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OPINION

In today's economy, the speed of investment processes determines the success or failure of economic projects. Despite Iran's high capacities in production and human resources, its complex and time-consuming bureaucratic procedures have prevented it from securing a strong position in attracting domestic and foreign investors.

Reports indicate that the time required for issuing permits and completing legal procedures in Iran is several times longer than in competitor countries — a factor that has led to capital flight and reduced the competitiveness of the national economy. This piece aims to provide practical solutions for transforming investment processes from an obstacle-ridden path into a streamlined and transparent flow. By combining technology, legal reforms, and institutional convergence, these solutions can minimize investment timelines and turn Iran into an attractive destination for investors.

Challenges in Iran's investment process

Iran's investment process faces multiple structural challenges, each of which can independently increase the time and cost of project implementation.

• **Bureaucratic complexity:** One of the biggest hurdles is the complexity of administrative procedures. Investors must obtain approvals from dozens of different entities, fill out redundant forms, and sometimes wait months for responses. This fragmentation of responsibilities is not only time-consuming but also eliminates transparent follow-up mechanisms.

• **Unclear and unstable regulations:** Frequent changes in investment policies and guidelines undermine investor confidence. For instance, an investor may start a project under current laws, only to face new amendments midway that disrupt their entire economic calculations.

• **Weak digital infrastructure:** Many processes are still carried out manually and on paper due to inadequate digital infrastructure. This not only increases the likelihood of errors but also prolongs the review process. While countries like Estonia complete company registration online in under an hour, even a simple application in Iran requires in-person visits to government offices.

• **Inefficient banking system:** Transferring capital, obtaining loans, or exchanging currency faces numerous obstacles, creating major difficulties, especially for foreign investors.

Practical solutions for streamlining investment

To turn investment processes into a fast and obstacle-free path, immediate and practical solutions must be implemented.

• **Full digitalization:** Establishing an integrated online system covering all steps — from application submission to permit issuance — can reduce waiting times from months to days. Singapore, for example, has cut company registration time to 15 minutes through such a system. This platform should enable real-time tracking, electronic payments, and direct communication with relevant authorities.

• **Legal reforms and eliminating redundant steps:** A specialized task force comprising private sector representatives, chambers of commerce, and government officials



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should review cumbersome regulations (e.g., Article 169 of the Direct Taxation Law). Removing duplicate permits (such as requiring 10 separate permits for one industrial project) and replacing them with a “comprehensive permit” would further simplify procedures.

• **Single-window investment service:** Centralizing all administrative steps under one entity (e.g., the Investment Organization) instead of scattering them across multiple ministries would eliminate redundant visits. In the UAE, investors can obtain all permits in one place through the Dubai Business Services Center. Implementing this model in Iran requires coordination among the Ministry of Industry, the Iranian National Tax Administration, and the Central Bank of Iran.

• **Adopting advanced technologies (AI & Blockchain):** AI can analyze investor data to identify errors before submission, reducing correction time. Blockchain ensures transparent, tamper-proof records, boosting foreign investor trust. Georgia successfully integrated blockchain into its land registry system, cutting property transfer time from one month to a single day.

• **Empowering the private sector:** Delegating supervisory tasks to accredited private entities (e.g., rated accounting firms) can reduce the government's burden. In Turkey, checking the financial eligibility of investors is handled by reputable accounting institutions, with the government only overseeing the process. This model has increased speed and cut administrative costs by 30%.

Government's role

As the key player in facilitating investment, the Iranian government must take concrete steps to implement the following solutions:

• **Forming a special reform committee:** A committee with private sector, judiciary, and parliamentary representatives should review outdated laws (e.g., the 1932 Commercial Law) and eliminate redundant regulations. A similar committee in Malaysia removed 40% of legal investment barriers in under two years.

• **Tax incentives and investment security:** Offering five-year tax exemptions for pioneering production projects or reducing tariffs on industrial machinery imports can attract investors. Vietnam used such incentives to

increase foreign investment from \$2.4 billion in 2010 to \$15.8 billion in 2022. An investment guarantee fund, backed by the Central Bank, could also mitigate financial risks. Turkey's similar fund covers 50% of losses from sanctions or currency fluctuations.

• **Transparency and anti-corruption measures:** As the government's most critical role, launching public financial tracking systems that display government contracts and expenditures can restore investor trust. A pilot project in Tehran's municipal tenders reduced violations by 40%.

Realizing New Year's motto

The motto “Investments for Production” will only materialize if investment processes shed their current complexities and become fast, transparent, and reliable. Leading countries and domestic examples prove that shortening permit issuance times, digitizing procedures, and reforming cumbersome laws are not only possible but can also drive production growth and attract idle capital. Sustainable and competitive production cannot be achieved without swift, hassle-free investment.

When investors spend months securing permits, their resources are drained by bureaucracy rather than production line expansion or technological upgrades. Thus, fulfilling the year's motto requires prioritizing rapid investment facilitation.

To this end, launching an investment emergency task force under the president's direct supervision is proposed. This task force could prioritize large-scale production projects (e.g., petrochemicals, steel, or advanced tech) and minimize their administrative processes within 100 days.

Moreover, a production progress monitoring system, transparently publishing investment and production data, would boost public trust and participation. Ultimately, achieving the year's motto, set by the Leader of Iran's Islamic Revolution, is not a choice but an economic imperative. Rapid investment drives production, and strong production is the only path to national strength and social prosperity.

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