Employment of Foreign Nationals in Iran

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Foreign nationals are prohibited from working in Iran unless they receive work and employment permits (even if they are supposed to receive wage and salary outside the Iranian territory). The work permit serves as the employment license for the foreign nationals in Iran.

The work permit for the employment of foreign nationals in Iran is issued by the "Department General for Employment of Foreign Nationals" (also called Department for Employment of Expatriates) of the Ministry of Cooperatives, Labor and Social Welfare upon a request by Iranian employers. In provincial capitals it is issued by the Foreign Citizens Divisions of the Department General of Cooperatives, Labor and Social Welfare. (The general procedure for admission of foreign investment has been brought separately in the following part.) The Iranian employers are obligated to seek the permission of the Department General for Employment of Foreign Nationals before concluding any contract that may lead to the employment of foreign citizens in Iran. The rules and regulations for acquiring work permit for the foreign nationals are available in the Labor Law of the Islamic Republic of Iran, ratified in 1990 (articles 120 through 129 and executive bylaw of Article 129). Although due to abundance of educated job-seekers in the country and for the purpose of reducing unemployment rate of the educated and skilled job-seekers the Technical Board for Employment of Foreign Nationals has strict rules and regulations (stipulated in Article 121 of Labor Law) for issuance of work permits, the Foreign Investment Promotion and Protection Act (FIPPA), passed in 2002, has considered promising provisions for issuance of work permits for foreign investors, managers and experts in relation with the investments under FIPPA.

Admission of Foreign Investment According to FIPPA Rules and Regulations:

By virtue of Article 35 of the Executive Bylaw of FIPPA:"The relevant executive agencies, including but not limited to, the Ministry of Foreign Affairs, the Ministry of Interior, the Ministry of Labor and Social Affairs [since 2011 and after merging of ministries, the Ministry of Cooperatives, Labor and Social Welfare] and the Disciplinary Forces of the Islamic Republic of Iran (the Police) are required to proceed with the issuance of visas, residence permits and work permits for foreign investors, directors, experts and their immediate family members in relation to the investments covered by FIPPA, at the request of the Organization confirming their status as investors, in the following manner :

a) The Ministry of Foreign Affair is required, upon receipt of the request of the Organization, to communicate to the Missions of the Islamic Republic of Iran abroad, the authorization for the issuance of single entry visa, or multi-entry visa (for three years) with a three-month residence permit on each entry for the relevant individuals, depending on the type of visa requested.

b) The above mentioned persons who have obtained entry visa for investment may, after entry into the Country, refer to the Disciplinary Forces of the Islamic Republic of Iran (the Police) and obtain a three-year residence permit, upon submission of the Organization's formal note confirming the coverage of such investments under FIPPA. The Ministry of Labor and Social Affairs is obliged to issue work permit for such individuals consequent to the issuance of the residence permit.

c) Obtaining such five-year residence permits by foreign investors, as stipulated above, shall exempt them from entry and exit visas required for traveling to or from the Country."

Issuing Work Permit outside FIPPA Framework

In cases when Iranian employers need technical specialty of foreign experts, issuance of visa with a work permit privilege as well as work permit for the foreign nationals will be carried out upon request by Iranian employer. According to pertinent rules and regulations, no foreign citizen can personally apply for employment and work permit in Iran, unless he/she registers an enterprise legally. Upon inquiry from the Department General for Employment of Foreign Nationals, before concluding any contract with foreign experts, the Iranian employers should deliver the request and required documents to the department general for verification. The documents are sent for further investigation to the Technical Board for Employment of Foreign Nationals. The approval or disapproval of the Board is thereby announced to the employer through the related experts.

Delegation of Limited Authority for Issuance, Extension and Renewal of Work Permit of Foreign Nationals to the Provincial Departments General of Cooperatives, Labor and Social Welfare:

In the past, the responsibility of issuance, extension and renewal of the work permits of foreign nationals used to be carried out in Tehran (at the Department General for Employment of Foreign Nationals). For the welfare of the applicants, the authority of these affairs to certain degree has been delegated to the Departments General of Cooperatives, Labor and Social Welfare in the provinces. Therefore, employers and foreign nationals can refer to the provincial departments general for issuance, extension or renewal of their work permit.

Validity Period of Work Permits

The work permits of foreign nationals is issued, extended or renewed for a period of one year.

Extension of Work Permits

Upon expiry of the work permit, if the Iranian employer still needs the specialty of expatriates, he can apply for the extension of the work permit of his foreign laborer or expert. The application is sent to the Technical Board for Employment and upon approval the permit is extended for a period of one year.

Renewal of Work Permit

Foreign nationals with valid work permit whose contracts with employer become null and void for any reason, will be subject to renewal of work permit after changing the employer. The renewal of work permit – upon the change in employer or the type of work – will be carried out by the responsible divisions of the Ministry of Cooperatives, Labor and Social Welfare after the approval of the Technical Board for Employment of Foreign Nationals.

Nullification of Work Permits

In cases where for any reason the employment relation between the Iranian employer and foreign national is terminated, the employer is obligated to within 15 days report the procedure to the responsible divisions of the Ministry of Cooperatives, Labor and Social Welfare for nullification of the work permit. Similarly, the foreign nationals are obligated to within 15 days deliver the work permit to the Ministry of Cooperatives, Labor and Social Welfare against a receipt. Law has stipulated punishments for those violating the rules and regulations:

Legal Punishments for Employment of Foreign Nationals without Work Permit

Employers who hire foreign nationals whose work permits have been expired or have no work permit, or employ them in jobs other than those stipulated in their work permits, or do not notify the Ministry of Cooperatives, Labor and Social Welfare about cases where the employment agreement between them and foreign nationals is terminated, shall be sentenced to prison terms or cash fines.

Unique Advantage for Foreign Investors Employing Labor Force in Iran

Foreign investors employing those introduced by the affiliated units of the Ministry of Cooperatives, Labor and Social Welfare will enjoy growing discounts or exemption from paying part of the insurance duties in case their units are newly established, or there would be no reduction in their employment rate the year before (part of Article 80 of the Law on Fifth Five-Year Development Plan).