Ministry of Agriculture Jihad (Iran Tribal Affairs Organization) and the Ministry of Culture and Islamic Guidance, and the State Bureau of the Deprived Regions of the Office of the President, and shall be approved by the Council of minister.

➢ Article 115

Articles (165) and (166) of the “Law of the Third Economic, Social and Cultural Development plan of the Islamic Republic of Iran are validated and extended through the period of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran (2005-2009).

☢ Article 165

In order to protect and preserve the country’s cultural heritage, authorization I given to:

A. The State Cultural Heritage Organization, for establishing the State Cultural Heritage Guard units under its own auspices and upon authorization of the Commander-in-Chief Staff of the Armed forces.
B. The Proceeds of all the fines collected in connection with unauthorized excavations and from the smugglers of the historical and cultural properties will be included in the public revenues of within the framework of the annual budget bills and on the basis of a by-law to be proposed by the Ministry of Culture and Islamic Guidance, and approved by the Council of Ministers, as follow:

1. Payment of remuneration and reward to the discoverers of the smuggled properties and to the real and legal collaborators.
2. Payment of expenses pertaining to reinforcing protection of the cultural heritage

C. Return of the moveable historical and cultural relics that are brought into the country for research, repair and other necessary reason will require presentation of the import certificate for the said objects issued by the Cultural Heritage Organization.

❖ Article 166

In order to properly perform the provisions of the Law of the Articles of Association of the State Cultural Heritage Organization enacted on 20/04/1988 pertaining to repair and restoration of the historical/cultural textures and buildings, the following tasks shall be undertaken:

A. The Head of the State Cultural Heritage Organization becomes a member of the High Council of Urban Planning and Architecture, in Tehran; and representatives of the said organization in counties become member of the commissions specified in article (5) of the Law of Establishment of the High Council of Urban Planning and Architecture enacted on 12/03/1972, as amended.

B. In the cities with valuable historical textures whose limits have been or will be stipulated in Article (3) of the Law of the Articles of Association of the State Cultural Heritage Organization enacted on 20/04/1988, the Organization of the Municipalities will be reorganized in order to accommodate a proper mechanism to administer preservation of the cultural textures of these cities.
C. The city councils will allocate to the related department of the municipality a percentage of the municipality’s income proportionate with the requirements of that city’s historical texture in order to finance restoration and maintenance of the historical buildings, complexes and textures under the supervision of the State Cultural Heritage Organization.

Government is required to prepare by the end of the second year of the third plan the ground for utilization of the international financial resources and capitals and the credit lines of the international cultural organizations such as the UNESCO for expansion of the potentialities and preservation of the national relics and cultural heritage through the initial domestic investment.

Executive by-law of this Item to be proposed jointly by the State Cultural Heritage Organization, Ministry of the Interior, and the Plan and Budget Organization (now the Management and Planning Organization), and shall be approved by the council of Ministers.

D. In order to preserve the old and traditional texture of Jamaaraan district (the area bordering the Jamaaraan Hosseinyyeh and the residence of Imam Khomeini) according to the design and plan adopted by the High Council of Urban Planning and Architecture, and to take possession of the real properties located in the aforesaid district and converting it into a cultural and service complex for pilgrims, domestic and foreign visitors, the municipality of Tehran is required to take appropriate measures, and after taking over the said properties, in order to entrust them to the Institute of Compiling and Publication of the Imam Khomeini’s Works.

Ministry of Housing and Urban Development will allocate to the Municipality of Tehran a suitable land in exchange for the said properties free of charge or at the original purchase price.

E. Also, ministries, organizations, the state-owned enterprises and the revolutionary and public institutions are authorized to allocate their unwanted properties to this purpose and devote them for the execution of this project.

➢ Article 116
Government is bound to take the following measures in order to protect the intellectual and artistic property rights, and to provide professional security of the intellectuals, artists, journalists and writers; to promote active international presence in the cultural and artistic arenas, and to regulate relationships and collaboration between the real and legal entities concerned with the cultural and artistic affairs:

A. Prepare a bill for protection of the right of the intellectuals and artists, and to establish the guild system for the cultural sector, by the end of the first year of the fourth plan.

B. To revise the law of journalism and advertisement, and to provide a comprehensive legal system for journalism, media and advertisement.

C. The intellectuals and artists who loose their job will be covered by unemployment insurance for a maximum period of three years, as determined by the government. Government shall provide credit assistance to the unemployment insurance fund within the framework of the annual budget bills.

Article 117

For the purpose of reforming the structure of the physical education, propagation of the culture of sport, quantitative and qualitative development of accessibility to the physical educational and universal sport as well as development of the system of potential-finding, strengthening the presence of the non-government sector, development of research works and training the quality manpower during the fourth plan:

A.

1. Government is charged with providing the required supports of the country’s sport on the basis of the strategic plan for the comprehensive development of physical education and sport in the financial resource section, the organizational structure, preparation and compilation of the required laws and training manpower, with participation of the non-government sector in
such a way as to increase the per capita sport space (roofed and open) of at least one square meter by the end of the plan. The said plan document shall serve as the basis for regulating sport activities of the Physical Education Organization and all other agencies.

2. Non-government public entities and all municipalities and village administrations are charged with providing support required to develop universal sport and to create facilities for easy accessibility of people to the sport spaces and sites.

3. Ministries of Education, ‘Science, Research and Technology’ and ‘Health, Medicare and Medical Education’ are required to prepare the comprehensive plan for enhancement of school sport, coordination and consolidation and growth of the students sport, development of sport sites and covered spaces (with priority given to the females), and open spaces, to increase number of hours of physical education courses, to create sport clubs and to train the manpower needed in the physical education sector, as may deem necessary, on the basis of the document indicated in Item “1” above, and implement the said plan upon approval by the Council of Ministers.

B. All the agencies subject of Article (16) of this law are authorized to allocate, during the term of the fourth plan, one percent (1%) of their own credits to the performance of the physical education and sport affairs including creation and development of sport sites, provision of sport services and provision of assistance to the Physical Education Organization, the National Olympic Committee, sport clubs and sport federations within the framework of the policy making, with cooperation of the Physical Education Organization.

The private sport establishments who received assistance out of the resources indicated in this Item, in the case that they change the use of their place, are bound to return the funds they have received as computed by the annual inflation rate.

The agencies indicated in this Item are bound to submit annually, a complete report of the performed assistances according to this item to
the Management and Planning Organization, and the Plan and Budget, Accounting and Cultural Commissions of the Islamic Consultative Assembly.

C. Ministry of Agriculture Jihad is charged with divesting the non-agricultural lands situated out of the protective zones of cities and the four environmental regions, and needed by the Physical Education Organization to this organization free of charge, in order to be used for creation and development of sport spaces and sites. The said ministry is also charged with divesting the land having the same condition to the private and cooperative sectors at the market price determined by the Ministry of Economic Affairs and Finance, upon confirmation of the Physical Education Organization. The land use for these lands shall not change at all. The four environmental regions are exempted from the provisions of this Item.

D. Ministry of Housing and Urban Development and municipalities are bound to require the town and new towns developers, at the time of granting permit, to allocate sufficient land for the said purposes corresponding with the size of the residential areas.

E. Ministry of Housing and Urban Development is bound to purchase through cooperation of the Physical Education Organization the lands allocated to the sport and recreation facilities throughout the country and divest the same, using the following methods:

1. To the Physical Education Organization and the State Sport facilities Development and Maintenance Company, free of charge.

2. To the private and cooperative sectors, at the cost price.

Executive by-law of this Item shall be prepared on recommendation of the Ministry of Housing and Urban Development, the Physical Education Organization and the Management and Planning Organization, and shall be approved by the Council of Ministers.

F. The registration fee and documentation charges in connection with transfer of titles of the sport places and clubs must be computed according to the approved tariffs for the cultural and educational
places and facilities, and with confirmation of the Physical Education Organization.

G. Organizations and the private and cooperative sectors and professional clubs are to be strengthened for development of the professional and championship sport through reforming the country’s physical education and sport structures and exercising the required support and protection in their administrative, financial and human resources areas in such a way as to achieve the following objectives by the end of the plan period:

1. Share of the non-government sector and private clubs in development of championship sport be increased to a minimum of fifty percent (50%).

2. One hundred percent (100%) of the executive operations and provision of the resources for the professional sport be handled by the private and cooperative sectors and clubs. The state protection and support be confined to the legal, administrative, facilitative and financial assistance.

➢ Article 118

Article (169) and (170) of the Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran enacted on 05/04/2000 as amended” are validated and extended to the period of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran (2005-2009):

❖ Article 169

In order to provide facilities, legal and financial support of the general and championship sport activities during the years of the Third Plan, the funds spent by the real and legal persons to build and complete sport spaces, places, clubs, as well as for rendering sport related services, and/or the contributions made to the Physical Education Organization, the National Iranian Olympic Committee, the sport federations and missions and associations, and the Physical Education of the Armed Forces will be
accepted as tax deductible expenses upon confirmation by the Physical Education Organization.

Executive by-law of this Article shall be prepared by the Plan and Budget Organization (the Management and Planning Organization), and shall be approved by the Council of ministers.

❖ Article 170

The Physical Education Organization’s revenue earned from sport competitions, sales of ticket, and use of the sport spaces will be settled with the general revenue account, equivalent of which will be granted to the said organization within the framework of the annual budget bills.

Executive by-law of this Article shall be proposed jointly by the Physical Education Organization and the Plan and Budget Organization (the Management and Planning Organization) to the Council of Ministers for approval.
PART FIVE

Strengthening National Security
CHAPTE R TEN

National Security

Article 119

In order to enhance public security and social order, government is charged with taking necessary measures aiming at realization of the following objectives:

A. Public education, propagation of the culture of law and order, tolerance and healthy living,

B. Development of the communication lines, border roads, and enhancement of amicable relations and exchange of information with countries of the region and the neighboring countries aiming at containing crimes, smuggling of goods and narcotics, unauthorized traffic and subversion, in the context of bilateral agreements and collective security arrangements.

C. To promote wholesome participation of all the Iranians on the basis of the equal citizenship right, in the decision-making process, and executive management of the country.

D. To deepen identification of the factors of national power and propagate the spirit of defending the national interests, and opposing cruelty and domination.
E. To immunize the structure and dispersion of population (particularly in the country’s frontiers), in light of the effective factors and security considerations, aiming at avoiding the population imbalance.

F. Preparation of the strategic plan for development of the country’s order and security, with a society-base approach, public participation and replacement of values and inner control instead of security-based approach, and enhancement of the sense of security in the society.

G. Combating emergence of deviance, social incompatibility, political and urban violence.

H. Preserving and enhancing status of different groups of people, and preventing the crises stemming from social ranking.

I. Providing necessary mechanisms for developing public participation in restoring public order and security.

J. Providing for the mechanisms needed to reinforce civil institutions and parties in the country.

➢ Article 120

In order to make policy about the issues related to the recognized religious minorities and promoting their participation in administration of the country and solidifying national cohesion, a council shall be established for the purpose. Duties and composition of the said council will be prepared by the Council of Ministers and approved by the Islamic Consultative Assembly.

➢ Article 121

Government is charged with taking the following measures in order to strengthen the country’s defense capability, to enhance preemptive ability of the armed forces, to preserve the territorial integrity and security of the country, to secure preparedness toward any threat, to preserve the national
interests, the Islamic Revolution of Iran and the country’s vital resources, and to enhance the defense systems intelligence.

1. To strengthen the defense capability, through modernization and introducing intelligence-building and sensory equipment, enhancing human resources and the C4I commanding systems.

2. To enhance modern and intelligent technologies and information systems in employing defense systems particularly the electronic, aero-spatial, marine and air defense systems.

3. To optimize and improve the swift and responsive systems in the national defense.

4. To enhance the presence and share of the popular forces in establishing security and defense of the country and reciprocal and optimal application of the potentials and capability of the human resources.

5. To renovate, rebuild and improve defense industries, with a view toward the modern industrial systems and processes.

6. To enhance initiatives, and the ability to counteract threats to the national interests, vital resources and the Islamic Revolution of Iran.

7. To enhance and to increase, quantitatively and qualitatively, the level of knowledge and skill of the armed forces.

8. To enhance the educational, research, technological levels in the defense sector, and to develop cooperation with the domestic and foreign scientific/academic centers in this direction.

9. To secure presence and deployment corresponding with the threats in the country’s marine areas (the Persian Gulf, Oman Sea and Caspian sea).

10 To enhance the social status and livelihood of the employees of the armed forces.

11 To observe the principles of the non-active defense in design and implementation of the sensitive and important plans, and/or the plans under study, as well as the infrastructural installations and
sensitive buildings and the main and vital arteries of the country; and to educate the public by the executive agencies subject of Article (160) of this law in order to prevent and reduce the risks emanating from unnatural events.

Executive by-law of this Article shall be prepared within six months from enactment of this law by the Management and Planning Organization, Ministry of Defense and Logistic of the Armed Forces, and shall be executed upon confirmation by the Commander-in-Chief of the Armed Forces.

➢ Article 122

Upon approval of the Commander-in-Chief of the Armed forces, Ministry of the Interior will be authorized to grant through the police force the license to the applicants for organizing non-government entities to engage insecurity and ward services, and to delegate part of the police and protective services to the said organizations while preserving control and precise monitoring on the basis of an executive by-law which will be proposed by the Ministry of the Interior, confirmed by the Commander-in-Chief of the Armed Forces, and approved by the State Security Council.

➢ Article 123

In order to optimize use of technologies in the security and police affair, the State Security Council is charged with taking measure through cooperation with the relevant agencies toward policy making and standardization of the protective and security system, needed by the organizations, offices, institutions and ministries.

➢ Article 124

For the objective of cooperation and exchange of information between the relevant agencies:
A. In order to regulate, consolidate and utilize the country’s information society, Ministry of the Intelligence is bound to prepare the plan for reforming the country’s comprehensive information system in line with the mandates stipulated in the “Law of Establishment and Concentration of Information, Policies and Strategies of the Commandership of the Armed Forces” and submit the outcome to the Council of Minister for further legal formalities.

B. In discovering the macro economic corruptions and theft of the cultural heritage, the Ministry of Intelligence shall act as the bailiff of the Judiciary Power.

➢ Article 125

Due to the importance of the national security position in the growth and overall development of the country and in order to prepare a comprehensive plan for this purpose, through efficient use of the pertaining research works, government is charged with taking action toward preparing a comprehensive national security plan, using the capability of the concerned agency, and under the responsibility of the Ministry of Intelligence with cooperation of the Ministries of Defense and Logistic of the Armed Forces, Foreign Affairs, the Justice Department, and the Management and Planning Organization, and submit the outcome to the Council of Ministers for handling the legal formalities.

➢ Article 126

In order to engage the youth in the constructive and social activities, Ministries of Agriculture Jihad, ‘Health, Medicare and Medical Education’, municipalities, village administrators, The Red Crescent Society and other relevant agencies are authorized to use the country’s youth potentials in their capital asset acquisition plans and social services—both the non-government youth organizations and the Bassij Resistance Forces. Executive by-law of this Article shall be proposed jointly by the Ministry of Defense and Logistics of the Armed Forces, the Management
and Planning Organization, and the National youth Organization, and shall be approved by the Council of Ministers.

➢ Article 127

For the objective of advancing the country’s foreign policy and in the framework of preservation and development of the national interests, Ministry of Foreign Affairs is bound to take the following measures:

A. To develop and strengthen methods of furthering relationship and amicable exchange with the Iranian nationals residing abroad (expatriates) in order to preserve the national and Islamic identity and utilization of their material, spiritual and scientific capitals within the framework of the decisions of the High Council of the Expatriate Iranian Affairs.

B. To arrange and grant official developmental assistance to the target countries in order to create market for Iranian goods and export of technical and engineering services in the context of the annual budget laws.

C. To facilitate and provide better consular services, utilizing information technology in order to increase satisfaction and respect of the clienteles.

D. To coordinate international department of all the executive agencies, aiming at advancement of the country’s foreign policy objectives within the framework of a by-law to be prepared for this very purpose and to be approved by the Council of Ministers.

➢ Article 128

Ministry of Defense and Logistics of the Armed Forces is bound to prepare and implement, on the basis of the view of the Staff-General of the Armed Forces, a comprehensive plan for the manner of deployment of the armed forces throughout the country, corresponding with the extent and kind of the threats and the environmental conditions, in order to observe dispersion in deployment of sensitive and vital installations and defense
industries, as well as relocation of the military garrisons and large defense industries out of the large cities, particularly Tehran, and have the plan approved by the Commandership of the Armed Forces.

Government is bound to take measures in providing funding and banking facilities, divesting land, changing the land use and creating the required buffer zone for the said installations. The funds received from the banking resources shall be repaid by the proceeds of the divested properties.

> **Article 129**

Articles (171), (175) to (181) and (183) to (186) of the “Law of the Third Economic, Social and Cultural Development plan of the Islamic Republic of Iran enacted on 05/04/2000 as amended” are validated and extended to the period of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran.

> **Article 171**

In order to secure the requirements of the Armed Forces particularly in the areas of new technology and strategic needs, and to acquire the necessary items, Ministry of Defense and Logistics of the Armed Forces is authorized to take necessary measures, upon approval of the Council of Ministers and authorization of the Honorable Commander-in-Chief of the Armed Forces, to build new industrial and service towns through partnership with domestic and foreign entities.

> **Article 175**

In order to realize the ideals of Imam Khomeini and the guidelines and directives of the Supreme Leader and Commander-in-Chief of the Forces concerning the Twenty million Army, and in order to prepare the ground for proper participation of the adolescents and youth in the social, cultural and defense affairs, to promote the Bassij way of thinking, and to popularize the security and defense through qualitative and quantitative reinforcement of the Mostazaafan Bassij:
A. The expenditure of the non-government real and legal entities for reinforcement and development of disciplinary (police) force posts and the ‘Twenty-Million Army’ resistance bases, particularly the bases of the Resistance Bassij, will be acceptable as tax-deductible expenses. Executive by-law of this item will be prepared by the Ministers of Defense and Logistics of the Armed Forces, Economic Affairs and Finance, and shall be approved by the Council of Ministers.

B. (Deleted).

C. In order to materialize the fifty percent (50%) target of the plan for creation of the ‘Twenty-Million Army’ that has been approved by the honorable Commander-in-Chief of the Forces, government is required to provide in the third Plan the relevant provisions and equipment.

D. Agencies and factories are obliged to provide the needed equipment, funds and other requirements for the current operation of their own resistance Bassij Lines.

E. During the third plan, the Bassij Resistance Lines and cultural and sport centers in the newly completed buildings will be exempted from payment of the subscription charges for water, electricity, gas, and one telephone line.

❄ Article 176

During the peace time and upon confirmation of the Staff-General of the Armed Forces, a segment of the government manpower needs will be met by persons subject of the military service and upon completion of their training period, in such a way that it will not adversely affect their combat preparedness. The Staff-General will be notified of the government manpower requirements through the Ministry of Defense and Logistics of the Armed Forces.

Expenditures related to the military training period will be borne by the Ministry of Defense and Logistics of the Armed Forces. The Salary, fringe benefits and the merit rations during the service will be provided through the funds of the related agencies. The total amount received by such
individuals should not exceed the limit specified in the laws of the Armed Forces.

A minimum of fifty percent (50%) of the above manpower (university graduates) must render their services in the undeveloped or less developed regions of the country.

Executive by-law of this Article will be prepared by the Ministry of Defense and Logistics of the Armed Forces in cooperation with the State Administrative and Employment Organization (now part of the Management and Planning Organization), and shall be approved by the Council of Ministers.

❄ Article 177

Ministry of Defense and Logistics of the Armed Forces of the Islamic Republic of Iran and the state armed forces are required to take measures, upon authorization of the Honorable Commander-in-Chief of the forces, to sell through bidding the land and the superstructures of the garrisons and other properties in their ownership or under their legal possession located within the urban service limits (upon substantiation of their ownership and upon change of use of the said properties and subdividing the land).

The State Property Deeds and Document Registration Organization is required to take measure in issuing the deed of ownership of the said land and the superstructure and collect twenty percent (20%) of the usual lawful service fee (for this service).

The commission subject of the Article (5) of the Law of Establishment of the High Council of Urban Planning and Architecture of Iran enacted on 12/03/1972 as amended, and the municipalities are required to take measures to change the land use of these properties to the proper new uses according to the urban development plans. Building and the change of use permit must be issued free of charge.

The proceeds of sales of the above-mentioned properties will be settled into a special account foreseen in the annual budget law and will be accounted for as one hundred percent (100%) earmarked and will be paid to the relevant organization for erection of the replacement as well as to build public housing.
Article 178

In order to implement Article one hundred and forty seven (147) of the Constitution of the Islamic Republic of Iran, and to utilize the expertise and capabilities of the Armed Forces and those of the Ministry of Defense and Logistics of the Armed Forces in the process of rebuilding the country (the Law of Technical and Service Companies of the Ministry of Defense and Logistics of the Armed Forces), authorization is granted to the above executive entities to enter into contract agreements with the executive agencies for execution of the development projects and programs, in due consideration of the expertise and capabilities of the forces under their command.

All the proceeds of the said contracts will be settled into the income-expenditure line provided in the annual budget law; an equivalent of one hundred percent (100%) of the same funds will be earmarked for execution of the said contracts, as well as for reinforcement of the relevant forces and replacement of the depreciated machinery.

Executive by-law of this Article will be prepared by the Staff-General of the Armed Forces with cooperation of the Ministry of Defense and Logistics of the Armed Forces, Ministry of Economic Affairs and Finance, and the Plan and Budget Organization (now the Management and Planning Organization), and will be presented to the Council of Ministers by the Ministry of Defense, for approval.

Article 179

Institutions, organizations and ministries may set up security units upon the consent and authorization of the Staff-General of the Armed Forces. These units operate under the criteria of the Armed Forces from the standpoint of the use of arms and ammunitions, but shall serve under the auspices of the relevant agency; and they are required to meet the criteria of the Disciplinary (police) Forces.

The job description, duties, manner of organizing and arming the units, their training and their relationship with the Disciplinary Forces, and the manner of monitoring their performance shall be approved by the Staff-General of the Armed Forces.
Article 180

In order to unify policy making as it affect the foreign nationals (the vagrants, refugees, immigrants, and the passport holding foreign subjects) in line with their arrival, settlement, deportation, employment, education, health and medical care, and the foreign relations, the Alien Subjects Coordination Council will be formed and chaired by the Ministry of Interior and membership of Ministers of "Education", "Intelligence", "Foreign Affairs", "Labor and Social Affairs", "Health, Medicare, and Medical Education", The head of Management and

Article 181

A. Government is required to provide in the annual budget bill during the third Plan period, necessary funds to be used in preventing damage, providing relief assistance to, renovating and rebuilding the areas damaged by unpredictable events. The funds will be earmarked to the State Unpredictable Event Corps. A percentage of the above funds shall be spent for vulnerability studies in order to reduce the impact of the natural disasters and to execute projects aimed at prevention of the natural unexpected disasters such as flood, earthquake, drought, fire, storm and encroachment of the sea water.

B. Using the banking interest-free loans, or in the case of insufficiency of these funds or other banking resources, Ministry of the Interior may grant loan or the needed banking facilities to the owners of the damaged residential, commercial, industrial, mining, and agricultural units in the inflicted areas. The differentials of the interest and charges of the granted facilities shall be foreseen in the annual budget bills. Government is required to provide guarantee or repayment of the facilities granted by the banking system as specified in this Item.

C. In order to increase contribution of the insurance industry in indemnifying the losses sustained from unpredictable events, government is authorized to provide necessary conditions in such a way that a minimum of fifty percent (50%) of the agricultural and animal husbandry, handicraft, and fisheries products, public
buildings, urban and rural installations, residential, commercial and industrial buildings be covered by insurance during the Third plan Period.

Article 183

In order to exercise the policies of the Islamic Republic of Iran in the foreign relations, and unify the procedures in this endeavor, Ministry of Foreign Affairs shall have the supervision responsibility over all matters related to the foreign relations. Other agencies and units which are active abroad in one way or the other, or those whose operations and activities affect the foreign relations are required to execute the policies conveyed to them by the Ministry of Foreign Affairs. Moreover, the representative offices of these agencies in other countries are obliged to coordinate their activities with the political representative office of the Islamic Republic of Iran in those countries on the basis of a by-law that will be proposed by the Ministry of Foreign Affairs and approved by the Council of Ministers.

Note 1: In order to exercise the cultural policies of the Islamic Republic of Iran and to unify policy making and coordination of the cultural and propagation activities abroad aiming at optimal utilization of the existing material and spiritual resources, all the cultural, propagation and artistic activities of the government and non-government sectors out of the country shall remain as the responsibility of the Islamic Culture and Communications Organization as stipulated in the charter of this agency and shall receive confirmation of the Supreme Leader.

Note 2: Performance of all the activities described in this Article in the case of agencies and institutions that are administered under the auspices of the Supreme Leader will be specified in his confirmation.

Article 184

In order to regulate the relations of the Islamic Republic of Iran with other countries of the world and the international assemblies and organizations according to a comprehensive report which will be prepared by the Ministry of Foreign Affairs on the extraterritorial activities of the executive agencies, and their cooperation with, and membership in the international and regional organizations (including reexamination of the
status quo, evaluation of the performance and positive or negative aspects of their continued membership or their activities abroad, and/or examining the possibility of lowering the level of their contacts and activities), government is required to reexamine the continuation and/or termination of activities of the executive agencies abroad, the level of their contact and the position of the ministries, organizations, non-public enterprises and the revolutionary institutions in the regional and international assemblies. All the entities content of Article (11) of the law and the non-government public institutions – in case they intend to continue their activities abroad – are required to reform their organization and the structure of their representation in other countries, as well as their membership status in the international conventions on the basis of the decisions of the Council of Ministers.

Note: Performance of all the activities provided in this article in case of the entities and institutions administered under the auspices of the Supreme Leader will require his confirmation.

[v] Article 185

Establishment of any new office, representation, branch and administrative units or any other entity with similar titles out of the country by the agencies content of Article (11) of this law and the non-government public institutions shall be specified in the recommendation of the relevant agency or the Ministry of Foreign Affairs and shall be confirmed by the Council of Ministers.

Note 1: Banks and insurance companies are exempted from the provisions of this Article.

Note 2: Performance of all the activities indicated in this article in the event that any of the entities and institutions is administered under the auspices of the Supreme Leader will require his confirmation.

[v] Article 186

Ministry of Foreign Affairs is required to prepare guidelines and strategies for proper implementation of the following general policies, taking advantage of the opinion of all the concerned agencies, and present
it during the first year of the Third Plan to the National Security Council for approval:

1. To develop bilateral, regional, and international cooperation.
2. To perpetuate the policy of conflict avoidance with the non-hostile countries.
3. Taking advantage of the relations in order to enhance national capability.
4. To counteract the hostilities of over-demanding countries.
5. To strive to get rid of the foreign forces from the area.
6. To challenge the notion of unipolarity of the world.
7. To support Muslims and the nations under oppression.
8. To promote further intimacy between the Islamic countries.
9. To strive for reforming the United Nations system.
CHAPTER ELEVEN

Judical System
Development

➢ Article 130

The judicial power is charged with preparing the following bills and have them approved by the relevant authorities:

A. A bill for “Cleansing the Criminal Laws” in order to prevent the ill-effects of misinterpretation of less offensive misdemeanors, reduction of the costs of the criminal justice procedures and avoiding improper expansion of the criminal laws which lead to the wastage of the public rights and liberties.

B. A bill for “Replacement for Imprisonment” in order to utilize modern method of rehabilitation of the culpable in the society, as well as creating more balance between the crime and punishment and the culpable personality.

C. A bill for “safeguarding the rights of the witnesses and the accused”.

D. A bill for “Protection of the victims of social crimes.”

E. A bill for “Preservation and Enhancement of the Citizenry Rights and Protection of the Personal Privacy, in line with enforcement of the Principle twentieth (20) of the Constitution of the Islamic Republic of Iran”.

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F. A bill for “Defining the Political Offense and its Distinction from other Offenses”.

G. To take measure toward the followings:

1. To establish a fast-moving, precise, equally accessible, low cost, legally predictable, fair and solid judiciary system.

2. To lay the foundation and to guarantee the fundamentals of the private property and intellectual property rights within the judicial territory.

3. To eliminate all types of discriminations - gender, ethnic and group - in the legal and judicial territory.

4. To initiate mechanisms required for prevention of crime, on the basis of the Principle one hundred fifty six (156) of the Constitution of Islamic Republic of Iran.

5. To design and set up a management information system (M.I.S.), and judicial operation and management aiming at accelerating efficient operation and management, to reform processes and judicial procedures, by the end of the fourth plan.

6. To lay the foundation for formation of the non-government judiciary institutions.

7. In order to enforce the Principle thirty five (35) of the Constitution of the Islamic Republic of Iran, and to secure and preserve the public rights and to expand the legal services, any of the parties to the litigation will have the right to appoint, to introduce and to have the presence of an attorney in all phases of rendering justice – from investigation to enforcement of the judicial ruling, except the cases of confidential nature, or when the presence of the non-accused is determined by the judge to be causing a mischief.

➢ Article 131

The Judiciary Power is authorized to:
A. Convert judicial file documents and papers whose preservation
deeem necessary to electronic documentation before being
dismissed, on the basis of a by-law to be prepared by the Ministry
of Justice and with cooperation of the State Attorney General and
the Organization of the Archive and the Library of the Islamic
Republic of Iran, to be approved by the Chief Justice, provided that
a minimum of thirty years has past since their permanent records.
The converted documents and deeds shall have the validity and the
force of law in all the judicial authorities.

The original files of national and historical significance shall be
preserved and maintained by the Organization of the Archive and the
Library of the Islamic Republic of Iran.

B. Authorization is granted to the State Property Deed and Document
Registration Organization to computerize its operation and
services, in all its departments. The principle of hand-writing must
be observed in preparation of the written declaration, process
verbal for defining the limits and in the official books of documents
and properties.

➢ Article 132

In order to improve conditions of the prisons and to create a suitable
environment for adjustment and correction of the prisoners with the aim of
returning them to a healthy social life, and to reduce the chance for the
released prisoners to return to criminal activities, the State Prisons Surety
and Correctional Organization is bound to take the following measures:

A. To optimize the physical spaces, giving priority to development of
the correctional centers.

B. To support families of the prisoners and annihilated, through non-
government public charitable organizations and institutions, as well
as through the societies for support of the prisoners.

C. To propose appropriate recommendations to the Judiciary Power
for preparation of a bill for provision of the mechanisms needed for
eliminating the criminal records of the corrected prisoners.
Article 133

For the intention of issuing ownership deeds for properties located in the residential texture of the rural areas, Ministry of Housing and Urban Development (the Housing Foundation of the Islamic Revolution) is charged with preparation on behalf of the rural inhabitant and during the period of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran subdivision plans for all the villages having Islamic Council and the village administrator, showing the existing conditions of the rural areas, and send the said plans to the local Department of Property Deed and Document Registration. The prepared subdivision maps need not to be confirmed by other government authorities, and the said departments shall take the following measures on the basis of the said maps:

1. In the event that the boundary of concerned areas have been delimited in the past, the map be checked and compared with the factual information of the site, taking into consideration the documents presented by the occupants, and a subdivision process verbal be prepared by the registrar department and the surveyor, showing the parcels and specifications of the occupants, and be duly signed by the representative of the housing foundation and the village Islamic Council, so that the ownership deeds could be issued in the name of the occupants possessing documents which substantiate their proprietorship.

2. In cases where the occupant is unable to present evidence of ownership, or where there is conflict in the ownership and occupying persons, and also where the concerned area has not been delimited, or improvement of the land belonged to government, public agencies, organizations and institutions or the Endowment Organization, the matter shall be reviewed by a commission composed of the head of the Property Deed and Document Registration Department of the county and the head of the Housing Foundation of the Islamic Revolution and one judge appointed by the Chief Justice, in order to rule a decision.

The commission may use the service of the registrar experts to make a decision, or base their decision on the investigations and testimony
by witnesses. The ruling will be communicated to the parties by the local registrar. In case the ruling is not challenged within twenty days from the date it is communicated, the deed and property registration department and the Housing Foundation of the Islamic Revolution are bound to enforce it. Should any objection be raised, the person(s) objecting the ruling will be referred to the court of law. The objection will be reviewed and decided on an extraordinary manner.

3. Persons specified in this law are exempted from any registration charges. Transfer of the titles after the deed is issue shall not be specified in any exemption.

4. The manner of organizing the meetings, authorities of the commissions, selection of the registration experts, preparation of the subdivision map and the amount collected and spent will be determined in a by-law to be prepared by the Property Deed and Document Registration Organization and the Ministry of Housing and Urban Development (the Housing Foundation of the Islamic Revolution) within a maximum period of two months, and is to be approved by the Council of Ministers.

5. Families under the coverage of the Imam Khomeini Relief Committee and the Welfare Organization are exempted from any duties, tax and charges.

➢ Article 134

Article (189) of the “Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran enacted on 05/04/2000 as amended” is validated and extended to the fourth plan period (2005-2009).

❖ Article 189

In order to reduce people’s recourse to the legal courts, aiming at promoting public participation, settlement of local disputes and issues of non-legal nature, or where their legality is less complicated, will be entrusted to the arbitration councils. The scope of the mandates and
authority of the councils, their membership composition and the manner of nominating their members shall be based on a by-law which will be proposed by the Ministry of Justice and approved by the Council of Ministers, and shall be ratified by the Chief justice.
PART SIX

Good Governance and the Modernization of State
CHAPTER TWELVE

Good Governance and the Modernization of State

➢ Article 135

The role and duties of the government in the areas of “sovereignty affairs”, social, cultural and services undertakings affairs”, “infrastructural affairs’ and “economic undertakings affairs” be defined and formulated as follow:

A. The sovereignty affairs:

The government sovereignty affairs, realization of which will cause the country’s sovereign authorities benefiting all the societal groups, without any restriction are:

1. Policy-making, planning, and supervision of the economic, social and cultural sectors,

2. Establishing justice and social security and income redistribution.

3. Creating a healthy environment conducive to competition, prevention of monopoly and wastage of the people’s rights.
4. Laying the foundations and creating advantages necessary for the growth and development of the county and elimination of poverty and unemployment,

5. Law making, documentation and registration affairs, establishing order and security, and administration of the judicial affairs,

6. To preserve the country’s territorial integrity, and to prepare for the national security,

7. To preserve the Islamic and Iranian identity,

8. Administration of the domestic affairs, public financing, and regulating the labor relations and foreign relations.

9. To protect the environment and to safeguard the natural resources and the cultural heritage,

10 Fundamental science and research, national statistics and information,

11 To prevent contagious diseases, to counteract to, and reduce the implications of the natural events and complicated crises,

**B. The social, cultural and service undertakings affairs:**

The social benefits of this set of undertakings are superior to the individual benefit, leading to improved living of the individuals. This includes: public, technical and vocational education, science and research, health and medical care, physical education and sport, information and mass communications and the cultural, artistic and religious propagation affairs.

**C. The infrastructural affairs:**

This set belongs to the capital asset acquisition projects, which would lead to strengthening the economic and productive infrastructures of the country, such as water and soil projects, urban and rural development projects and energy supply networks, communications and transportation networks.

**D. The economic undertaking affairs:**

This set includes duties by which the government undertakes management and exploitation of the society’s assets, and acts like real and
legal persons on the basis of the private rights, such as undertakings in the
industrial, agricultural, transportation, commerce and exploitation of the
projects indicated in Item “C” of this Article.

➢ **Article 136**

In order to create proper ground for the growth and development of
the country, to increase efficiency and utility of the executive agencies, to
strengthen the government sovereignty affairs and to develop public
participation in administration of the country, the manner of performing
duties indicated in Article (135) of this law is refined and revised as
follow:

A. The government sovereignty affairs are handled by the government
agencies, and, in the case of necessity, through public participation.
The relevant executive agencies will be developed qualitatively
from the stand points of the human resource, performance
technology, equipment and allocation of resources.

B. Government duties concerning the social, cultural and service
undertakings affairs will be performed by using the following
methods and in consideration of the Principles twenty ninth (29th)
and thirtieth (30th) of the Constitution of the Islamic Republic of
Iran:

1. To exercise necessary support and protection for development of
the non-government sector performing these duties.

2. To acquire services of the non-government sector,

3. Partnership with the non-government sector through rent,
divestment of the means and equipment and physical resources,

4. Divesting management of part of the government’s units to the
non-government sector, within the framework of the Fourth
Economic, Social and Cultural Development Plan of the Islamic
Republic of Iran.

5. To create and to administer targeted and result-oriented
governmental units (according to Article 144 of this law) in the
regions where none of the above alternatives would be possible and upon confirmation of the Management and Planning Organization,

C. The government infrastructural functions will be performed by the non-government sector under management, back up support and supervision of the government agencies and companies.

D. Duties related to the government economic undertakings shall be entrusted to the non-government sector in observation of the Principle forty four (44) of the constitution of the Islamic Republic of Iran. Government shall take measures to compile regulations for this sector in such as way as to prevent creation of monopoly, wastage of the rights of the producers and consumers, creation of a healthy competitive environment, growth and development and security of investment and the likes. Defining and detailing the criteria, jurisdiction, conditions, restrictions and mandates of the sovereignty and functional undertaking, infrastructural and the divested cases of different entities, as well as the manner of performing all the provisions of this Article shall be prepare in the framework of a bill by the government by the end of the year 1383 (March 20, 2005) and shall be submitted to the Islamic Consultative Assembly.

➢ Article 137

A. Government is bound to design the macro organization of the executive agencies and ministries in line with the policies and rules of this plan on the basis of the experience of other countries, aiming at elimination of imperfect and deficient effectiveness, organizationally inefficient and incomprehensible conflicts, centralization, parallel works; and to use modern technology and efficient methods aiming at renovation, suitability, merging and reorganization in form of a solid, efficient and sufficient, effective and decentralized system; and to present the necessary bill within six months from the enactment of this law, so that it would be possible to implement it from the beginning of the second year of the fourth plan.
B. That set of the divestible undertakings of the government agencies that are concerned with the development of urban and rural areas, and all of the relevant financial resources will be entrusted to the municipalities and village councils, upon approval of the High Administrative Council.

Article 138

For the objective of reforming the budgeting system from the existing procedure to a targeted and operational procedure at the cost price of the services, the Management and Planning Organization is charged with performing the following tasks by the end of the second year of the fourth pan at the latest:

A. To identify and analyze the operation of, and services rendered by, the executive agencies.

B. To determine the cost price of the activities and services corresponding with the specific quality and geographical location.

C. Drafting the annual budget bill on the basis of the volume of activities and services and their cost price.

D. Earmarking funds on the basis of the performance and the results emanating from activities and proportional with their cost price.

Note 1: In order to realize the above objective and to accelerate modification of the country’s budgeting system and to strengthen the planning and monitoring system, the said organization is charged with restructuring its own organization, management of its human resources, and its administrative methods and technology, and take measures in such a way as to be able to perform its duties in a favorable and optimal way, by a small, flexible, efficient and effective organization, and by using the service of the elite and the learned experts.

Note 2: The above organization together with the Ministry of Economic Affairs and Finance prepare necessary bills for amending the country’s financial, administrative, employment and budgeting laws and regulations so that the existing system be converted into an end-result and product control system.
E. Executive by-law of this Article shall be proposed by the Management and Planning Organization, and approved by the Council of Ministers.

➢ Article 139

In order to reform and reorganize the executive agencies, the following measures are to be taken:

A. Government is charged with submitting for approval to the Islamic Consultative Assembly by the end of the first year of the fourth Economic, Social and Cultural Development Plan, a plan proposal concerning elimination and/or divestiture of at least twenty percent (20%) of the number of agencies and institutions, enterprises and companies and the likes to other sectors, merging and dissolution of the non-essential agencies.

B. To prohibit establishment any ministry, government organization, non-government public entity, governmental company and any other entity with similar title. Exceptional cases must be confirmed by the Council of Ministers and be approved by the Islamic Consultative Assembly.

C. Consolidation of all the organizational units of any ministry (except the government companies) at the provincial, county and township, ...level in one organizational unit in such a way that the relevant units at the center (the capital) perform the strategic and staff functions. The organizational level of the entities subject of this Item and the exceptional cases are to be proposed by the Management and Planning Organization, and be approved by the High Administrative Council. Any change or consolidation of the provincial units created lawfully shall be taken place upon approval of the Islamic Consultative Assembly.

D. Revision and internal reorganization of the executive agencies shall be made on the basis of the criteria proposed by the Management and Planning Organization and approved by the Council of Ministers. In cases when the reorganization leads to elimination of
the positions filled by the formal employees, these positions remain unchanged until the natural withdrawal of the relevant employees.

E. All the provincial, county, and … executive agencies are charged with revision and restructuring their own organization and implement the changes upon confirmation of the Provincial Management and Planning Organization, and transfer the excess manpower to other units located in the same locality.

F. The number of population enough to form county, city and township aiming at restricting development of the country’s administrative divisions shall be determined by the Council of Ministers in the first year of the fourth plan.

➢ Article 140

For the intention of developing the private and cooperative sector and attracting participation of non-government organizations (NGOs) and other sectors of the civil society in administration of the country and increasing efficiency of the governmental management vis-à-vis the inherited challenges and use of opportunities and national resources, government is authorized to take the following measures:

A. To assist in creation and development and regularization of the non-government organizations required for entrepreneurial development, promotion of the culture of serving, development of administrative health and transparency, and protection of the environment, as well as enhancement of the environmental standards and people’s health on a targeted and accountable basis.

B. To form a suitable organizational unit aiming at fostering and supporting the non-government sector in the areas of institutional building, education, provision of facilities, to identify and eliminate administrative obstacles in the Management and Planning Organization and all the ministries and independent government organization, using the existing positions.
Article 141

In order to establish a merit-based system and to create stability in the services of the managers, government is charged with preparation of a bill to encompass the following subject matters and submission of the same to the Islamic Consultative Assembly:

A. To define and classify the government occupations in two political and professional categories,

B. To determine the required specialization conditions in the selection and appointment of individuals so that individual could be promoted to higher positions through the professional enhancement. In cases where no choice exists, selection should be made through exercising managerial and specialized evaluation.

C. As for appointment and removal of the political management positions, necessary authorizations should be given to the appointing authorities.

Article 142

In order to increase accountability of the executive agencies to people, the Management and Planning Organization and the agencies subject of Article (160) of this law are charged with enhancing the level of quality of their own services through utilization of the modern administrative technology, review, and use of the process engineering, methods, as well as by the growth of the customer-based indicators and administrative education, development of the management culture and performance evaluation and employing the necessary mechanisms for preventing administrative corruption, and incorporate these in compilation of the criteria, regulations and circulars, the relevant instructions and see to it that satisfaction and respect of the clients as one of the main and effective goal in the administrative and employment fate of the employees.
Article 143

In order to reform and improve human resource management of the government sector, the Management and Planning Organization and the executive agencies subject of Article (160) of this law are charged with taking the following measures:

A. To analyze and redesign the government occupations, aiming at attraction of specialists and the best.

B. To engage the manpower in the said agencies in any form but in a competitive environment and upon earning the minimum scores in the periodical employment examinations.

C. To foresee the criteria and instructions for payment of the employees’ salary on the basis of combining the principles of result-orientation and productivity, instead of the using temporal remuneration method,

D. To enhance the qualitative level of managers and superintendents through predicting special educational criteria and the qualification requirements of their appointment,

E. To develop short-term employment and specialized training for the employees of the executive agencies, and to eliminate the educational courses for which the government means and missions are used to obtain formal and/or informal academic certifications. Executive by-law of this article is to be proposed by the Management and Planning Organization and approved by the Council of Ministers.

Article 144

In order to increase efficiency and productivity and to establish a system to control the outcome and product, instead of controlling the performance processes, and to grant managers the required authority in order to enable them to administer the units under their auspices in an independent manner and to target resource allocation, on the basis of the joint instruction of the Management and Planning Organization and the Ministry of Economic Affairs and Finance, all the executive agencies are
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“2”, and “3” of Item “B” of Article (136). The funds for the capital asset acquisition projects of the relevant sections shall be earmarked as the administered funds for development of the non-government sector in the same section.

D. Partnership with, and new investment by the state companies in other companies and agencies, and their separation and multiplication in the framework of the companies known as the second generation and the likes are prohibited.

E. To determine the quantitative goals of the plan for privatization of the government companies and their funding ceiling in the annual budget law in such a way that the proportion of the government companies credits and the country’s total budget to the GDP be reduces by a minimum of two percent (2%) per annum.

F.

1. To reduce five percent (5%) of the total number of the government employees by the end of the fourth plan as compared with the same figure at the beginning of the plan.

2. The total new employment in the government organizations as per Table (9) of this law and within the framework of the overall policies of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran (except the Armed Forces) should not exceed fifty percent (50%) of employees withdrawn from the service in such a way as not to inflict any lesion on the sovereignty mandate of the government organizations.

G. To prohibit establishment and management of any hostel, pilgrim inn, housing complex, welfare and medical care centers, sport spaces and recreation centers and the likes by the agencies subject of Article (160) of this law. All the executive agencies are charged with divesting this kind of facilities and services and their operation to the non-government sector by the end of the third year of the fourth plan, at the latest. Exceptional cases may be permissible upon recommendation of the pertinent executive agency, confirmation of the Management and Planning Organization and approval of the Council of Minister. In transferring the government buildings and
properties of national significance, the Principle eighty three (83) of the Constitution of the Islamic Republic of Iran must be observed.

H. All the services currently rendered by the agencies subject of Article (160) of this law to their own employees in different areas such as the transportation service, self-service, consumption cooperative, the employees sport affairs, nursery school and the like, using direct administration or service acquisition methods, will be handled through payment of subsidy from the third year of the plan, and all the concerned administrative units shall be dissolved and their formal employees shall be transferred to the other needy units.

I. Ministry of Education and the technical and vocational centers may enter into contract agreement with their own educational staff, using the above mentioned method in executing Item “B” of Article (136). The previous service records of this type of employees will be considered in the relevant fund upon payment of the retirement premium.

The per capita cost of the schools managed by the non-government sector using the methods indicated in parts “2”, “3” and “4” of Item “B” of Article (136), proportional with the specifications of each item and the ability of the regions will be provided and paid by government.

J. To issue employment permit for any of the ministries and independent organization, within the framework of the attached Table (9) upon recommendation of the Management and Planning Organization and approval of the Council of Ministers.

K. Executive by-law of this Article shall be proposed by the Management and Planning Organization, and approved by the Council of Ministers.

➢ Article 146

In order to establish a correct relationship between the number of employees of each agency and its main duties and mandate, and in order to conform the manner of performance of duties of the executive agencies
with the policies and mandates of the government management development sector, the following measures shall be taken:

A. The ceiling of the number of employees of each of the executive agencies, its time-phasing plan and its realization shall be prepared in the first year of the fourth plan by the Management and Planning Organization and the relevant agencies and shall be approved by the High Administrative Council.

B. Transfer of the formal employees or the excess permanent employees of the executive agencies at the county level must be performed without the consent of the employees. Transfer of the same to other counties must be done with the consent of the concerned employees.

C. Executive by-law of this Article to be prepared in due observation of the laws and regulations and be approved by the Council of Ministers.

D. The financial burden of executing this Article will be provided through the proceeds of sales of the moveable and immovable properties of the executive agencies and the funds foreseen in the general budget.

> Article 147

The following actions should be taken in order to strengthen the retirement pension funds and to facilitate replacement of the employees:

A. The employees covered by the retirement pension funds intending for early retirement, or transferred to other agencies or be engaged in non-government sector by taking leave of absence without pay during their leave (with unlimited temporal restriction) are permitted to remain under coverage of the retirement pension fund.

B. Contract employees of the agencies under the coverage of the State Retirement Fund may be covered by the State Retirement Fund and the Medical Insurance Organization, and take advantage of the social security benefits.
Article 148

The criteria pertaining to the employment relationship, end of the service compensation, the manner of preserving the employment record from the standpoint of coverage by the retirement fund, and other matters related to the employees of the executive agencies subject of Article (160) of this Law and the employees of the entities with more than fifty percent (50%) of their share, asset or proprietorship divested, or to be divested, to the non-government sector since the beginning of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran, must be determined and decided according to the law. Executive by-law of this Article within the framework of the laws must be approved by the Council of Ministers.

Note: This type of employees whose employment relationship with the relevant executive agency is disconnected may remain specified in the regulations of the retirement fund, while preserving their employment records.

Article 149

In order to strengthen administrative and financial order and discipline in the country’s administrative system, and make saving in the government’s expense funds, the Management and Planning Organization is charged with compilation of the pertinent criteria and have them enforced by the executive agencies upon approval of the Council of Minister.

The Management and Planning Organization is bound to prepare the indicators by which the performance of the said criteria in the executive agencies could be evaluated, and to prepare annual report on the subject for presentation to the Council of Ministers.
Article 150

Government is charged with increasing salaries of the government employees and retired employees proportional with the inflation rate during the fourth plan and at the beginning of each year.

Note: Executive agencies are authorized to pay in form of impermanent efficiency allowance to the employees with distinctive services up to seventy percent (70) of the funds saved through reorganization and reduction of their manpower up to the amount foreseen in the annual budget law.

Executive by-law of this Article will be prepared by the Management and Planning Organization and approved by the Council of Ministers.

Article 151

Ministries of Defense and Logistics of the Armed Forces, the Interior, and the Staff-General of the Armed Forces are charged with preparation, within the framework of the initiatives taken by the Commandership-in-Chief of the Armed Forces, of the instructions required for enforcement of the decrees of this chapter for the military and disciplinary forces and communicate them to relevant units upon their approval by the Commandership-in-Chief of the Armed Forces.

Article 152

In order to regulate, to optimally use the existing potentials, to enhance the quality of construction, as well as to meet the regulations, criteria, and standards in construction of the government and public buildings and to eliminate unnecessary organizations, government is charged with concentrating the planning, studies, design and construction of the said buildings in the government organizations established for this purpose and according to the law.
Executive by-law of this Article shall be prepared by the Management and Planning Organization and Ministry of Housing and Urban Development, and approved by the Council of Ministers.

Article 153

All the agencies indicated in Article (160) are charged with preparation of semi-annual report on precise execution of the decisions of this chapter in line with the decisions concerning the sector on renovation of the government and enhancing the sovereign effectiveness, and submission of the report to the Management and Planning Organization. Upon measuring the extent of success of the said agencies, the said organization will report the findings to the Council of Ministers and the relevant commissions of the Islamic Consultative Assembly.

Article 154

Articles (1), (90) and (123) of the “law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran enacted on 05/04/2000 as amended” are validated and extended to the period of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran.

Article 1

In order to rectify, reform and improve the country’s administrative system in its organizational, structural and administrative dimensions and the administrative system of the country’s affairs, to reduce the non-sovereign undertakings of the government, and to advance systems, methods and management of the human resource and regulations (by-laws and directives), as Administrative high Council is set up with the following qualifications, mandates and authorities:

A. MEMBERSHIP:

1. The President or the Vice President (as the Chairman of the Council),
2. Three ministers (preferably from different sectors) to be nominated by the Council of Ministers,
3. Minister or the Head of the concerned executive agency,
4. Head of the Plan and Budget organization (now the Management and Planning Organization), if the position is occupied by an incumbent head appointed by the President,
5. Secretary-General of the State Administrative and Employment Affairs Organization (now part of the Management and Planning Organization), if the this position is occupied by an incumbent secretary-general appointed by the President,
6. Four learned personalities and experts on public administration and management, to be nominated by the President,
7. Two provincial governor-generals to be appointed by the President,
8. Two member of the Islamic Consultative Assembly as overseers, to be selected by the Islamic Consultative Assembly, Decisions adopted by the council will be binding upon ratification by the President

Note: Secretary-General of the State Administrative and Employment Affairs Organization will serve as the Secretary of the Council and will be charged with supervising performance of the decisions.

B. DUTIES AND AUTHORITIES
1. To reform organizational structures of the country’s executive agencies - except ministries - through merging, dissolution, and decentralization,
2. To restructure the internal set-up of the ministries, to review duties and internal structures of the organizations, the state-owned enterprises and their subsidiaries in order to create organizational cohesion, and to eliminate parallel, similar and duplicated functions.
3. To separate line duties from the staff functions of the ministries and to limit the staff functions solely to sovereign undertakings and strategic affairs (policy making, planning and monitoring),
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<td>4.</td>
<td>To decide on merging provincial and county administrative units of any single ministry into one integrated unit.</td>
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<td>5.</td>
<td>To identify and delegate transferable functions and duties of the executive agencies to municipalities of non-public sector aiming at releasing government from the burden of unnecessary undertakings; to determine and establish workable relationship between the administrative system and local Islamic councils at rural, county and city levels.</td>
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<td>6.</td>
<td>To carry out reform and re-engineering activities in the systems, methods and operating procedures in practice throughout the country’s executive agencies with the objective of simplifying their work procedures and promoting automation, while minimizing direct contact between public employees and the clients of public agencies, securing clients’ satisfaction, reducing the administrative costs and economizing the performance of public duties.</td>
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<td>7.</td>
<td>To approve necessary programs for enhancement of productivity and efficiency of manpower and management of the executive agencies.</td>
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<td>8.</td>
<td>To approve the criteria and standards required for optimization of the structure, composition and distribution of manpower in the public sector.</td>
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<td>9.</td>
<td>To approve the criteria and standards operating procedures in order to deal with the manpower of those agencies merged, dissolved and divested upon the decisions of the Administrative High Council, or whose functions are entrusted to other agencies.</td>
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<td>10.</td>
<td>To adopt criteria for optimal utilization of administrative space, relocation, and provision of administrative buildings,</td>
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<td>11.</td>
<td>To determine and propose resources required for realization of the programs for transformation of the administrative system, as well as other approved programs of the Council, which require new resource.</td>
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12 To identify and promulgate the agencies assigned to undertake programs related to the government activities concerned with administrative system and executive affairs.

❖ Article 90

Government is authorized to approve and execute, within a maximum period of six months with effect from the date of enactment of this Law, the administrative, recruitment, and disciplinary by-laws and directives peculiar to the banking system within the framework of the articles of associations of the banks with a view of developing and improving the quality of banking services and enhancing competition in banking practice on the basis of the joint proposal of the banks’ general assemblies and the State Administrative and Employment Affairs Organization (now part of the Management and Planning Organization).

❖ Article 123

Government is authorized to approve and convey for execution, the financial and employment regulations of the Atomic Energy Organization on the basis of the by-laws which will be prepared by the Atomic Energy Organization, the State Administrative and Employment Affairs Organization (now part of the Management and Planning Organization), and Ministry of Economic Affair and Finance, irrespective of the Public Audit law, the State Employment Law and other public regulations.
Management and Operationalization of the Plan

Article 155

All the executive operations, capital assets acquisition projects and investment projects to be approved by the Council of Ministers during the years of the fourth plan, with the following characteristics on the basis of the national documents for sector development, national documents for provincial development and national documents for special development, are to be regulated and implemented:

A. The national sector development plan document is a strategic plan defining the long term and medium term quantitative and qualitative targets, basic activities and spatial and regional policies as well as important and basic actions and high priority activities of the sector development in due consideration of the potentialities, possibilities, restrictions and the main problems. The national sector development plan document is prepared on the joint recommendation of the Management and Planning Organization, and the relevant executive agencies.
B. The provincial development plan document is a strategic document identifying and defining the most essential approaches toward population and manpower, the infrastructures and economic, social and cultural as well as the long term and medium term quantitative and qualitative objectives for development of the provinces within the framework of the macro-strategies of the fourth plan and the national territorial/spatial plan documents and development plans and the national sector development plans in due consideration of the potentialities, restrictions and the impediments toward provincial development.

C. The national special development plan document (trans-sector) is a set of a few plans and activities prepared with an extended coverage for different regions and sectors such as the area of the social security, eradication of poverty, and employment. Scheduling, subject matters (different sectors), and location priority (different provinces) in implementation of the plans and projects are specified in this document.

D. Actions and operations deemed necessary to take place toward realization of the projected goals in the sector development, provincial and special (trans-sector) development, are recorded in the country’s annual total budget bill and are approved by the Islamic Consultative Assembly.

E. All the national executive agencies are bound to prepare their executive and operational plans in the framework of the above national development plan document, in coordination with the Management and Planning Organization, and implement them upon approval by the Council of Ministers. The annual budget of these agencies will be formulated on the basis of the above-mentioned documents.

F. All the provincial executive agencies are charged with preparation of their own executive and operational plans in the context of the provincial development plan documents and within the framework of the above criteria in coordination with the Provincial Management and Planning Organization, and implement them upon their approval by the Provincial Planning and Development
Council. The annual budget of the provincial agencies is formulated on the basis of this document.

G. The Management and Planning Organization is bound to take measure in order to compose the sector, provincial and special development documents in cooperation of the relevant executive agencies, and have the matter be approved by the Council of Ministers.
CHAPTER FOURTEEN
14


➢ Article 156


\(^*\) Complete text of the law of Formulating Part of the Government Financial Regulations appear on page 245
CHAPTER FIFTEEN

Supervision and Monitoring

- Article 157

In order to properly implement the fourth plan, the President will present the report on the annual monitoring and evaluation of the plan progress to the Islamic Consultative Assembly by 21st of December of the next year. The report shall consist of the followings:

A. Review the performance of the legal provisions of the plan.
B. Review the performance of the executive policies.
C. Review the performance of the main macro and sector variables, such as the production and investment, foreign trade, balance of payment, budget, the monetary and inflation section, employment and unemployment.
D. Advancing operations of the national, provincial, sector and special development documents.
E. Evaluating the performance outcomes, and analyzing the causes of contradictions,
F. Necessary recommendations for improvement of the plan performance,
Article 158

In order to evaluate and assess the extent of the country’s progress in the context of the provisions of the plan, the long-term vision and general guidelines of the nation, the Management and Planning Organization shall prepare the pertinent indicators and compare them with the international indicators, prepare and report the findings along with an analysis of the strengths and weaknesses, and effective recommendations to improve the country’s conditions, and will present the report to the Supreme Leader, the Government, and the Islamic Consultative Assembly in the month of Tir (June 22-July 21) of each year.

Article 159

Government is bound to prepare all the executive by-laws and ordinances of this law by the end of the first half of the year 1384 (September 21, 2005), the latest, and have them approved.

Article 160

All the ministries, government entities and the state-owned companies subject of Article (4) of the “Law of the State Public Accounting, enacted on 22/08/1987” and other companies that more than fifty percent (50%) of their capital and shares, individually or collectively, belongs to the ministries, government entities and government companies, except the banks and credit institutions and the legal insurance companies, and also the government companies and entities that their subjection to the laws and public regulations requires that they be specified by name, such as the National Iranian Oil Company, and companies allied with the Ministry of Petroleum and their subsidiaries, Industrial Development and Renovation Organization (IDRO) and its subsidiaries, the Mining Development and Renovation Organization (MDRO) and its subsidiaries are specified in the regulations of this Law.
Article 161

All the laws and regulations contradictory with this law are nullified during enforcement of this Law.

The above Law comprising one hundred sixty one Articles and thirty four Notes and nine tables was approved at the open session of the Islamic Consultative Assembly on Wednesday, the eleventh of the month of Shahrivar of the year one thousand three hundred and eighty three (01/09/2004), referred to the Guardian Council and put forth in the Expediency Council, and finally the recommendations of the expediency Council were ratified by the Supreme Leader, and communicated to the government.

Gholam Ali Haddad Adel

Speaker of the Islamic Consultative Assembly
PART SEVEN

Quantitative Tables of the Fourth Development Plan
Quantitative Tables of the Fourth Development plan
the Law of
the Government
Financial Regulations
Specified in Article 156
of the Fourth Development Plan
Article 1

The following text is affixed to the Article (24) of the “Law of the State Public Accounting, enacted on 22/08/1987:

Note: The amount of the Treasury’s revolving funds is determined to be up to a maximum of three percent (3%) of the government general budget.

Article 2

Authorization is granted to the general assemblies or the high councils of the government corporations subject of Article (4) of the “Law of the State Public Accounting, enacted on 22/08/1987” and other companies that more than fifty percent (5%) of their capital and/or their shares, individually or collectively, belongs to the ministries, government organizations, government companies (except the banks and credit institutions and insurance companies), and also other government companies whose subjection to the public laws and regulations requires that they be identified by name, including the National Iranian Oil Company and its subsidiary companies and companies affiliated with the Ministry of Petroleum and their subsidiaries and the National Iranian Industries Organization and its subsidiary companies, and the center for Procurement and Distribution of Goods, whose budget are foreseen in the annual budget laws, to change the figures related to the budget as indicated in the said law, taking into consideration the opinion of the Management and Planning Organization, and on the basis of the government policies, or the decisions taken according to their articles of associations or other laws governing their establishment, on the basis of their preparation to increase the company’s production or other essential activities of the company, or for the reason of the necessities emanating from fluctuation of prices or any other economic and financial changers, provided that:

First: the measures taken would not lead to reduction of the tax figures and dividends as well as repayment of the domestic and foreign loans including the loan subject of Article (32) of the “Law of the Plan and Budget, enacted on 24/02/1973 written in the approved budget (or probably revised).
Second: It does not increase the extent of use of the government general budget by the company.

Third: It does not increase the receivable facilities from the banking system.

In review and approval of the financial statements, the general assemblies or the high councils of the companies specified in this Article are charged with preparation of a report comparing the company’s operations with the approved budget, and in consideration of the quantitative goals of the company or the profit-making entity. Upon review and expression of the explicit opinion of the legal inspector on the conformity of the executive operations with the targets and approved expenditures of the company, the report must be submitted to the general assembly or the high council for sanction.

The heads of the high councils and the general assemblies of the government companies are responsible for implementation of this Article. The latest permissible date for revising the budget by the state-owned companies subject of this Article is determined to be until fifteenth of Aban (6th of November) of each year.

Note: In enforcement of the Note (2) of Article (4) of the “Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran”, government is authorized to issue permits to the government companies subject of this Article for partnership and investment up to maximum of twenty percent (20%).

Article 3

Authorization is granted that the liquidity deficit and the funds needed for investment by the government companies subject of Article (2) of this law be financed through the banking system with the following conditions:

A. The rial ceiling of the banking facilities grantable to the government companies must, in addition to observation of the
monetary policies subject of Article (19) of the “Law of the Non-usury Banking Operation enacted on 30/08/1983” and up to the maximum ceiling foreseen in the annual budget law – except the banking facilities for their working capital – and observation of other notes written in the said laws, be approved by the Council of Ministers on case by case basis.

B. Payment of the said facilities are conditioned with repayment of the amortizations of the previous loans on due dates out of the reserves and stockings. The Central Bank of the Islamic Republic of Iran and the Management and Planning Organization are bound to report the performance of these facilities on a semi-annual basis to the Plan, Budget and Auditing Commission of the Islamic Consultative Assembly.

Article 4

It is prohibited to receive any kind of money, commodity and/or services under any pretext from the real and legal entities by ministries, government agencies and companies – except the cases determined in the pertinent legal regulations – as well as any gift, contributions in cash and kind against any domestic or foreign transaction by the ministries and government agencies and government companies and non-government public entities and institutions, and entities and companies whose subjection to the law required that they be identified by their names, or those specified in special laws.

The academic libraries and institutes of higher educations, research, academies, the Foundation for Iranian Studies, the National Iranian Archive, the State Cultural Heritage Organization, the National Iranian Library and the Library of the Islamic Consultative Assembly are granted authorization to pay a sum as reciprocal gifts to the proprietors of libraries, art works and objects of museum quality who donate their book collections and personal object or part thereof to the said institutions, upon confirmation of the relevant boards of trustees or the highest ranking official of the relevant agency. The said sum shall no be more than sixty percent (60%) of the appraised value of the donated gifts.
Executive by-law of this Article shall be prepared by the Management and Planning Organization and approved by the Council of Ministers.

Article 5

The following text is affixed to the “Law of the State Public Accounting, enacted on 22/08/1987” as the Article (71, repeated):

(Article 71 Repeated):

“It is prohibited to pay any kind of fund in cash or kind by the ministries and government organizations, government companies subject of Article (2) of this law, to the executive agencies, as contribution or gift, except the cases determined, or to be determined, in the pertinent legal regulations, and the funds paid to the government universities and for erection of the dormitories for the government students, to the institution of higher educations, academies and the foundation for Iranian Studies, the research projects of the University Jihad and the religious seminaries and to Ministry of Education and the Iranian Physical Education Organization and the State Welfare Organization and the Imam Khomeini Relief Committee and the scientific, Industrial, technological, research new towns, the emergency projects and the rural health and sport projects.

The cash gifts donated for specific expenditures to the ministries, government organizations and government companies with observation of the Article (4) of the law, must be settled solely into an authorized banking account opened or to be opened for the said agencies by the State Treasury General. Spending the said funds in observation of the intention of the donator shall be made according to a by-law to be prepared by the Ministry of Economic Affairs and Finance and approved by the Council of Ministers. Non-cash gifts donated to the ministries and government organizations are specified in the regulations of the government properties and the government companies must record these cases in their books according to the accounting principles. Gifts donated to the State Welfare Organization and the Imam Khomeini Relief Committee, are considered to be special gifts. If the donator did not specify his intention, the gift shall
be used on the basis of decision of the public participation councils of the Welfare Organization and the Imam Khomeini Relief Committee.

- **Article 6**
  
  Government is authorized to determine, on the basis of the proposal by the Management and Planning Organization, other credible guarantees for the government transactions such as securities (promissory notes, insurance policy, etc.) and the contractors and consultants’ claims out of the performance statements, in addition to the existing guarantees or the cash deposits (except cheque).

- **Article 7**
  
  All the credits foreseen in the plan and budget laws as the administered funds will be included in the shut down costs upon payment to the banking system and the credit institutions. The interest emanating from the said funds and the repaid installments of the said funds shall be settled into a special accounts with the Treasury General according to the executive by-law of this Article; and will exactly be included in the annual budget in order to be used toward realization of the preconceived objectives.

- **Article 8**
  
  The following text is affixed, as Note (3) to the Article (9) of the “law of Coordinated System of Payment to the Government Employees, enacted on 04/09/1991”:

  **Note 3:** Family and children allowance for the civil service and military retired personnel of sixty years of age and over, and disabled employees (regardless of the age), are payable, in addition to the regular sums received according to the law, equivalent to one hundred and twenty
percent (120%) of the minimum base salary indicated in the table of Article (1) of the “Law of Coordinated System of Payment of the Government Employees’ and the child allowance equivalent to thirty five percent (35%) of the regular base salary as per the above-mentioned table for each child (up to the maximum of three children).

Article 9

The following text is affixed as Note (2) of the Article (11) of the “Law of Employment and Social Facilities of the Jaanbaazaan (the disabled war veterans) of the Islamic Revolution, enacted on 21.06/1975”: in order to secure the health of the disabled war veterans with fifty percent (50%) and higher neurological, psychological and chemical disabilities determined by the medical commission of the Organization of the Disabled War Veterans Affairs, and on the basis of the intensity and type of losses emanating from the injuries and the time they are treated, government is charged with establishing and paying the nursing allowance on the basis of the minimum monthly wage of workers, and including the needed credit in the annual budget bills.

Article 10

Government is authorized to include in the annual budget bills the credit required for acquiring information, prevention, relief assistance, renewal and reconstruction of the areas damage by the unexpected events such as flood, quake, frostbite, hailstone, thunder, seawater encroachment, epidemic calamities of the agricultural products, and livestock epidemic diseases.

The Management and Planning Organization and Ministry of the Interior in coordination with the relevant agencies will determine the grant-in-aid to the damage inflicted victims in such a way as to increase the share of the insurance credit for compensating the damages resulting from the unexpected events as compared with the grants-in-aid year by year so that
the Ex-Gratia aids are gradually eliminated as the insurance coverage increases.

Government is authorized to provide and spent up to one percent (1%) of the general budget through increase revolving funds of the Treasury subject of Article (1) of this Law in cases of incidence of unexpected events such as drought, flood and the like. The said revolving fund shall be settled out of saving in the general credits and/or revision of the annual budget by the end of the same year, at the latest.

Executive by-law of this Article will be approved on the basis of the proposal of the Management and Planning Organization.

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**Article 11**

The text of Article (7λ) of the “Law of Collection and spending Some of the Government Incomes in Specified Cases, enacted on 19/03/19804” is recorded under the heading of Item “A” and the following texts are affixed to it under the headings of Items “B” and “C”:

**B.** Ministry of Labor and Social Affairs is charged with collecting the proceeds of issuance and renewal of the work permits to foreign nationals on the basis of a tariff to be approved by the Council of Ministers, and settle the same into the General Revenues Account.

The local employees and the servicemen dispatched by the foreign political representatives engaged in the relevant representative offices are exempted form payment of the above fees, on the condition of reciprocal arrangement by the said country.

**C.** In order to prevent presence of unauthorized foreign labor force in the country’s labor market, Ministry of Labor and Social Affairs is bound to fine the employers hiring non-permitted foreign nationals for each day of unauthorized work by a foreign laborer a charge equivalent to five times of the minimum daily wage. Should the infringement continue, this fine will be doubled. The proceeds will be settled into the General Revenue Account (with the Treasury – General). In case of any objection by the said employers, they may file litigation with a competent court of law. In case of failure on
the part of the employers to pay the fine indicated in this Article, criminal prosecution will follow on the basis of Article (181) of the “Labor Law approved by the Expediency Council, enacted on 20/11/1990.

Provisions of this Item do not apply to the foreign nationals hired inside the refugee camps.

Article 12

The following text is affixed to the article (61) of the "Law of Collection and Spending Some of the Government Incomes in Specified Cases, enacted in 19/03/1994.

Note: Ministry of Labor and Social Affairs-Technical and Vocational Organization are granted authorization to collect sums to be approved by the Council of Ministers for determining skill level, issuance, renewal of free technical and vocational schools work permits as well as test charges from students of free schools, and settle the same amount into the General Revenue Account.

Families under the cover of Welfare Organization and Imam Khomeini Relief Committee are exempted from the payment of the said costs.

Article 13

The following text is affixed to Item (14) of the “Law of Establishment of Educational Councils in the Country’s Provinces, Counties and Regions, enacted on 16/01/1994” under the heading of Note (3):

Note 3: The Provincial Education Organization is granted authorization to spend the non-personnel educational funds irrespective of the requirements of the “State Public Accounting Law enacted on22/08/1987” and other government public regulations and in due observation of the criteria of Note (2) of Item (14) of the “law of Establishment of the Provincial Education Councils”.
In the regions where the educational councils have not been established, the school financial council shall be serving as the said councils in the matter of the funds subject of Items (11) and (14) of the above law.

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**Article 14**

Ministry of Education (the provincial educational organizations) are authorized to take measures toward initiating scientific and sport contests, entrance examinations and also evening educational, preparatory and compensatory and short-term courses, using the unutilized capacities of the educational centers under their coverage, and by collecting tuitions from the institutions and individuals. The collected proceeds will be settled in the earmarked revenue accounts of the provincial auxiliary treasury, equivalent of which will be included in the annual budget laws of the same province in order to finance part of the schools and the said courses appropriations, and be put at the disposal of the provincial education organizations of the relevant provinces.

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**Article 15**

Ministry of Education (provincial education organizations) is bound to settle to the provincial earmarked revenue account the proceeds of provision of services in the welfare centers including the teachers clubs, the teacher houses, and also the teachers health, medical care centers established by the license of the Ministry of Health, Medicare and Medical Education, and include equivalent of these funds in the annual budget laws to be spent for repair and maintenance, equipment, development and operation of the said centers.

Executive by-law of this Article shall be proposed by the Ministry of Education and approved by the Council of Ministers.
Article 16

The Armed Forces of the Islamic Republic of Iran are bound to procure their needed military munitions and supplies from the Defense Industries Organization, the Electronic Industries Corporation and the Aviation Industries Organizations, and their subsidiary and affiliated organizations and/or those organizations confirmed by the Ministry of Defense and Logistics of the Armed Forces. Only that part of the military supplies not manufactured domestically and confirmed by the Minister of Defense and Logistics of the Armed Forces and the Minister of Industries and Mines can be purchased from abroad through the Ministry of Defense and Logistics of the Armed Forces.

Article 17

The Armed Forces of the Islamic Republic of Iran are bound to cede, upon approval of the Commandership-in-Chief of the Armed Forces, some of the telecommunications channels in excess of their immediate needs (including FX, RD, and Hot-Line, etc.) to the Iranian Telecommunications Company and the provincial telecommunications companies, while preserving their franchise. The said companies are charged with returning the said equipment back to the said forces in case of need, and free of any charge.

Article 18

Items “2” and “3” of Article (32) of the “law of Collection and Spending Some of the Government Revenues in specified Cases, enacted on 19/03/1994” are revised as follow, and two other Items are added to the said Article under the headings of Items “4” and “5”:

2. Fines for driving violations are determined from ten thousand (10,000) rials to three hundred and fifty thousand (350,000) rials. Tables related to the driving violations and their further revisions are to be prepared by the Ministry of the Interior and approved by the Council of Ministers.
3. The proceeds of driving violations in and out of cities are settled into the country’s general revenue accounts with the Treasury General. Equivalent to the settled funds will be foreseen in the annual budget laws in order to be spent solely for improving the traffic.

4. Ministries of the Interior and Road and Transportation are bound to take measures toward preparation of the by-law for the traffic, driving, and transportation affairs, and enforce it upon approval by the Council of Ministers.

5. Performing technical inspection of motor vehicles in due observation of the provisions of this Item and commensurate with the country’s possibilities is compulsive.

Motor vehicle inspection stations affiliated to the municipalities or the licensed technical centers have the responsibility of inspecting and issuing the technical inspection certificates. The manner of enforcing this Item and scheduling and monitoring its performance and determining the inspection period for all type of motor vehicles and their costs proportional with the potentials of each region shall be proposed by the Ministries of the Interior and Road and Transportation, and be approved by the Council of Ministers. The police Forces of the Islamic Republic of Iran are bound to prevent the traffic of motor vehicles not possessing the technical inspection certificate. To issue a certificate of technical inspection, a sum of two thousand (2,000) rials shall be collected and settled into the State General Revenues Account with the Treasury General.

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**Article 19**

The text of Article (31) of the “Law of Collecting and spending Some of the Government Revenues in Specified Cases, enacted on 19/03/1994” is written under Item “A”, and the following items are affixed to Article (31) under the heading of items “B” and “C”:

**B.** The Disciplinary Forces of the Islamic Republic of Iran are charged with settling the proceeds collected from the conscripts of the military service in exchange for granting the termed exemptions
(three to five years) as well as for guaranteeing enforcement of Article (103) of the executive by-law of the “Law of the Universal Military Service, enacted on 20/10/1984” on the basis of the prevailing regulations, to the general revenue accounts.

C. The Disciplinary Forces of the Islamic Republic of Iran is charged with collecting a fee from any of the conscripts exempted for any reason including the conscripts of the military service who live abroad as well as the conscripts using medical exemptions, for being in excess of need or otherwise committed, except the persons under cover of the Imam Khomeini Relief Committee and the State Welfare Organization, and also those who have lost their exemption card and requesting a duplicate, on the basis of the tariffs approved by the Council of Ministers, and settle the same into the State General Revenue Account (with the Treasury General).

Article 20

In order to provide special privileges for the personnel who for the nature of their employment serve in the country’s frontier regions including the border and coastal post guards, land and marine control posts, the lord-marchers and their substitutes, border and coastal areas, translators and administrators of the border areas and regions, and also the personnel serving in the islands, the Disciplinary Forces of the Islamic Republic of Iran is authorized to waive the rent for the public housing provided to the above personnel in the said regions.

Article 21

In order to help the personnel of the military and Disciplinary Forces in securing their housing, Government is charge with taking measure to include in the annual budget law, out of a specific credit line, equivalent to one fourth of the sums, and up to a maximum of five percent (5%) of the total salaries and fringe benefits of the active personnel, who deposit
voluntarily out of their monthly earnings in one of the agent banks or cooperative and investment funds of the organizations of the Armed Forces of the Islamic Republic of Iran, Ministry of Defense and Logistics of the Armed Forces, the Army of the Islamic Republic of Iran, The Pasdaran Corps of the Islamic Revolution, the Disciplinary Forces of the Islamic Republic of Iran, and the Staff-General of the Armed Forces.

In addition to other facilities granted by the banking system and other facilities granted to the personnel of the armed forces toward housing for the personnel of the armed forces on the basis of the relevant laws and regulations, this type of investment facilities are given to the said personnel to buy or build their own residences. The said funds are bound to submit on semi-annual basis, a complete report of their performance to the Central Bank and the National Security and Foreign Policy, and Plan and Budget and Auditing Commissions of the Islamic Consultative Assembly. The Central Bank of the Islamic Republic of Iran is bound to continuously monitor this type of funds.

Executive by-law of this Article shall be proposed by the Ministry of Defense and Logistics of the Armed Forces, and approved by the Council of Ministers.

**Article 22**

The Armed Forces and Ministry of Defense and Logistics of the Armed Forces are granted authorization to enter into contract with the executive agencies in connection with execution of the plans and projects, given the expertise, capabilities and capacities of the forces under their command and preservation of their combat capability. All the proceeds of the said contracts are settled to the earmarked revenue account with the Treasury General, the equivalent of which will be appropriated in the annual budget toward execution of the above projects and reinforcing the pertinent forces, as well as for replacing the depreciated machinery.

Executive by-law of this Item shall be prepared by the Staff-General of the Armed Forces in cooperation with the Ministries of Defense and Logistics of the Armed Forces, Economic Affairs and Finance, and the
Management and Planning Organization, and approved by the Council of Ministers via the Ministry of Defense and Logistics of the Armed Forces.

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**Article 23**

Government is charged with settling the incomes collected on the basis of the approved laws and under the heading of the Red Crescent Society of the Islamic Republic of Iran to the accounts opened by the Treasury for that executive agency in order to be included in the earmarked revenue account of that agency.

Equivalent of the settled funds out of the earmarked revenue credit of the Red Crescent Society of the Islamic Republic of Iran will be foreseen in the annual budget law for the same purpose and given to the said agency.

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**Article 24**

Ministry of Health, Medicare and Medical Education is granted authorization to collect and settle to the earmarked revenue account of the annual budget law, upon confirmation of the Management and Planning Organization and approval of Council of Ministers, the funds payable in connection with issuing, renewing and revising the import and manufacturing medicine, foods, and drinking items, cosmetic and hygienic raw material, their packing, medical equipment and issuing license for the technical persons responsible for them, issuing and renewing license for doctors’ offices and clinics, license for the medical institutions and their technical personnel, including hospitals, clinics, laboratory, radiology, drugstore, and the entities affiliated to the medical professions, issuing permanent and temporary medical, pharmaceutical, dental and midwifery permits; issuing, revising and renewing the permits for medical, food, cosmetic, hygienic and equipment and medical and dental and laboratory supplies manufacturers; performing tests in connection with medical laboratory diagnosis and the fee for testing products and laboratory and medicine, food, drinking, hygienic and cosmetic and biological material;
and qualitative control of all types of equipment and apparatuses, medical and dental supplies and locally manufactured biological products, standardization of plans and issuing permit for establishment of hospitals and health and medical care centers and examinations by the High Medical Council. Equivalent to the said amounts upon settlement into the Treasury General is given to the Ministry of Health, Medicare and Medical Education out of the credit of the earmarked revenues of the annual budget laws. Ministry of Health, Medicare and Medical Education is charged with allocating to the medical science universities and health and medical services and the relevant units, equivalent to the settled fund in case to case basis and through communicating the fund, to be spent according to the pertinent laws and regulations.

'article 25

In observation of the policies of the country’s development plans, Ministry of Health, Medicare and Medical Education is authorized to administer the pharmacies of the medical science university and the health services throughout the country (out of hospitals and centers) in form of self-autonomy on the basis of a by-law that will be proposed by the Minister of Health, Medicare and Medical Education, and approved by the Council of Ministers.

The proceeds of sale of medicine and services will be settled into the earmarked revenue account of the related medical science universities with the Treasury and equivalent to the settled funds out of the earmarked revenue and expenditures that will be included in the budget laws will be allocated to the Medical Science University for the current and personnel expenses and re-procurement of medicine.

'article 26

The State Welfare organization is bound to issue license to the applicants for the following activities, upon expert reviews:

1. Establishment of nursery schools,
2. Establishment of barding centers for homeless children,
3. Establishment of health home for girls and women,
4. Establishment of complexes and centers for welfare services,
5. Establishment of the social work clinic and emergencies,
6. Establishment of social counseling service centers,
7. Establishment of the disabled rehabilitation centers,
8. Establishment of the vocational training for the disabled persons,
9. Establishment of the centers for rehabilitation and care of the elderly,
10 Establishment of the rehabilitation and medical care of the chronic mental patients,
11 Establishment of the genetic counseling service centers,
12 Establishment of medical and rehabilitation centers for the addicts,
13 Establishment of the non-government and charitable societies and organizations that operate in line with the goals of the State Welfare Organization.

The said organization is authorized to charge certain fees for issuing and renewing permit for the profit-making activities on the basis of the tariff to be determined by the State Welfare Organization and approved by the Council of Ministers, and settled the collected sums into the State General Revenues Account (with the Treasury General). Equivalent of the settled funds out of the credit line that will be included in the annual budget law will be allocated to the said organization to be spent for maintenance and management of the centers under its cover.

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Article 27

The following text is affixed to the “Law of the Universal Insurance for the Country’s Medical Services, enacted on 26/10/1994” under the headings of Notes (2) and (3) of its Article (9):
**Note 2:** The executive agencies, party to the contract with the Medical Services Insurance Organization, are bound to withhold the per capita premium of the medical insurance share of the employees, retired employees and pensioned persons from their monthly salaries and settle the same into the account of the said organization within a maximum period of one month. The executive agencies, party to the contracts with other insurance undertakers are bound to deduct the per capita medical insurance premium of the said individuals from their monthly salaries and settle equivalent to two-ninth of the same to the account of the said organization and pay the balance to the insuring institution, party to the contract.

**Note 3:** The Management and Planning Organization is charged with including, on annual basis, the per capita government share of premium of the medical services for the incumbent employees, retired and pensioned persons subject of the state employment law in form of a specific and separate line within the framework of the country’s general budget, taking into account the quorum determined in the universal insurance law, and give the same to the Medical Services Insurance Organization or the executive agencies, party to the contract with other insuring entities in case by case manner.

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**Article 28**

The State Welfare Organization is granted authorization to divest the units under its own cover to the applicants for providing services and/or through contract and/or lease of the above centers during the period that it does not use them, and collect the applicable costs from the applicants. The proceeds will be settled into the earmarked revenue account.

Equivalent of the said earmarked incomes should be included in the annual budget law and shall be given to the State Welfare Organization in order to finance part of the expenses of the centers under the organization’s cover.
Article 29

The medical science universities and the health-medical care service providers are authorized to admit foreign patients and collect the relevant cost on the basis of the tariffs that will be approved by the Ministry of Health, Medicare and Medical Education, and settle the same into the earmarked revenues account with the State Treasury General. Equivalent of one hundred percent (100%) of the said earmarked income should be included annually in the country’s total annual budget laws and spent within the framework of the “medical care services of the Medical Science University and the relevant health-medical care services.

Article 30

All the ministries, agencies and government companies subject of Article (4) of the “law of the State Public Accounting, enacted on 22/08/1987” and other companies which over fifty percent (50%) of their capital and their shares individually or collectively belongs to the ministries, government agencies and government companies, except the banks and credit institutions and the legal insurance companies, as well as the government companies and entities whose subject to the public laws and regulations requires that they be identified by name, including the National Iranian Oil Company, and the subsidiaries and companies affiliated with the Ministry of Petroleum and their subsidiaries, the Industrial Development and Renovation Organization of Iran and its subsidiaries, the Iranian National Industries Organization and its subsidiaries and the Center for Procurement and Distribution of Goods are specified in the provisions of this Article.

A. All the executive agencies subject of this Article are authorized to purchase domestically manufactured motor vehicles in observation of the policy for divestiture of the service affairs to the non-government sector and within the framework of the approved budget.

Note: Representatives of the Islamic Republic of Iran abroad are exempted from the prohibition for buying foreign made motor vehicle.
The Disciplinary Forces of the Islamic Republic of Iran is authorized to purchase annually foreign made motor vehicles upon recommendation of the Ministry of the Interior and approval of the Council of Ministers, and out of their annually approved budget.

B. Executive by-law of this Article will be prepared by the Ministry of Economic Affairs and Finance and the Management and Planning Organization, and approved by the Council of Ministers.

Article 31

Purchase or lease of exclusive airplane by ministries, agencies, government companies and the companies and government agencies whose subjection to the provision of the law required that they be identified by name or their name be stipulated, as well as those specified in Article (4) of the “law of the State Public Accountings, enacted on 22/08/1987” and also travel of the officials and employees of the said agencies by exclusive airplane is absolutely prohibited. Cases of exceptional necessity must be approved by the Council of Ministers. The heads of the three branches are exempted from the prohibition to lease airplane.

Article 32

Performing any expenditure by the agencies indicated in Article (3) of this Law for printing any calendar, almanac, and announcements concerning congratulations, thank you notes, consolation, and ceremonial placards, as well as throwing any internal individual or group entertainment, using the current and development funds and the funds not included in the budget or the aids and earmarked incomes of the annual budget laws are prohibited and is considered as unlawful possession of the government and public property.
Law of the Fourth Economic, Social and Cultural Development Plan

Article 33

Authorization is granted to universities and institutions of higher education and research and the Foundation for Iranian Studies, and the academies and the Public Administration Education Center and educational hospitals to rent out to the real and legal persons some of their buildings and their facilities in excess of their needs on short-term lease for one year or less, and at the market price, in order to optimize the use of their properties, provided that this action would not in any way result in any loss or undesirable consequence. The said entities are bound to settle the proceeds into the earmarked revenues account with the Treasury General.

Article 34

The following text is affixed as a note to Article (44) of the “Law of Collecting and Spending Some of the Government Incomes in specified Cases, enacted on 19/03/1994”

Note: Authorization is granted to the Ministries of Science, Research and Technology, and Health, Medicare and Medical Education that in buying the obligation and releasing the guarantees and issuance of the registry order of execution for the dispatched and financial aid-receiving students who, or their guarantors have failed, or are failing, to fulfill their commitments, to collect from the student or his guarantor, the differentials in local currency at the market rate of the total foreign currency paid to the students at the due dates and the previous payment rate of exchange, in order to compensate for the obligations and the losses incurred, and settle the proceeds into the State General Revenues Account.

The obligation amount and the manner of its payment shall be determined in a by-law to be proposed by the Ministries of Science, Research and Technology, and Health, Medicare and Medical Education, and the Management and Planning Organization, and to be approved by the Council of Ministers. Provisions of this Note, in consideration of the recent part of the Article (2) of the “Civil Law, enacted on 08/05/1928 is retroactive. In the case of any litigation filed with the judicial authorities,
Ministries of Science, Research and Technology, and Health, Medicare and Medical Education are exempted from payment of the costs of rendering justice in all its phases.

**Article 35**

The following text is affixed to Article (25) of the “law of Collecting and Spending some of the Government Incomes in the Specified Cases, enacted on 19/03/1994, as Item ”C”:

C. Universities and institutions of higher education may admit foreign students or the Iranian students studying in universities of other countries, which are accredited by the Ministry of Science, Research and Technology, and Ministry of Health, Medicare and Medical Education, in order to cover some of their own expenses. The ceiling of the percentage of the student admission, the criteria and instructions concerning the manner of collecting tuition, admission requirement, amount of tuition, and other conditions are to be proposed by the Ministries of Science, Research and Technology, Health, Medicare and Medical Education, and the Management and Planning Organization, and to be approved by the Council of Ministers.

Moreover, the Foundation for Iranian Studies and academies may collect registration fees and other pertaining costs from the foreign students pursuing short term educational and research courses at these institutions, according to the said criteria; and settle the proceeds into the relevant earmarked revenues account in order to be spent according to the pertinent regulations.

**Article 36**

The credits funds approved in the annual budget laws under the heading of aid to municipalities of the cities of less than thirty thousand population and assistance toward infrastructural facilities of the small towns will be distributed between the country’s province upon
recommendation of the Organization of the Municipalities and confirmation of the Management and Planning Organization. Share of each province from the said lines shall be distributed among the needy municipalities on recommendation of the provincial governor-general and the provincial planning and development council, and will be spent upon exchanging agreement with the Management and Planning Organization in order to contribute to the current budget of the municipalities of the towns with less than thirty thousand population and building the infrastructural facilities, as the case may call for.

**Article 37**

The funds included in the annual budget laws under the heading of the “Bus Ticket Subsidy”, “Purchase of Bus and Accessories for the Urban Mass Transit” and the “Urban Metro Ticket Subsidy” to compensate for the expenditure deficit for operation of the urban bus and metro systems affiliated to the municipalities, are distributed among the said systems on the basis of recommendation of the State Organization of the Municipalities and confirmation of the Management and Planning Organization, to be spent toward supporting the mass transit systems of the cities on the basis of the agreements between the Management and Planning Organization and the Organization of the Municipalities.

**Article 38**

The funds concentrated in the accounts of the Treasury General and collected according to the pertinent laws and regulation by the ministries, government agencies and companies in the name of municipalities, are distributed between the needy and newly established municipalities on the basis of the provisions of a by-law that will be proposed by the Ministry of the Interior (the State Organization of the Municipalities) and confirmation of the Management and Planning Organization and upon approval by the Council of Ministers.
The quarterly report of performance of this law will be prepared by the State Organization of the Municipalities and presented to the Management and Planning Organization and the relevant commissions of the Islamic Consultative Assembly.

**Article 39**

Article (20) of the “Law of Securing the Current and Development Credit, enacted on 28/11/1964” is revised as follow:

Article (2): The municipalities’ charges for sale of one liter of gasoline are determined to be equivalent to ten percent (10%) of its price.

**Article 40**

Ministry of the Interior is charged with collecting ten percent (10%) of the total fees for the car plate registration in cities where the metro system becomes operational, and settle the same into the General Revenues Account with the Treasury General, and grant the municipalities an amount equivalent to the settled sums through a specific line included in the annual budget laws upon exchange of agreement with the Management and Planning Organization, in order to be spent toward funding part of the cost of execution or compensating for part of the operational costs of the metro lines of the same city.

**Note:** The Organization of Municipalities is charged with submitting semi-annual report on performance of the provisions of this Article to the Management and Planning Organization and the relevant commissions of the Islamic Consultative Assembly.

**Article 41**

Five percent (5%) of the proceeds of the national projects funds for each agency will be placed at the minister’s disposal prior to performing the appropriation process to be committed and paid, as it might be
necessary on the basis of the progress made in execution of the relevant projects and within the framework of the exchanged agreements. It is prohibited to execute the new national development projects in advance of their approval by the Islamic Consultative Assembly.

Article 42

The executive agencies using the current and developmental funds in connection with the research works and the government companies subject of Article (4) of the “Law of the State Public Accounting, enacted on 22/08/1987” and the profit-making institutions affiliated to the government that use the general research funds of their own credits, are charged with spending at least twenty percent (20%) of said research credits through developing research contracts with universities and government and non-government institutions of higher education, academies, the Foundation for the Iranian Studies, the research institutions affiliated with the Ministry of Science, Research and Technology, Ministry of Health, Medicare and Medical Education and the University Jihad, the Organization for Agricultural Education, Research and Propagation or the academic faculty with the permission of the said university management and the research institutions. Permission is granted that fifty percent (50%) of the said total credit be spent irrespective of the “Law of the State Public Revenue Accounting, enacted on 22/08/1987” and other government public laws and regulations and with observation of the law concerning the manner of spending the funds exempted from observation of the “Law of the State Public Accounting” and other government regulations enacted on 09/02/1986. The executive agencies specified at the top of this Article are bound to submit the performance report of this Article to the Management and Planning Organization during the month of Shahrivar (22/08-21/09) of each year. The Management and Planning Organization is bound to submit the performance report of this Article to the relevant commissions of the Islamic Consultative Assembly.

Executive by-law of this Article shall be prepared by the Ministries of Science, Research and Technology, and Health, Medicare and Medical Education and the Management and Planning Organization, and approved by the Council of Ministers.
Article 43

The text written in Article (86) of the “Law of Collecting and Spending some of the Government Revenues in Specified Cases, enacted on 19/03/1994” is inserted under the heading of Item “A”, and the following text is affixed to Article (86) as Item “B”:

B. Ministries and government agencies are authorized to rent out some of the existing buildings and facilities of their own to the real and legal entities for one year or less in order to optimize the use of these buildings, and on the basis of a by-law to be prepared jointly by the Management and Planning Organization and Ministry of Economic Affairs and Finance, and to be approved by the Council of Ministers.

Article 44

Upon communicating the approved provincial annual budget, the provincial planning and budget council is charge with distributing the developmental credits among the chapters, programs, executive agencies and development projects, as broken down by each county, and distributing the approve expense credits between the chapters & expense and programs on the basis of the recommendation of the Management and Planning Organization, and within the framework of the goals and policies of the plans for economic, social and cultural development of the Islamic Republic of Iran throughout the country and at the provincial level, as well as the strategies and instructions communicated by the Management and Planning Organization.

The county planning committee is comprised of the county governor (head of the committee), representative of the Management and Planning Organization (the committee’s secretary) and membership of the heads of the executive agencies that their director-generals are members of the provincial planning and development council. The governor is charged with inviting the county’s representatives in the Islamic Consultative Assembly, one week before the committee meeting, to attend the meeting as overseer. The counties’ development plans, upon approval by the county
planning committee, shall be announced to the provincial management and planning organization for exchange of agreement. The duties of the secretariat of the provincial planning and development council is rested with the provincial management and planning organization.

Article 45

The credits included in the annual budget laws under the heading of “Self-help” are appropriated to the new small projects and completion of the incomplete provincial projects, ten percent (10%) in the rural areas, thirty percent (30%) in towns with less than fifty thousand population and fifty percent (50%) for cities over fifty thousand people and funded by the people. The credit for each province is distributed between the province’ counties on recommendation of the Management and Planning Organization and approval by the provincial planning and development council.

Article 46

The provincial organizations of the department-generals and the organizational units of equal status specified in the ministries and government agencies located in the provincial centers or counties other than provincial centers whose credits are included in the annual budget laws as part of the budget of the ministries or the relevant government agency, are considered to be the local executive agency from the standpoint of enforcement of the regulations of the “Law of the State Public Accounting, enacted on 22/08/1987.

Article 47

The following text is affixed to Article (84) of the “Law of Collecting and spending some of the Government’s Revenues in Specified Cases, enacted on 19/03/1994, as Item “5”: 
5. For the purpose of creating balance between the livestock and the pastureland, Ministry of Agriculture Jihad and its dependent agencies are authorized to collect the sum equivalent of one-thousandth of the average value of every livestock units through issuing and/or renewing the annual permit for the livestock grazing in the pastureland, and settle the same into the General Revenue Account (with the Treasury General).

**Note 1**: the grazing permit (pastureland exploiting permit) is considered to be a contradictory document; and divestiture of the land within the boundaries of the exploitation permit shall be performed in due observation of the rights of the exploitation permit holders and on the basis of the by-laws to be prepared jointly by the Ministry of Agriculture Jihad and the Management and Planning Organization and approved by the Council of Ministers.

**Note 2**: grazing the livestock in pastureland without a grazing permit or in excess of the capacity determined in the grazing permit is an offense, and is specified in payment of a sum equivalent to twenty percent (20%) of the average value of the livestock unit per year. Upon collecting the sum, it must be settled into the General Revenue Account (with the Treasury General).

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**Article 48**

The text written in Article (27) of the “law of collecting and Spending some of the Government Revenues in specific Cases, enacted on 19/03/1994” under the heading of Item “A” and the following text under the heading of Item “B” are affixed to this Article:

**B.** Authorization is granted to the Ministry of Agriculture Jihad ((The Fisheries Joint Stock Company) to settle the proceeds of sales of fish caught and tools and equipment of unauthorized fishing and smuggling of all the aquatic fishing and hunting and their products and the fines collected under this Item into the Public Revenues Account.
Government is authorized to include in the budget bills the needed funds for development and equipment and erection of the units protecting the aquatic resources and renovation of the aquatic reserves out of the settled funds in the General Revenue Account, proportional to the needs of the above executive agencies.

**Article 49**

The following sentence is affixed to the end of the article (1) of the “Law of Revising the Law of Payment of reward of Termination of the Service and Part of the Necessary Costs to the Government Employees, enacted on 07/12/1997”:

Employment service in excess of thirty years shall not be accounted for in payment of the reward subject of this law.

**Article 50**

Any type of business activity including purchase and sales of the domestic and foreign goods and export and import of the same and also issuing permit for the share of investment partnership for this type of activities by the executive agencies subject of Article (30) of this law and the non-government public agencies and institutions whose duties do not encompass commercial operation is prohibited.

**Article 51**

The following items as Items “R” (for Saad), ”S” (for Qaaf), “T” (for Re), ”U”(for Shin), and “V” (for Te) are affixed to Article (1) of the “Law of Collecting and Spending some of the Government Revenues in Specified Cases, enacted on 19/03/1994: 
R. The tariffs for registration of the final official documents such as transfer deeds, deed of peace, deed of gift, and power of attorney for sale, except when the restitution right is included, for various types of light and heavy motor vehicles including passenger car, non-passenger vehicles, road construction and agriculture machinery and motor bikes, locally manufactured or assembled or foreign made, of the quantity indicated in Item “A” of Article (1) of the “law of Collecting and Spending some of the Government Revenues in Specified Cases, enacted on 19/03/1994” on the basis of ten thousand rials for the locally made and assembled motor vehicles, and twenty thousand rials for the foreign made motor vehicles according to the table determined by the Ministry of Economic Affairs and Finance applied annually as the ground for collecting taxes for transfer of the said motor vehicles and bikes as per the provisions of Note (1) and (2) of Article (9) of the “Law of Authorizing Collection of Indirect Tax of some Commodities and Services, enacted on 08/10/1995” are changed. In the event that for any reason the sales price or the C.I.F value of the said machinery have not been determined in the above-mentioned tables, their values for collecting the registration fees will be determined by the Ministry of Economic Affairs and Finance.

S. The State Property Deed and Document Registration Organization is authorized to collect the cost of the papers and books consumed by the said organization and settle the same into the Treasury General account. Also, the price of the papers used by the State Property Deed and Document Registration, and printed by the Ministry of Economic Affairs and Finance will be determined by a commission composed of the Minister of Economic Affairs and Finance, the head of the Property Deed and Document Registration Organization, and the head of the Management and Planning Organization or their representatives, and will be collected and settled into the Treasury General.

T. The State Property Deed and Document Registration Organization is charged with collecting the proceeds of sales of the registered surveying information (cadastre) on the basis of a tariff to be approved by the Council of Ministers, and settle the same into the
General Revenue Account. The credit needed for providing and equipping and developing the survey registration plan (cadastre) shall be foreseen in the country’s total budget bills and will be made available for spending on the basis of an executive by-law which will be prepared by the State Property Deed and Document Registration Organization and the Management and Planning Organization, and to be approved by the Council of Ministers.

U. The State Property Deed and Document Registration Organization is charged with reviewing the applications for the real estate and car sales jobs, comparing the professional status of the applicant who have been in these professions prior to the enactment of this law, and take measures according to the regulations and charge them a fee for issuance or renewal of their occupation license on the basis of a tariff which will be approved by the Council of Ministers and settle the proceeds into the General Revenues Account (of the Treasury General).

❄ Article 52

Authorization is granted to Ministry of Foreign Affairs to collect the incomes derived from providing services for organizing international seminars and conferences in Iran, and providing services to the foreign political and consular representations residing in Iran from the organizing entities and foreign representations and settle the same into the General Revenues Account (with the Treasury General).
Article 53

Ministries of Road and Transportation and Agriculture Jihad are authorized to sell the grading material (gravel and sand) and the asphalt produced in the sieving and stone crushing centers or in the asphalt factories in excess of their need and/or renting out their machineries and settle the proceeds into the State General Revenues Account (with the Treasury General).

Article 54

Ministry of Road and Transportation is exempted from payment of the subscription charges of electricity and the cost of electricity used for illumination and air conditioning of the tunnels and the special lighting for the foggy areas, the blinker lights and the lighting of the mosques along the country's roads.

Article 55

The State Airports Company is bound to collect the incomes subject of Articles (62) and (63) of the “Law of Collecting and spending Some of the Government Revenues in specified Cases, enacted on 19/03, 1994”, and consider the proceeds as the company’s income and spend the same within the framework of the approved annual budget.

Note: In implementation of the privatization policies, the State Airports Company is bound to divest the airport services to the private and cooperative sectors proportional to their preparedness.

Article 56

The following text is affixed as Note to the Article (85) of the “law of Collecting and Spending some of the Government Revenues in specified Cases, enacted on 19/03/1994:
Note: The sum indicated in this article is increasable by recommendation of the Ministry of Economic Affairs and Finance.

Article 57

The text of the article (87) of the “Law of Collecting and Spending Some of the Government Revenues in Specified Cases, enacted on 19/03/1994” is inserted under the heading of Article “A” and the following text is affixed to it as Item “B”:

B. Government is authorized to collect thirty thousand (30,000) rials from the passengers leaving the country through the airports, seaports and land borders.

Article 58

The National Iranian Gas Company is charged with considering that the gas subscription for mosques, religious seminaries, mourning places and passion-play theaters is free of charge, and computing the cost of gas consumption at fifty percent (50%) of the current price for each cubic meter of the gas consumed.

Article 59

The Petroleum Products Distribution Company is charges with securing the kerosene and liquid gas needed by the rural inhabitants throughout the country, as well as the needs of the tribal population within a vicinity of five kilometers of their habitat at the same official rate as those provided for the urban consumers.
Article 60

The State Personal Registry Organization is charged with collecting the following sums from the applicants of the special registry services and issuance of identification cards, and settling the same into the General Revenues Account (with the Treasury General):

1. Change of the surname and name: fifty thousand (50,000) rials.
2. Change of age: one hundred thousand (100,000) rials
3. Settlement of dispute concerning the registry record: twenty thousand (20,000) rials
4. Affixation of photo: five thousand (50,000) rials,
5. Issuance of celibacy certificate: ten thousand (10,000) rials,
6. Issuance of the first duplicate of the personal record card: fifty thousand (50,000) rials,
7. Issuance of the second duplicate of the personal record card: one hundred thousand (100,000) rials,
8. Issuance of identification (ID) card; two thousand five hundred (2,500) rials,
9. Issuance of personal record card: ten thousand (10,000) rials.

Article 61

In order to coordinate approval, implementation and supervision of the research projects, the credit for the plans approved in the annual budget laws under the heading of national research works are earmarked for performance of specific national research plans on the basis of the proposal made by the executive agency and approved by the Management and Planning Organization so that they could be placed at the disposal of the relevant executive agencies, and spent upon exchange of agreement with the Management and Planning Organization. The balance of the funds earmarked to any entitled executive agency is transferable to the next year and expendable solely within the framework of the pertinent agreement.
Universities and research centers of the non-government sectors can use the funds of this Note through the Iranian Scientific and Industrial Research Organization.

Executive by-law of this Article shall be approved by the Council of Ministers on recommendation of the Management and Planning Organization, Ministry of Science, Research and Technology, and Ministry of Health, Medicare and Medical Education.

**Article 62**

Ministry of Energy is bound to buy the electricity produced by the power plants and producers of the private sector at guaranteed prices. The guaranteed rate shall be proposed by the Management and Planning Organization and approved by the Economic Council. As for the rate of the electricity produced by the non-government sectors from the new energy sources, and due to the positive environmental implications and the saving emanating from not using fossil energy sources, and in order to encourage investment in this type of production, the applicable rate for each kilowatt at the peak hours and usual hours would be at least six hundred fifty (650) rials and for the low consumption hours would be at least four hundred fifty (450) rials (for a maximum of four hours in every twenty four hours).

**Article 63**

The following text is affixed as a Note to Article (24) of the “Law of Equitable Distribution of Water, enacted on 07/03/1983”.

**Note:** The Khuzestan regional water and electric companies are bound to collect subscription charge for granting the new extraction right for the water under the coverage of the water supply projects, corresponding with the allocated share of the water, and spend the same on the basis of the agreement exchanged with the Management and Planning Organization for execution of the related development plans, giving priority to maintaining and restoration of the hydraulic structures in the same region.
Executive by-law of this law including the subscription rate shall be approved by the Council of ministers on the joint proposal of the Management and Planning Organization and Ministry of energy.

Article 64

Authorization is granted to the Department of the Environment for charging the hunters a fee for issuing special identification booklets to the hunters, aiming at undertaking planning for exploitation of the hunting grounds. The tariff related to the cost of issuance of the said booklet, as distinguished by shotgun and rifle, will be proposed by the Environmental Protection Organization and approved by the Council of Minister.

Article 65

The Management and Planning Organization is bound to include on annual basis in the annual budget bill a sum for granting credit toward export of technical and engineering services (for both the buyer and the seller) as well as the differentials of the profit rate. This sum will be foreseen as the government deposit with the Industrial Development Bank. The manner of payment of the fund and the differential of the profit and banking charges shall be determined in a by-law to be prepared by the Management and Planning Organization in cooperation with the High Council of the Non-oil Export Development, and be approved by the Council of Ministers.

Article 66

The funds of the Public Administration Education Center in the annual budget laws are increasable on the basis of the “Law of the Manner of Performing the Financial and Business Affairs of Universities and Institutions of Higher Education and Research, enacted on 08/01/1991” and its by-laws. The manner of execution and conformity of the above-
mentioned law, as well as the setup and composition of the board of trustees of this center shall be proposed by the Management and Planning Organization and approved by the Council of Ministers.

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**Article 67**

The academies and the Foundation for Iranian Studies are granted permission to collect proper fees for providing to the applicants their services such as printing, multiplying, computer facilities toward publication of the outcomes of the scientific and technical research and information produced and data of the data banks and supplying books, publications and cassette records and disks. The proceeds are to be settled into the earmarked revenue account. Equivalent to the settled sums will be foreseen in the annual budget out of the earmarked revenues and will be granted to the relevant entity.

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**Article 68**

Authorization is granted to the government to take appropriate measures every three years to look at the possibility of increasing or reducing the local currency sums specified and written in the law and regulations in the area of penalties, fees and governmental services, governmental rights and similar subjects on the basis the proposal made by the Management and Planning Organization, corresponding with such factors as reduction of the government expenses derived from administrative structural reform, reduction of manpower and inflation rate, and in due observation of the provisions of the economic, social and cultural development plans of the Islamic Republic of Iran, and communicate the matters.
Article 69

All the lands, properties and buildings legally possessed for use by ministries, government agencies including the entities whose subjection to the law requires that they be identified by name or their names be stipulated, or they are subject of specific law, purchased, or to be purchased, in the name of that particular ministry or entity belong to the government and the name of the Islamic Republic of Iran will be written in their ownership deeds as the proprietor, the right of use by the relevant ministry or entity. Change of the operating agency in any case is rested with the Council of Ministers. All the existing deeds, records and documents, related to these properties will be placed at the disposal of the Ministry of Economic Affairs and Finance (Bureau General of the Government Properties). As for divesting the right of use of the excess buildings, measures should be taken according to Item “B” of Article (89) of this law.

Note 1: The national, government, and “Natural Resources” lands possessed legally by the agencies to be divested for public uses or by the non-government private individuals, but not divested yet, including the lands possessed by the Ministry of Agriculture Jihad subject of Articles (31) and (320 of the “Law Reforming the Law of Reviving and Divesting the Lands in the Islamic Republic of Iran, endorsed on 10/04/1980” by the Revolution Council and the lands subject of the “Law of Urban Land, enacted on 23/08/1981” are specified in the relevant regulations. Should the land be needed by the executive agencies, the Armed Forces, and the agencies whose subjection to the law requires that they be identified by name or their names be stipulated or are specified in specific laws and regulations, for their general and developmental uses or for exchange, it should be divested to them free of charge within the restrictions approved by the Council of Ministers and in observation of this Article.

In the case of the lands divested by the commissions of Articles (31) and (32) of the said law and the Divesting Boards, provided that they have been restored according to the approved plans and that they are located within the legal boundary of the cities and the land proprietorship has been transferred to the Ministry of Housing and Urban Development or their dependent organizations, Ministry of Housing and Urban Development and its dependent organizations are bound to transfer to the investors the
deeds of these lands at the appraised market price, regardless of the value added emanating from the performed investment.

**Note 2:** Sales and divestment of the properties and lands that the government have entrusted their right of use to the government companies are also conditioned by approval of the Council of Ministers, unless they are needed by the agencies described in this Article in which case they must be divested to the ministries and government agencies according to the set procedures.

**Note 3:** The manner of preparation of the deeds of the lands and other immovable properties of the development projects subject of Article (113) of the “Law of the State Public Accountings, enacted on 22/08/1987”, performance of which is rested with the ministries or government agencies are specified in the regulations of this Law.

**Note 4:** To determine the beneficiary, the operation, and the manner of preparing the deeds for the land and improvement of the properties and lands endowed for use by the government and/or government agencies are specified in the procedures set forth in this Item, and in due observation of the relevant acts of the pious foundations.

**Note 5:** Divestiture of the right of use of the lands and properties of this law to the non-government public institutions and entities, non-profit and charitable organizations upon approval by the Council of Ministers and in line with realization of the goals and objectives of the five-year plans and the pertinent laws is permissible. Upon satisfaction of the needs of those entities as determined by the relevant ministry and approval by the Council of Ministers, divested property or land shall be returned to the government.

**Note 6:** Should the properties and lands possessed by the Organization for Gathering and Sales of the Possessed Properties, as per their legal duties, be needed by the government agencies, will be divested to applicant agency by recommendation of the concerned minister or the highest ranking executive official of the independent entity and upon approval by the Council of Ministers as the case may require.

In order to facilitate execution of this Article, the Organization for Gathering and Sales of the Possessed Properties is bound to submit to the
Council of Ministers a list of all the immoveable properties at its possession.

**Note 7:** Failure to enforce this law by any of the officials and employees is viewed as unauthorized possession of the government properties.

**Note 8:** In order to facilitate settlement of disputes in connection with the buildings, facilities and lands in possession of the ministries, government agencies, government companies and companies whose subjection to the law requires that their name be specified, non-government institutions and organizations, military and disciplinary forces, where the said possession had taken place due to the needs and requirements peculiar to the early period of the Islamic revolution and the imposed war and without any legal authorization, with or without the consent of the prior possessors, and at the present time they are needed by the prior possessors, a commission is to be formed composed of the fully authorized representatives of the Ministries of Economic Affairs and finance, Housing and Urban Development, Agriculture Jihad, the Management and Planning Organization, and fully authorized representatives of the minister or the highest ranking official of the independent organization, party to the dispute, under the responsibility of the Vice President for Legal and the Consultative Assembly Affairs.

Enforcement of this Article in case of the buildings possessed by the institutions and the Armed Forces under the auspices of the Supreme Leader shall be done with the consent of the Supreme Leader. The decisions of the said commission are binding for the relevant executive agencies. In case of failure of the concerned executive agency, the Management and Planning Organization is bound to deduct from the annual budget of the possessing agency a sum equivalent to the market price of the property under the possession as proposed by the said commission and add the same to the budget of the beneficiary executive agency, without the required observation of the replacement constraints in the current and development budget.

**Note 9:** The State Property Deed and Document Registration Organization shall revise the existing deeds and issue new deeds on the basis of this law, or the announcement made by the Ministry of Economic Affairs and Finance, and without the need to obtain the opinion of the
possessing agency or the agency possessing the proprietorship deeds. Upon issuance of the new deed, the previous deeds will be nullified.

**Note 10:** Ministry of Economic Affairs and Finance is charged with preparation of a comprehensive computerized databank of the information about the government lands and properties subject of this law and make it available to the executive agencies.

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**Article 70**

In order to restore the liquid gas industry and to provide services in conformity with the national and compulsory standards without receiving any subsidy during the carrying, stockpiling, container filling and distribution of both the contained and without container gas to the final consumers, provision of the liquid gas services throughout the country by the distributing companies will be performed on the basis of supply and demand and under supervision of the Consumers and Producers Protection Organization and the Islamic councils of cities and rural areas.

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**Article 71**

In order to preserve and protect the national wealth, the National Iranian Refining and Distribution of the Oil Products is authorized to determine the price of the petroleum products, (except the diesel, kerosene, fuel oil and gasoline, and natural gas consumed within the country) and sell them on the basis of the global prices and in observation of the country’s advantage and expediency.

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**Article 72**

The bases and the class gap in computing the tax subject of part “2” of Item “C” of the “Singular Article Law of the Manner of Computation and Collection of the Customs Duties and Tariff and Tax on All Types of
Domestically Manufactured and Imported Motor Vehicles and Road Construction Machinery and their Accessory and Parts, enacted on 23/12/1992” are increased four folds.

Note 1: Beginning the year 1381 (March 21, 2002), the sales tax for motor vehicles is eliminated and the financial burden derived from this action is secured through adjustment of the relevant tariff rate included in Note (2) of this Article.

Note 2: Government is bound to formulate the tariff in such a way as to promote domestic production of the spare parts for passenger cars, and foresee a minimum tariff of sixty percent (60%) for the total imported parts, C.K.D., P.W.H and a minimum of ten percent (10%) for the vehicles of which fifty percent (50%) is manufactured domestically.

Note 3: The determined tariff shall be reduced proportional with the share of the domestic manufacturing, upon confirmation of the Ministry of Industries and Mines.

Article 73

Article (32) of the Municipalities Financial By-law, approved on 03/07/1967 is revised as follow:

Article 32. All municipalities of the country are authorized to collect their receivables through a maximum number of thirty six installments according to an instruction to be proposed by the mayor and approved by the Islamic council of the relevant city. In any case, the settlement certificate might be issued only upon settlement of all the debts.

Article 74

The “law of the Manner of Providing for the Budget of the Art and Cultural Organization of the Tehran Municipality and its amendments enacted on 02/05/1999” is amended as follow:
Municipality of Tehran is bound to foresee in its annual budget four percent (4\%) of its collected revenues for the cultural, art and sport affairs and have it approved in the framework of the annual budget. The earmarked payments will be made on monthly basis and in form of one-twelfth (of the annual funds).

**Article 75**

In consideration of the existence of dry climate in the country, government is bound to mobilize the country to withstand the consequences of the drought through new investments in the agricultural, natural resources, water resources, urban and rural development (urban and rural water supply programs), water control, modification of the irrigation methods (through cooperation of the non-government sector) and strengthening the insurance system for the agricultural products.

**Article 76**

Installation of electric, water, gas and telecommunications lines and network in the outer band of the right of way of the roads is permissible free of any charge and on the condition that such activities do not inflict any damage to the road installations.

**Article 77**

In consideration of the fact that the country’s total annual budget law for the year 1381 (March 21, 2002-March 20, 2003) is presented on the basis of the new budgeting system and change in the classification system of receivables and payments, and in order to coordinate definitions used in the new system and the definitions of the existing financial and accounting laws, the following definitions are added to the Article (1) of the “Law of the State Plan and Budget, enacted on 29/02/1973:
Net worth: is the value of all the assets minus the value of all the liabilities of the government sector.

Revenue: is that set of transactions of the government sector that increases the net value.

Expense Credit: is that set of transactions of the government sector that reduces the net worth.

Capital Assets: are the produced or non-produced assets used in the process of production of goods and services for more than one year.

Produced Assets: are the assets produced in the production process. The produced assets are broken down into three main groups of fixed assets, inventory and the Valuables items.

Fixed Assets: are the produced assets used frequently and continuously in the production process.

Inventory: are goods and services, kept by the producers for the purposes of selling them, using them in production and/or for other purposes in the future.

Valuables: are items of considerable value, not used in production and consumption, but maintained for their values (such as painting, manuscript, precious metals).

Non-produced Assets: are the assets in need, but not produced (such as land and mineral reserves).

Activity: Is a series of specific operations and services rendered in order to realize the annual targets of the plan during one year, and their needed resources are secured through the expense credits.

Credit of the capital assets acquisition project: Is the credit of a specific set of operations and services rendered on the basis of the technical, economic and social feasibility studies by the executive agency during a certain time period and with a specific credit in order to realize the goals of the five-year development plan through fixed investment or for creating capital asset; and the resources need for its performance is secured through the credits earmarked for the acquisition of the capital assets; and that they are divided into two categories of profit-making and non-profit-making.
Article 78

Government is charged with communicating the budget of the executive agencies within a maximum period of one month from enactment of country’s total annual budget law.

Executive agencies are bound, upon communication of the credits related to the capital asset acquisition by the Management and Planning Organization, to send the agreement describing the relevant operations of the projects for acquisition of the new capital assets written in the annual budget laws to the Management and Planning Organization in order to exchange the agreement; and the Management and Planning Organization is charged with reviewing, revising and communicating the said agreement, and/or return it for the reasons cited, within one month.

All the executive agencies and the Management and Planning Organization are bound to prepare the agreement describing the operations related to the expense credits on the basis of the forms communicated by the Management and Planning Organization to the said organization. The said organization is charged with taking measures in order to confirm and to communicate the agreement, or to return it for further revision.

Article 79

It is permissible to increase up to a maximum of thirty percent (30%) the expense credits of any of the expense programs and chapters of the budget of the ministries and government organizations included in the annual budget laws through reducing other expense programs and chapters of the relevant agency and on the basis of the recommendations made by the highest ranking officials of the executive agency and confirmation of the Management and Planning Organization, provided that the total expense credits of that agency remain unchanged. Universities and institutions of higher educations and research affiliated to the Ministries of Science, Research and Technology, and Health, Medicare and Medical Education, formulate and perform their own budget within the framework of the program and the project, as usual, and receive appropriation. These entities are specified in the “Law of Formation of the Board of Trustees of

Provision and payment of the retirement deductions, share of the government, are exempted from the provisions of this Article.

In enforcing the Article (11) of the “Charter of the State Retirement Organization, approved on 29/05/1995”, the Treasury is bound, upon request of the said organization, to withdraw the deductions related to each period from the appropriation of the same period and pay it to the State Retirement Fund.

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**Article 80**

Authorization is granted to the central executive agencies to allocate, in necessary cases, up to a maximum amount of ten percent (10%) of their own approved expense credits to their subordinate provincial bureaus that are specified in the provincial budget system, in which case and upon recommendation of the minister or the highest ranking official of the pertinent central executive agency, the relevant credits for each case will be deducted from the budget of the said executive agency by the Management and Planning Organization and added to the expense credits of the local executive agency according to the expense chapters and programs.

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**Article 81**

In order to contribute to the timely procurement of the required material, equipment, machinery and the spare parts as predicted in the design of the projects for acquisition of the capital assets, and upon confirmation of the Management and Planning Organization, up to five
percent (5%) of the earmarked funds approved for the national capital assets acquisition projects and ten percent (10%) of the approved credits for the provincial capital assets plans are allocated for procurement of the said equipment and material. The executive agencies are bound, upon delivery of the purchased goods and material to the contractors, to deduct from the work situation, their shut down costs up to the amount to be foreseen in the by-law of this Article, and include the differentials to the plan’s shut down costs, as the case may require.

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**Article 82**

Government is authorized, on the basis of the recommendation of the relevant minister and/or the highest official of the executive agency and confirmation of the Management and Planning Organization, as the case may be, to change throughout the executive agency all of some projects of the national capital assets acquisition projects written in the annual budget laws.

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**Article 83**

Ministries, government and educational and research institutions are authorized to communicate to the relevant units the share of the organizational bureaus and units, of the approved credits both the expense credit and those of the capital assets acquisition, as well as those of the earmarked revenues or appropriated credits out of the miscellaneous lines of the budget law according to the Article (75) of the “Law of the State Public Accounting, enacted on 22/08/1987”.

In the said cases as well as in cases that, on the basis of the regulations of the budget laws and other laws and regulations, all or some projects of any of the capital assets acquisition plans are entrusted to the executive agencies or to the Armed Forces of the Islamic Republic of Iran for implementation, the entity or the organizational unit receiving the credit as the allottee, is also bound to operate on the basis of the activities described
in the exchanged agreement and within the limit of the communicated appropriated funds.

**Article 84**

Authorization is granted to the government companies, subject of Article (2) of this Law and the Islamic Republic of Iran Broadcasting Organization to take measure in observation of the pertinent regulations, in order to sell the moveable properties in excess of their own need, except motor vehicles, through bidding, and also to earn income by registration announcement, subject of articles (11), (12), and (14) of the “Law of Property Deeds and Documentation Registration, enacted on 17/03/1931”, and its subsequent amendments in cash or through installments.

**Article 85**

A. Authorization is granted that the breakdown of the credits of the sections of the capital assets acquisition projects written in the annual budget laws be changed on the basis of proposal by the executive agencies and confirmation of the Management and Planning Organization, and in correspondence with the work progress in each plan and upon revision of the agreement.

B. Authorization is granted to government to change the approved expense and the capital assets acquisition credits in connection with the organization change, replacement of duties between the executive agencies, and revision in the state administrative divisions, on the basis of the proposal by the Management and Planning Organization.

C. Any change in the approved budget resulting from enforcement of the relevant provisions of this Article must be included in the revised agreements.
Article 86

The settled equity of the Producers and Consumers Protection Organization to the general revenue and the earned surplus of the executive agencies, settled into the general revenues (with the Treasury General) are not specified in income tax.

Article 87

Government companies subject of Article (2) of this Law are bound to receive one-time approval of Economic Council of all of their investment plans and projects using domestic resources of over eighty billion (8,000,000,000) rials.

Article 88

In performing the government social duties especially the mandates indicated in the Principles twenty nine (29) and thirty (30) of the Constitutions of the Islamic Republic of Iran, and in order to rationalize the volume (of undertakings) and size of the government and gradually reduce the expense credits, to improve provision of services to people, to promote participation of the non-government sectors and develop employment and to spend the budget and the general revenues in due observation of the Principles three (3), (29) and (30) of the Constitution of the Islamic Republic of Iran and the public interest, ministries, government entities and companies responsible for rendering social, cultural, and welfare services such as technical and vocational training, general education, physical education, medical care, rehabilitation, caring the elderly, disabled and unprotected children, public libraries, cultural and art centers, urban and rural services, domestic and global tourism, are authorized to take the following measures in order to develop the quantity and quality of their services and to reduce the government undertakings on the basis of the regulations and criteria of this Article:
A. The non-government real and legal persons applying for rendering service on the basis of the provisions of this Article must be technically and ethically pre-qualified and obtain the operation permit from the relevant legal authorities.

B. Services subject of this Article by the non-government sector could be provided in three ways: purchase of the services from the non-government sector, partnership with the non-government sector, and divestiture of the management of the non-government sector.

C. The executive agencies subject of this Article may take action according to the governmental regulations in order to develop their services by using the available capacities in the non-government sector, subject of Item “B” and/or by payment of the per capita cost of the services toward buying the services and providing people with those services.

**Note:** to create and develop this type of units, government is charged with providing the required supports such as ceding land, providing infrastructure services and use of the administered funds according to the criteria and the extent foreseen in the annual budget laws.

D. In enforcing the Item “B” of article (64) of the “Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran”, the agencies specified in this Article are authorized to divest the existing or incomplete service centers, social and welfare units through lease to the real and legal entities subject of Item “A” of this Article.

**Note 1:** In enforcing this Item, the following priorities, conditioned with observation of the Item “A”, are required:

- Non-government public entities such as municipalities and the village administration.
- Charitable institutions established or to be established on the basis of legal permits.
- Institutions composed of the employees of the divesting entity, on the condition that they disconnect their employment relation with the government entity
- Other real and legal persons.

**Note 2:** Divestiture of the precious government buildings and properties of national significance are not specified in the rule of this Item.

**Note 3:** Change of use of the divested centers and units is prohibited. In exceptional cases and with justifiable reasons and upon collection of the differentials of the value added resulting from change of use to the advantage of government, such changes are permissible upon proposal to be made by the highest official of the relevant executive agency and approval by the Council of Ministers.

**Note 4:** The rent and pricing all the moveable and immovable properties in the units subject of this Item with consideration of their uses are determined on the basis of average estimates to be made by three official experts of the ministry of justice.

**Note 5:** Enforcement of this Item shall be done through public announcement of the conditions of the executive agency in highly circulated newspapers.

E. Entities subject of this Item may divest management of their own units on the basis of the contracts with the non-government public institutions, public charitable organizations, the cooperative formed by the detached personnel of the executive agency, having the qualifications indicated in Item “A”, while preserving the government proprietorship over the moveable and immovable properties.

**Note 1:** The responsibility for protection, safeguarding, repair and maintenance of the government properties is rested with the party to the contract.

**Note 2:** These types of units are charged with rendering the services on the basis of the tariffs approved by the relevant authorities and according the provisions of Item G of this Article.

**Note 3:** The party to the contract is charged with taking at least fifty percent (50%) of the incumbent employees - applicants of the relevant entity - to continue to work in those units, and pay their salaries and benefits according to the official rules, while preserving the use of the
concerned unit. The rest of the employees shall be working in other units of the relevant agency.

F. Executive policies, standards, imposition of the government sovereignty over these types of units within the framework of pertinent laws shall be determined by the highest ranking official of the relevant executive agency.

G. The tariff for the service provision by the above-mentioned non-government sectors will be determined according to the relevant legal criteria. In cases where no specific legal criteria exists, such criteria will be proposed by the minister and/or the highest official of the relevant executive agency and to be approved by the Economic Council.

H. In order to reduce the current expenditures and the volume of the government undertakings, government is charged with including the executive plan of this Article as per related duties, including, annually, the quantitative targets and the extent of saving in the government costs and the extent of the credit related to payment of subsidies to the non-government sector in the annual budget bills.

I. All the incomes of the government agencies derived from this Article shall be settled into the Treasury General account.

J. Executive by-law of this Article will be prepared within a maximum period of three months by the Management and Planning Organization with cooperation of relevant agencies, and approved by the Council of Ministers.

Article 89

Authorization is granted to the ministries and government agencies:

A. To sell in cash or by installments, the incomplete and completed capital assets acquisition projects not in need and the material and equipment in excess of the completed projects upon confirmation of the Management and Planning Organization and with due observation of the pertaining regulations, through bidding
according to the relevant laws and regulations and settle the proceeds into the General Revenue Account (with the Treasury General). This rule includes the government companies and the non-government public entities and institutions.

B. The right of use of the buildings in excess of the need by the entities dependent on the ministries, government agencies and organizations, located in the capital city, will be divested, Ex-Gratia, to the needy government organizations upon suggestion to be made by the Management and Planning Organization and approval by the Council of Ministers; in provinces on the recommendation of the Governor-General or the head of the Provincial Management and Planning Organization and approval by the Planning Council.

Article 90

A. Authorization is given to government to deduct from the appropriations of the relevant executive agency, on the basis of the joint proposal of the Ministry of the Interior and the Management and Planning Organization, the approved credits of the executive agencies corresponding with divesting operation of the urban management, to municipalities, and put the same at the disposal of the relevant municipality.

B. With observation of the decision of the development plans, the Management and Planning Organization is bound to deduct from the credits of the executive agencies proportional to the delegated activities of the executive agencies to the rural Islamic councils and village administrations, and grant the same to the rural Islamic councils or the relevant village administration.

Note: Observation of the Principle fifty five (55) of the Constitution of the Islamic Republic of Iran in case of the said credit is required.
Article 91

Authorization is granted to the executive agencies to buy the buildings that in the opinion of the State Cultural Heritage Organization are of historical and cultural significance and are in conformity with the uses concerns of the agency as well as the buildings in their boundaries as determined by the State Cultural Heritage Organization, using the budgets foreseen in this law, and take measures to repair, equip and operate them under supervision of the State Cultural Heritage Organization.

To realize this objective, Ministry of Housing and Urban Development and Ministry of Agriculture Jihad are charged with taking measure on the request of the buying executive agency and with the consent of the seller to secure the substitute land for enforcement of this decree and possession of the properties and buildings subject of this Article, and receiving the fair market price.

Article 92

The Research and Educational Planning Organization of the Ministry of Education is given authorization to settle the proceeds of the sales and divestiture of the educational and educational support products into the General Revenue Account (with the Treasury General).

Article 93

The Management and Planning Organization is bound to deduct from the credits of the relevant agencies at the end of each quarter, equivalent to the value of the services rendered by the railroad and the price of fuel, water, sewer, electricity, gas, telecommunications, as well as the liability to the Retirement Funds and the Medical Care Insurance of the Military and Disciplinary Forces of the Islamic Republic of Iran, if remained unpaid by them, and pay the same to the claiming organization and the Ministry of Defense and Logistics of the Armed Forces. Also, the costs of fuel, water, electricity, telecommunications and minor repairs of the organizational housing by the users and the cost of the units of the Armed
Forces of the Islamic Republic of Iran engaged in profit-making activities shall be paid from the said incomes, as the case may call for. In the cases of water and electricity of the organizational housing, with the exception of the organizational housing of the border posts, the Armed Forces are charged with installation of separate meter with coordination of the Ministries of the Interior and Defense and Logistics of the Armed Forces in order to pay the cost of the consumed electricity and water directly by the operating body to the service provider companies.

Article 94

All the government and the private sector manufacturers are charged with creating health centers in their working environment, on the basis of the criteria written in the “Labor Law, approved on 19/11/1990 by the expediency Council”, according to the by-law proposed by the Ministries of Health, Medicare and Medical Education, and Labor and Social Affairs, and approved by the Council of Ministers; and spend at least a half percent (0.5%) of their net profit in the previous year for education and development of the health and medical care criteria under supervision of the Ministry of Health, Medicare and Medical education. All the expenses occurred on the basis of this Article will be considered as tax deductible expenses of the said manufacturers and will be deducted from their taxable income.

Article 95

In exchange for issuing the border pass for the country’s border passengers traveling within the boundary confirmed by the government on the basis of the protocol exchanged between the Islamic Republic of Iran and the neighboring countries, a minimum of twenty seven thousand and five hundred (27,500) rials and a maximum of one hundred and ten thousand (110,000) rials should be collected and settled into the State General Revenues Account (with the Treasury General).
Article 96

Authorization is granted to the Ministry of the Interior to collect certain sums in exchange for providing special services to the refugees and foreign nationals (issuance of ID card, issuance of temporary residency permit, issuance of travel permit, issuance of duplicate for these documents, issuance of residency permit, renewal of citizenship, perpetuity to the father’s citizenship and returning to the original citizenship) upon approval by the Council of Minister and settle the same into the State General Revenues Account.

Article 97

Item “B” of Article (26) of the “Law of Collecting and Spending Some of the Government Income in Specified Cases’ enacted on 19/03/1994” are amended as follow:

Equivalent to thirty percent (30%) of the salaries and benefits of the foreign employees along with a sum equivalent to the unemployment compensation charged for the Iranian workers are collected from the relevant employers and settled into the State General Revenues Account (with the Treasury General).

Article 98

After issuance of the order of execution concerning collection of the marriage portion and its enforceability (including execution of order for the official documents, rulings of the courts and judicial authorities), should the wife declined, for any reason, to pursue the enforcement operation, she will be exempted from payment of the government’s half-a-tenth (5%) charge.

The ruling of the Article is also retroactive for the previous executable but closed files for which the government half-a-tenth has not been collected.
Article 99

In observation of the decisions of the law of the economic, social and cultural development plans of the Islamic republic of Iran, Ministry of Agriculture Jihad and the Iranian Atomic Energy Organization are granted authorization to settle the proceeds of sales of hydraulic, wind, and solar power plants and electric power into the State General Revenues Account (with the Treasury General).

Article 100

Ministry of Housing and Urban Development is granted authorization to take measure in order to divest the government lands with public uses (educational, sport, health and cultural) to the relevant government organization at the cost price and to the non-government sector at the appraised market price in form of lease with the option to purchase (twenty years at most).

Article 101

In order to improve the urban transportation conditions and to reduce the air pollution of cities, authorization is granted that the urban bussing enterprises be established in partnership with municipalities and in form of cooperative and private companies, taking advantage of the facilities and privileges of the existing bus companies and organization in connection with the traffic and other regulations.

For better development and operation of the urban transportation, part of the said investment expenditure for purchase of collective motor vehicles are funded through the credits foreseen in the annual budget laws in form of aid, loan and subsidy for the interest of the facilities of the administered funds, on the basis of an agreement to be exchanged with the Management and Planning Organization and the Ministry of the Interior.
The private sector and cooperative companies and organizations are bound to provide the necessary services in exchange for the facilities and aids they receive.

Government is bound to obtain from the companies and organizations of the private and cooperative sectors the necessary obligation and guarantee for the purchase of collective vehicles and provision of the services along the determined axes in exchange for the facilities and assistance granted.

Article 102

Ministry of Energy is bound to take measure in order to supply energy to the rural health homes and the health and medical care centers and the rural post offices and telecommunications centers within a vicinity of two hundred meters from the electric grid and electric supply to the rural families up to two hundred meters from the low voltage network for each family in the rural areas and charge the costs of subscription and installation of a twenty five single-phase Ampere meter only.

Article 103

Authorization if given to spend all the expenditure, the capital assets acquisition projects, and earmarked credits for universities and institutions of higher education and research affiliated to the Ministry of Science, Research and Technology and Ministry of Health, Medicare and Medical education, and academies and the educational and research centers affiliated to other organization and having license from the Higher Education Development Council, on the basis of the “Law of Establishing Board of Trustee of Universities and Institutions of Higher Education and Research, approved by the High Council of Cultural Revolution in 1988” and the “Law of the Manner of Performing Financial and Transactional Affairs of Universities and Institutions of Higher Education and Research, enacted by the Islamic Consultative Assembly on 08/01/1991” and the relevant by-laws within the framework of the plan and project in form of
assistance without any need to meet other public laws and regulations of 
the country except the Article (31) of the “Law of the State Public 
Accounting, enacted on 22/08/1987”. The agreements for the capital 
assets acquisition projects of the said centers (except the equipping 
projects) are exchanged with the Management and Planning Organization 
in cooperation with the governing ministries. Performance of the financial 
and transactional affairs of universities and institutions of higher education 
and the centers of other agencies with license from the said council or 
authorization from the Islamic Consultative Assembly are specified in 
these regulations only.

Article 104

The manner of appropriation of the expense and the capital assets 
acquisition and earmarked credits for the universities and institutions of 
higher education and research affiliated to the Ministries of Science, 
Research and Technology and Health, Medicare and Medical Education 
shall be determined on the basis of Articles (3) and (4) of the “Law of the 
Manner of Performance of the Financial and Transactional Affairs of 
Universities and Institutions of Higher Education and Research, enacted on 
08/01/1991 and their relevant by-laws.

Article 105

Ministries of Health, Medicare and Medical Education, and Science, 
Research and Technology are given authorization to collect the cost of 
accreditation of the educational records of the graduates and the students 
transferred from abroad, and settle the same into the State General 
Revenues Account (with the Treasury General).
Article 106

Universities and research centers are authorized to take measure in order to perform research contracts and to develop scientific cooperation with universities and research and industrial centers of other countries on the basis of the overall policies of the government.

The proceeds of sales of technical knowledge and performance of research works will be settled into the General Revenue Account (with the Treasury General). Equivalent to the settled funds out of the specified line included in the annual budget laws shall be granted to the relevant universities and research centers in order to develop the quality of their education and research.

Article 107

Purchase of technical knowledge from abroad by the agencies specified in Article (33) of this law for execution of the plans and projects of the capital assets acquisition indicated in the annual budget is permissible on the condition that in the opinion of the Ministry of Science, Research and Technology such knowledge does not exist within the country. The said ministry is bound to obtain the information from all the relevant centers and inform the requesting executive agency of its opinion within a maximum period of two months.

Article 108

All the executive agencies including the government agencies, government companies and profit-making institutions affiliated to the government and non-government entities are charged with obtaining from the Iranian Atomic Energy Organization, the certificate of non-domestic production and non-existence of the domestic knowledge of the radioactive material and the equipments involving ionizing radiation or non-ionizing radiation, prior to any purchase from abroad in this field. The said
organization of charged with issuing the said certificate within a maximum period of one month from the date of receiving the request.

In the case of existence of domestic capability according to the required standards, the said agencies are charged with spending the relevant funds through developing contract with the research and production centers of the Iranian Atomic Energy Organization.

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**Article 109**

It is prohibited to establish any college, educational institution above the educational level of the certificate by the ministries and government organizations and entities whose specified in the law requires that they be identified by name, except the Ministries of Science, Research and technology, and Health, Medicare and Medical Education, as well as the universities of the Armed Forces, without authorization of the Higher Education Development Council.

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**Article 110**

Ministry of Agriculture Jihad is charged with selling the lands divested by the land divestiture boards with no exception and no pre-condition to the applicant farmers, preserving the agricultural use, and at the maximum regional price of the time of divestment, in cash or by term payment, and settle the proceeds into the General Revenues Account (with the Treasury General).

Note: Ministry of Agriculture Jihad is bound to divest to the investors and operators, the lands needed for animal husbandry farms (industrial animal husbandry companies) at the regional price and in five-year installments.
Article 111

The non-government industrial towns are entitled to the privileges set forth in the “Law Concerning Establishment of the Industrial Towns Company of Iran, enacted on 26/02/1984, as amended”.

Article 112

Authorization is granted that on the basis of the tariffs to be proposed jointly by the Ministry of Agriculture and the Department of the Environment and to be approved by the Council of Ministers, the proceeds of issuance of operation and production of Artima permit in the national park of the Orumieh Lake be settled into the General Revenues Account (with the Treasury General).

Article 113

Ministries of Industries and Mines and Agriculture Jihad are charged with taking measure in due observation of the laws of the economic, social and cultural development plans of the Islamic Republic of Iran in order to set up specialized stock exchange for metals and the basic goods of the agriculture sector.

Article 114

This law is enforceable from 1/1/1381 (21/03/2002). All other laws contradicting with this law are annulled.

The above law comprising one hundred and fourteen articles and twenty seven notes was approved according to the Principle eighty five (85) of the Constitution of the Islamic Republic of Iran at the session of the Plan and Budget and Auditing Commission of the Islamic Consultative Assembly on Saturday, twenty seventh of the month of Bahman of the year one thousand three hundred and eighty (16/02/2001), the open session of
Wednesday, twenty six of the month of Day of the year one thousand three hundred and eighty (16/01/2000) had agreed with its four years of its experimental implementation, and has been ratified by the Guardian Council on 27/02/2001.

Mehdi karrubi

Speaker of the Islamic Consultative Assembly