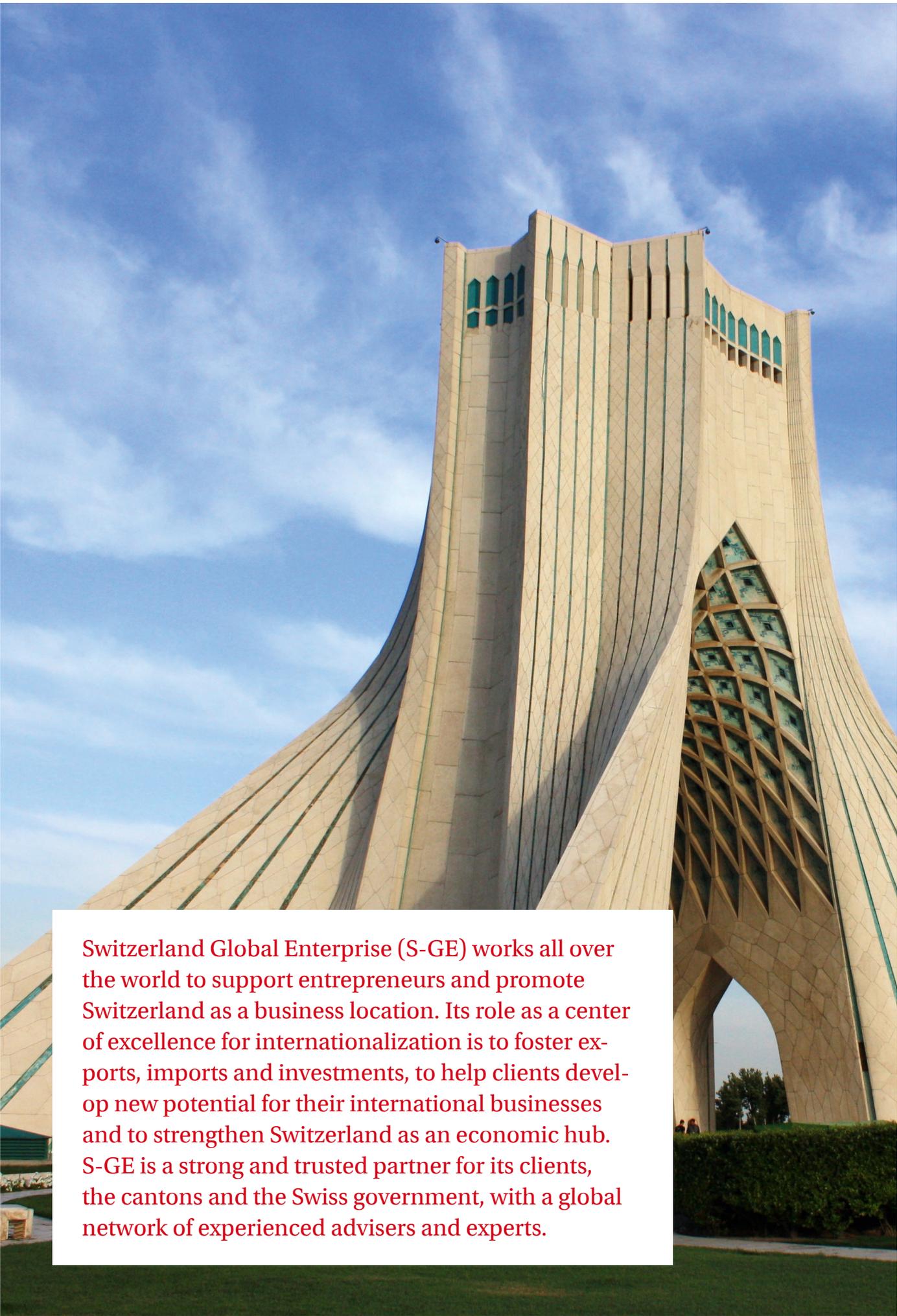


DOING BUSINESS IN IRAN



OFFICIAL PROGRAM



Switzerland Global Enterprise (S-GE) works all over the world to support entrepreneurs and promote Switzerland as a business location. Its role as a center of excellence for internationalization is to foster exports, imports and investments, to help clients develop new potential for their international businesses and to strengthen Switzerland as an economic hub. S-GE is a strong and trusted partner for its clients, the cantons and the Swiss government, with a global network of experienced advisers and experts.

Doing Business in Iran

GENERAL INFORMATION TO CONSIDER

Throw out any pre-conceived notion of Iran you might have. The way the media has painted the picture of Iran is not the real Iran. Iran is a magnificent, mysterious country with a rich history and culture. Go to Iran with an open mind and heart. Iran is one of the safest countries in the world where major crime or terrorism is concerned.

People

One of the best things about Iran is its people. Depending on where you travel, there will meet more or less educated people and more or less city folks which changes their understanding, beliefs, and behavior as in any part of the world. Iranians of all parts are kind, warm, friendly, helpful, proud, generous, and close. There is one thing that ties them all together and that's Iran. Although tourism was down since 1979, they remain respectful and curious towards tourists. They will welcome you, thank you for visiting and ask you questions.

Pride

Iran has many different cultural groups such as Azeri, Kurdish, Persian, etc. each proud of their own culture and of being Iranian. Due in major part to the long history of Iran and its invasion by other countries over centuries, Iranians are very sensitive about certain things. Do not call Iranians "Arabs" or "Muslims". They are not Arab and they are mostly Shia Muslims. Do not use the expressions "the Gulf" and "the Arabian Gulf". It is the Persian Gulf.

Sights

Iran has destinations to serve any type of interest. From mountains for skiing and hiking to beaches for swimming, to cities for sight-seeing, to a rich history.

Clothes

Iranians especially Tehrani's are very fashion conscious. Most of the young ladies around the country now wear form fitting manteau (raincoat type of item) with tight pants underneath. Open toe shoes, makeup, nail polish, tiny scarves, and sunglasses are a staple of most Tehrani ladies. In order to go under the radar, don't use excessive makeup, nail polish, or shorter than ankle length pants. Tourists get away with wearing long and loose shirts with pants and any type of scarf. Men can wear t-shirts and pants anywhere. Shorts are not appropriate for men except on the beach or at the gym.

Food

Iran has some of the best dishes in the world. The Persian cuisine consists of a delicious array of stews and different rice among many other dishes. And of course Persian bread. These used to be all made inside brick ovens (tanoors) by hand but machines have taken the place of many. Still, Persian breads are a part of any good meal and they are simply delicious. Persian sweets and pastries are absolutely wonderful and you can find pastry shops in every corner of main streets. If you get lucky enough to be invited to someone's house for lunch or dinner, be sure to pick up a box of fresh pastries at a local shop. Fast food stores abound serving all sorts of creative sandwiches. Don't be shy to try different things and most certainly don't stay away from eating real Iranian food. The majority of people in Iran are conscious of properly cleaning fruits and vegetables

and general cooking hygiene. Tap water is safe to drink in any part of the country although you might not like the taste in some parts. Bottled water is readily available.

Taarof

This is a polite exchange that takes place in all aspects of life in Iran, in shops, in streets, in businesses, at homes. Simply stated, it is a form of one person making an offering and the other, refusing it. This ritual may repeat itself several times before the individuals finally determine whether the offer and refusal are real or simply polite. Be very careful how and with whom you taarof so that it does not interfere with your stay. Use common sense as to when to do it and when not to.

Help

Do not be afraid to ask any Iranian anything. If they speak English, they will endeavor to help you to the best way they can. They will not stray you or make up stories. If asking for directions, as in any other country make sure to ask a few people as you go along until you reach your destination.



GENERAL DOS AND DON'TS

The Dos

- Throw away any preconceptions you might have of Iran and enter the country with an open mind
- Do say salaam (hello) when you enter shops
- Do say merci (thank you) when you receive help
- Tipping is a big part of the Iranian culture (for instance, when you receive any sort of assistance from someone from the luggage cart handler at the airport to a cab driver in the city, you should tip them)
- Do try seasonal snacks sold on the side of streets
- Do try and learn a few Persian expressions and use them when you interact with people
- Do make friends! It will let you experience the Persian culture in a much better way

The Don'ts

- Don't be afraid to ask Iranians for help they will always help you in the best way they can
- Don't use the expressions "the Gulf" or "the Arabian Gulf" - it is the Persian Gulf
- Don't give the thumbs up it is considered offensive in Iran (although if someone gives you the thumbs up with a smile, it means they acknowledge your culture)
- Don't try to shake hands with Iranian women if you are a man
- Don't try to shake hands with Iranian men if you are a woman
- Don't be uncomfortable when you are treated to a meal by Iranians as hospitality is part of the Persian culture and it is NOT an imposition
- Don't engage in public displays of affection
- Don't ask for Sheesha, which means crystal meth in Iran, when ordering a water pipe - ask for a Qalyoun instead!
- Don't drive if you do not have an international driver's license
- Don't snap photos of sites where you see a 'No Photography Allowed' sign
- Don't blow your nose in company it is considered impolite
- Don't bring alcohol or drugs with you
- Don't bring satellite phones with you

CULTURAL BACKGROUND

With a long-standing and proud civilization, Persian culture is among the richest in the world. Two and a half millennia of inspiring literature, thousands of poets and writers, magnificent and impressive architecture, live customs dating back to Zoroastrians over 3000 years ago, and other unique characteristics of the nation are rivaled by only a few countries.

Throughout the history, this grand treasure of Persia was gradually transferred to eastern and western nations. Iran's significant contribution into the world civilization in many respects is indispensable. Many ceremonies of the ancient Persians are the basis of western celebrations.

Among the ceremonies still being held are Norouz, Charshanbeh Suri, Sizdah Bedar, Yalda Night and Haft Sin. Sitting around Haft Sin and reciting Hafez, visiting family and friends during Norouz celebration, night of Charshanbeh Suri and jumping over the bonfire in the hope of getting rid of all illnesses and misfortunes, spending Sizdah Bedar, the 13th day of the New Year, in nature, are old interesting traditions coming from the Achaemenid Empire.

Another eminent feature of Persian culture is art. In fact culture and art are two closely interwoven concepts forming the soul of human civilizations. Persian exquisite carpets, subtle soulful classic music, outstanding tile work of unique blue mosques, old influential architectural style and countless brilliant literary works are famous in the world.

Persian or Farsi, is one of the world's oldest languages still in use today, and is known to have one of the most powerful literary traditions and potentials. Persian poetry with masterpieces of Saadi, Hafiz, Rumi and Omar Khayyam is well known around the world. As all Persians are quick to point out, Farsi is not related to Arabic, it is a member of the Indo-European family of languages.



HOW TO (GREET, DRESS, ETC.)

Meeting and Greeting

When meeting someone in a business or official context always shake hands. As a male you should wait to see if women extend their hands, if they do not, then simply nod your head and smile.

The most common greeting in Iran is “salam” which originates from the Islamic greeting “Asalamu alaykum” (peace be upon you). One would also reply with “salam”. When departing, Iranians will generally usually use, “khoda-hafez” (may God preserve you).

When doing business in Iran, stick to formalities. Once a relationship has been established your Iranian counterpart will quickly start to address you with your first name. Men are addressed with “agha” preceded by the surname. So, Alan Jones will be “Agha-ye Jones”. With women you would use “khanoom”. So, Samantha Jones will be “khanoom-e Jones”. Professionals with titles will be addressed similarly, for example, “Doctor-e Jones”.

Dress

When doing business in Iran you will notice that most Iranian officials and business people wear clothing comprising of trousers, shirt and jacket. Many officials will be seen with collarless shirts. Ties are very uncommon. As a male you would be expected to be smart and conservative. A suit is standard although wearing a tie is not necessary. Whether doing business in Iran or visiting, women should wear very conservative clothing that covers arms, legs and hair. When in public women must cover their hair with a scarf. However, the last decade has seen incredible changes in what the authorities are willing to tolerate. Women can now be seen wearing make-up, jeans and scarves that barely cover the hair. However, as a foreigner it is best to err on the side of caution.

Meetings

If you plan on doing business in Iran appointments should be made in advance both via telephone and in writing. Prior to arriving in Iran telephone again just to confirm time and place. Business hours are Saturday to Thursday 9 a.m. - 5 p.m. Lunch is usually one hour at around 1 p.m. Friday is a holiday. No business will take place so either try and avoid it or ensure you can use it to see some of Iran. There are a few key times to avoid in Iran. No-Rooz is the major holiday for Iranians. Although its roots are in Zoroas-

trianism, this New Year celebration is an integral part of Iranian culture. All offices, businesses, shops, etc. will close for 2-3 weeks. Other times to avoid doing business are Ramazan (the month of fasting), Eid-e Fetr (festival celebrating the end of Ramazan), Eid-e Ghurban (celebrating the end of the pilgrimage) and Ashura (the tenth day of Muharram).

Punctuality in Iran is rare. However, it will be expected of you. If you are doing business with government officials in Iran be prepared to be kept waiting. The administration and bureaucracy in Iran can be chaotic, meaning that officials may need to address an important issue before seeing you. Be patient and courteous. If you like tea, do not be afraid to ask for lots of it!

Although many Iranians in business and in the higher levels of government will have a good understanding of English, it is best to arrange for your own interpreter to accompany you.

At the beginning of any meeting engage in niceties and ask after people's health, families, work, etc. Wait for your counterpart to initiate the change in conversation to business matters.

Negotiations

Before doing business in Iran appreciate this: Your success is defined by your aptitude to build effective personal relationships combined with a clearly outlined and well-presented proposal. Business is personal in Iran. Many businesses are family owned and run. Even within government, officials usually work within networks of friends and associates. If you have influential friends in Iran, do not be afraid to call in favors. Just be prepared to repay them in the future. This is all part of doing business in Iran.

Building a relationship with your Iranian counterpart(s) is critical. The first meeting should be solely focused on getting to know each other. Once a relationship has been established you can safely move on to business matters.

Iranians are astute business people. They enjoy haggling and getting concessions so be prepared for long negotiations. Decision making can be slow. It is most likely that you will meet and negotiate with less senior members of a family or state department first. Once you are seen as trustworthy you will then move on to meet more senior members. Implementing decisions are just as slow.



Visit s-ge.com/iran for news and further information on Iran as an export market and to register for events or consulting sessions.

Iran's red tape and layered bureaucracy means a lot of waiting. Applying pressure in a non-confrontational way can help speed matters up although the most effective way to do so is to use people of influence to help you.

Women in Corporate Iran

The Iranian Revolution and its aftermath have generated many debates, one of which pertains to the effects on women's labor force participation and employment patterns. For over 20 years, Iran-born scholars have debated the extent of women's post-revolutionary marginalization, emphasizing the impact of ideology or economic policy. For some, Islamization led to women's labor marginalization, while others have argued that Islamization - and its attendant sex segregation - actually benefited women, in that conservative families allowed their daughters to be educated and to seek work. The fact is that 30 years after the revolution, women constitute only 20% of the formal sector paid labor force (that is, those entitled to paid holidays, maternity leave, pension, and other provisions of labor law). According to the results of the 2013 Iranian census, only 3.6 million Iranian women are salaried workers, compared with 17.4 million men.

However much as Iranians as a whole are doing well in terms of health, education, and social protection, the presumed benefits of Islamization for women's advancement look meager when compared to the social and gender indicators of other advanced developing countries.

Bribery and Nepotism

Iran is characterized by high levels of official and institutional corruption. The continuing problems of corruption and ideologically-driven appointments to key positions are factors often cited by the regime's critics that Iran fails to meet Islamic standards of integrity.

Iran's serious deficiencies with respect to anti-money laundering / countering the financing of terrorism controls have long been highlighted by numerous international bodies and government agencies. Starting in October 2007, the Financial Action Task Force has issued a series of public statements expressing its concern that Iran's lack of a comprehensive regime represents a significant vulnerability within the international financial system. The statements further called upon Iran to address those deficiencies with urgency, and called upon member countries to advise their institutions to conduct enhanced due diligence with respect to the risks associated with Iran's deficiencies. The Iranian government's reliance on corruption and nepotism in business further limits opportunities for all Iranians. The Transparency International Corruption Perceptions Index of 2014 ranked Iran 136st out of the 175 countries.

Gifts

Iranians will give gifts at various social occasions, such as returning from a trip or to mark the achievement of a major personal or business success. On birthdays sweets and cakes are brought to the office, but gifts are not expected. On Nouruz, the Iranian New Year, monetary gifts, new bank notes or gold coins, are usually given to servants or other service providers. If invited to an Iranian's house, one ought to bring flowers or pastry for the hosts.

Two general pointers in gift giving include: gifts should be elegantly wrapped, most shops offer this service; and, when received, gifts are not usually opened, and in fact can be left on a table and not mentioned. Lastly, no matter what you have brought, to be in accordance with *taarof* remember to apologize for the gifts total inadequacy.

Alcohol

The alcoholic drinks market in Iran comprises only non-alcoholic beer as Islamic law forbids the consumption, manufacture and trade of alcohol in any form among Muslims.

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