

## Investment incentives in tourism sector

| Investment incentives and facilities in tourism sector |                       |   |
|--|-----------------------|---|
| Type   | National / provincial | Explanation Investment incentives   |
| Construction duties                                    | Provincial            | Exemption of 100% of tolls for renovation of building permits for hotel construction in the city of Tabriz by Tabriz Metropolitan Municipality  |
|  | Provincial            | Issuance of a commercial construction permit in the field of hotel construction in 20% of the total area of the hotel without tolls, in the city of Tabriz by the Tabriz metropolitan municipality  |
|  | Provincial            | Exemption of 100% of all recreational centers, military and indoor parks, cultural centers and tourist camps from the payment of renovation fees in the city of Tabriz by the Tabriz Metropolitan Municipality  |
|  | National              | Article 38 of Local toll tariff of the municipality – in order to promote tourism and development of welfare infrastructure and accommodation of guests and tourists, based on (Article 38 of local toll tariff of the municipality), the owners of residential buildings on the first and second degree arterial passages are exempted from paying duties according to the condition of obtaining a permit from the municipality and the Cultural Heritage, Tourism and Handicrafts Organization and other relevant legal authorities to convert the entire building into an apartment hotel or use it as an apartment hotel |
| Tax  | National              | Note 3 Article 132 of the Law on Direct Taxes – All tourism facilities are exempt from paying 50% of their taxes every year.<br>1 . Hotels, motels and guesthouses.<br>2. Self-catering accommodation centers including hotels, apartments, pilgrimages and guest houses.   |

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|   |                              | <p>3. Ecotourism resorts and traditional resorts .</p> <p>4. Recreational and tourism centers .</p> <p>5. Complexes, camps and tourist camps .</p> <p>6. Health tourism centers such as health complexes and hydrotherapy and hospital hotels .</p> <p>7. Environments and parks for nature and rural and nomadic tourism .</p> <p>8. Coastal and marine tourism centers .</p> <p>9. Reception units and types of individual food courts on the roads .</p> <p>10. Accommodation and catering facilities located in intermediate welfare service complexes .</p> <p>11. Catering units located in the terminal of airports, suburban land passenger, and sea and rail terminals. 12. Catering reception units located in the border passenger terminals .</p> <p>12. Traditional canteens .</p> <p>13. Tourism famous areas .</p> <p>14. Health villages .</p> <p>15. Offices or companies of tourism services</p> |
|   | <b>National</b>              | <p>Paragraph (R) of Article 132 of the Amendment to the Law on Direct Taxes – In the case of obtaining permit from Cultural Heritage, Handicrafts and Tourism Organization until 2015/03/19 and before implementation of this article dated 2015/03/20 all of the aforementioned Iran tourism facilities are exempted from paying fifty percent (50%) of income tax on income for a period of six years after the entry into force of this Article. This provision does not apply to the income from sending a tourist abroad .</p>  |

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|   | <b>National</b>              | Provisions of Article 132 of the Amendment to the Law on Direct Taxes and the following paragraphs – From the beginning of 2016, service revenues of hotels and tourist accommodation centers for which an operating license has been issued by the relevant authorities since 2016/03/20 are taxed by zero rate in accordance with its executive regulations from the date of commencement of operation or activity for five years and in less developed areas for ten years . |
|   | <b>National</b>              | Paragraph 16 of Article 9 of the value added tax bill– It has been approved that the accommodation services of three–star hotels and below, guesthouses and other accommodation centers licensed by the Ministry of Cultural Heritage, Tourism and Handicrafts are exempt from value added tax .  |