











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Indicator	Score
4.1.1	Context
4.1.1	Context

## 4.1.1.050: Has the government created a special fund or natural resource fund that concentrates revenue directly from oil, gas or mineral extraction?

Score:  A  B  C

### Comments:

The Central Bank's Annual Report gives statistics on the Oil Stabilization Fund (OSF), as Iran's wealth fund is called. The Sovereign Wealth Fund country report offers additional information on the OSF.

### References:

Central Bank of Iran (2010) Annual Report

Sovereign Wealth Fund country report on Iran: <http://www.swfinstitute.org/fund/iran.php>

## 4.1.1.051: What authority is responsible for the natural resource fund?

Score:  A  B  C  D  E

### Comments:

The Central Bank of Iran was in charge of overseeing the Oil Stabilization Fund (OSF) from 1999 to 2011. According to the Sovereign Wealth Fund Institute, Iran created an independent National Development Fund that year, which continues the OSF. The researcher was unable to find information or legislation clarifying the Central Bank's oversight jurisdiction.

### References:

Central Bank of Iran (Bank-e Markazi-ye Jomhuri-ye Islami-ye Iran)

Sources: Mahdavi (2012); International Monetary Fund. (2008). "Islamic Republic of Iran: Selected Issues." IMF Publication Services, Washington, DC.

See also: <http://www.swfinstitute.org/swfs/national-development-fund-of-iran/>



### Peer Review Comments:

In practice, the Majlis (Parliament) has repeatedly interfered with the running of the fund, reducing its allocations, determining spending priorities against the original mandate, and overruling the Board of Governors (<http://www.payvand.com/news/05/nov/1221.html>).

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Indicator		Score
4.2.1	Comprehensive reports	75 
4.2.2.056	Audited reports	34 

4.2.1 Comprehensive reports

## 4.2.1.052: Are the rules for the fund's deposits and withdrawals published, including the formula(s) for deposits and withdrawals?

Score:  A  B  C

### Comments:

The formulas are not explicitly stated by the Central Bank of Iran, nor in the bill that created the fund -- Article 60 in the Third Five-Year Development Plan (2000-2005). However, the amounts that are withdrawn each year are reported by the Central Bank, and the rules on deposits and withdrawals are published in the Laws of the Third (and Fourth) Five-Year Development Plan.

The IMF report (2008, p. 38) states the following regarding some loose "rules" stipulated by the Third and Fourth Five-Year Development Plans:

"The TFYDP and FFYDP envisaged two types of withdrawals from the OSF. First, at the beginning of the plan's third year, the central government could draw from the OSF account if the government's oil export receipts fell short of the budgeted amount for that year. Second, an amendment to the TFYDP law in November 2000 stipulated that up to 50 percent of the OSF's balance should be set aside for lending foreign exchange to domestic private entrepreneurs in priority sectors via commercial banks. Loans were to be repaid in foreign exchange within eight years, with a three-year grace period, at an interest rate of LIBOR+2 percentage points (later capped at 10 percent)."

### References:

Central Bank of Iran (2010). Annual Report.

Third Five-Year Development Plan (2000-2005), Article 60

IMF (2008) Selected Issues on Iran (attached above)

International Monetary Fund (2011) Islamic Republic of Iran: 2011 Article IV Consultation- Staff Report. IMF Country Report No. 11/241 [www.imf.org/external/pubs/ft/scr/2011/cr11241.pdf](http://www.imf.org/external/pubs/ft/scr/2011/cr11241.pdf)

[http://www.revenuewatch.org/sites/default/files/rwi\\_bp\\_iran2.pdf](http://www.revenuewatch.org/sites/default/files/rwi_bp_iran2.pdf)

### Peer Review Comments:

Despite these rules, the Parliament has several times allocated to or spent from the fund money in conflict with the specified rules (e.g. <http://www.payvand.com/news/05/nov/1221.html>), as has President Ahmadinejad (e.g. <http://iranprimer.usip.org/resource/oil-and-gas-industry>).

## 4.2.1.053: Does the fund management or authority in charge of the fund publish comprehensive information on its assets, transactions and investments?

**Score:** A B **C** D E

**Comments:**

Aggregate reporting of the OSF assets and transactions is presented in Tables 19 and 42 of the Central Bank of Iran's 2010 Annual Report.

**References:**

Central Bank of Iran (2010). Annual Report.

**Peer Review Comments:**

Table 47 indicates changes in the OSF and Central Bank foreign assets at an aggregate level, but the report does not contain details of the OSF's overall assets, only transfers in and out.

---

**4.2.1.054: Are the reports containing information on the fund's assets and transactions understandable?**

**Score:** A **B** C D E

**Comments:**

The narrative of the report contains clear information on how much is added to and withdrawn from the OSF, specifically on pages 13 and 15 of the 2010 Annual Report. Methodology and sources are not indicated however.

**References:**

Central Bank of Iran (2010). Annual Report

**Peer Review Comments:**

The Central Bank gives information on payments in and out of the OSF, but not its overall assets.

---

**4.2.1.055: How often are financial reports published by the fund management or authority in charge?**

**Score:** **A** B C D E

**Comments:**

The most recent available quarterly report from Q3 2010-2011 (published May 2011) shows some information on withdrawals from the fund (specifically on page 23 of the report) but more detailed information is only found in the annual reports, the most recent being the 2010 report attached elsewhere.

**References:**

Central Bank of Iran (2010-2011). Economic Trends Q3 No62

4.2.2.056 Audited reports

---

**4.2.2.056a: Are the fund s financial reports audited?**

**Score:** A **B** C D E

**Comments:**

Page 26 of the Central Bank's quarterly reports (which include some information about the OSF natural resource fund) indicate they are audited, presumably by the Audit Organization, discussed elsewhere.

This is considered an internal audit organization since it is an arm of the government.

**References:**

Central Bank of Iran (2011) Economic Trends Q3 Quarterly Report.

---

**4.2.2.056b: Are the audited financial reports published?**

**Score:** A  B C

**Comments:**

These "audited financial statements" as they are called in the Central Bank of Iran's quarterly reports are supposed to be available from the Supreme Audit Court. However, these reports are not published (as noted elsewhere in this questionnaire).

**References:**

Supreme Audit Court of Iran website: <http://www.dmk.ir/?&lang=2&index.aspx>

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Indicator	Score
4.3.1 <span style="color: red;">Legal Framework and Practice</span>	50 <span style="background-color: yellow; display: inline-block; width: 15px; height: 15px;"></span>

## 4.3.1 Legal Framework and Practice

### 4.3.1.057: Are the rules governing deposits into the fund defined by legislation?

Score:  A  B  C

#### Comments:

The laws, which are not digitally available but rather are published as texts (publicly available in Iran and elsewhere), specify the rules for depositing into the OSF, specifically Article 60 of the Third Five Year Development Plan.

#### References:

Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran, 2000-2004 (1379-1383)

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

#### Peer Review Comments:

Nevertheless, these guidelines and the Board of Governors of the OSF have been overruled by Parliament and by the administration of President Ahmadinejad (e.g. <http://iranprimer.usip.org/resource/oil-and-gas-industry>).

### 4.3.1.058: In practice, does the government follow the rules governing deposits to the natural resource fund?

Score:  A  B  C  D  E

#### Comments:

Despite Central Bank annual reports indicating deposits and withdrawals, Amuzegar (2005) reports that "[t]he formal balance sheet of the OSF, despite a clear mandate by law, has never been submitted to the Majlis by its board of trustees, or published." Further, an IMF 2008 report on Iran indicates that the executive has overdrawn from the OSF without formal approval, as well as missed deposits.

#### References:

Amuzegar, Jahangir (2005) "Iran's Oil Stabilization Fund: A Misnomer" Middle East Economic Survey (a free version found here: <http://www.payvand.com/news/05/nov/1221.html>)

IMF (2008) "Selected Issues on Iran" (attached elsewhere)

### 4.3.1.059: Are the rules governing withdrawal or disbursement from the fund defined by legislation?

Score:  A  B  C

**Comments:**

As is the case for laws on deposits into the OSF, the laws, which are not digitally available but rather are published as texts (publicly available in Iran and elsewhere), specify the rules for withdrawing from the OSF, specifically Article 60 of the Third Five Year Development Plan.

**References:**

Law of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran, 2000-2004 (1379-1383)

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

**4.3.1.060: In practice, does the government follow the rules governing withdrawal or spending from natural resource fund?**

Score:  A  B  C  D  E

**Comments:**

Despite Central Bank annual reports indicating deposits and withdrawals, Amuzegar (2005) reports that "[t]he formal balance sheet of the OSF, despite a clear mandate by law, has never been submitted to the Majlis by its board of trustees, or published." Further, an IMF 2008 report on Iran indicates that the executive has overdrawn from the OSF without formal approval.

**References:**

Amuzegar, Jahangir (2005) "Iran's Oil Stabilization Fund: A Misnomer" Middle East Economic Survey (a free version found here: <http://www.payvand.com/news/05/nov/1221.html>)

IMF (2008) "Selected Issues on Iran" (attached elsewhere)

See also:

International Monetary Fund (2011) Islamic Republic of Iran: 2011 Article IV Consultation- Staff Report. IMF Country Report No. 11/241 [www.imf.org/external/pubs/ft/scr/2011/cr11241.pdf](http://www.imf.org/external/pubs/ft/scr/2011/cr11241.pdf)

Antoine Heuty, "Iran's Oil and Gas Management"

[http://www.revenuewatch.org/sites/default/files/rwi\\_bp\\_iran2.pdf](http://www.revenuewatch.org/sites/default/files/rwi_bp_iran2.pdf)

**4.3.1.061: Are withdrawals or spending from the fund reserves approved by the legislature as part of the budget process?**

Score:  A  B  C

**Comments:**

In principle, as is the case for any budgetary decision, withdrawals and spending from the OSF must be approved by parliament through annual budgets (and nominally through five-year development plans). This does not always happen in practice, however, given executive's withdrawing without approval. See previous questions for further discussion and evidence.

**References:**

Constitution of Iran, Article 52

**4.3.1.062: Are officials of the natural resource fund required to disclose information about their financial interest in any oil, gas or mining projects?**

**Score:** A (B) C

**Comments:**

There is no legislation regarding officials' disclosure of this kind of information, either in the Iranian Constitution, or in the Laws establishing the Oil Stabilization Fund.

**References:**

Constitution of Iran; Laws of the Third and Fourth Five-Year Development Plans

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# Iran - RWI Index Questionnaire

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Indicator	Score
5.1.1	Context

5.1.1 Context

## 5.1.1.063: Do central governments transfer resources to subnational authorities based on extraction of mineral resources?

Score: A B  C D E

### Comments:

There is no formal law declaring the specific amount that is transferred to provincial governments. Conventionally, however, the central government allocates two percent of the revenue that a province generates back to that province, as reported by the Statistical Centre of Iran's Statistical Yearbooks.

I have marked "C Criteria" but it seems that "N/A, Other" is also appropriate here.

### References:

Constitution of Iran, Article 48

Statistical Centre of Iran. (multiple years) Statistical Yearbook of Iran. See link:  
[http://amar.sci.org.ir/index\\_e.aspx](http://amar.sci.org.ir/index_e.aspx)

## 5.1.1.064: Are conditions imposed on subnational government as part of revenue sharing regime?

Score: A  B C

### Comments:

There are no conditions on revenue transfers -- the only condition is that revenues be transferred proportional to the province's revenue produced from natural resources.

### References:

Constitution of Iran, Article 48

Statistical Centre of Iran. (multiple years) Statistical Yearbook of Iran. See link:  
[http://amar.sci.org.ir/index\\_e.aspx](http://amar.sci.org.ir/index_e.aspx)

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Indicator		Score
5.2.1	Disclosure	27 

5.2.1 Disclosure

## 5.2.1.065: Are the rules for revenue transfers from central to sub national governments published, including the formula(s) for revenue sharing?

Score: A  B C

### Comments:

As noted above, there are no formal rules for revenue transfers, but only informal transfers are made. These are not published, but the Statistical Centre of Iran does report how much is transferred to provinces based on mineral production.

### References:

Constitution of Iran, Article 48

## 5.2.1.066: Does the central government publish comprehensive information on transfers of resource related revenues to sub-national governments?

Score: A  B C D E

### Comments:

The government publishes aggregated transfers of revenue, aggregated at the provincial level. See for example, Table 21.3 in the 1383 Yearbook (from 2004-2005), which gives the value added of economic sectors -- including natural resources -- for each province. As noted above, 2% of this value added revenue is transferred back to provinces, though again this is not a formal rule.

It should be noted that newer versions of the Statistical Yearbook (as recent as 2010) are available in non-digital formats in public libraries.

### References:

Statistical Centre of Iran. (multiple years) Statistical Yearbook of Iran. See link: [http://amar.sci.org.ir/index\\_e.aspx](http://amar.sci.org.ir/index_e.aspx)

Click "Statistical Year Book" --> "Yearbook 1383" --> "National Accounts" --> "Table 21.3"

## 5.2.1.067: Are the reports containing information on transfers of resource related revenues to sub-national governments understandable?

Score: A B  C D E

### Comments:

Only raw figures are provided with no explanation.

**References:**

Statistical Centre of Iran. (multiple years) Statistical Yearbook of Iran. See link:  
[http://amar.sci.org.ir/index\\_e.aspx](http://amar.sci.org.ir/index_e.aspx)

(Follow instructions from above question)

---

**5.2.1.068: How often does the central government publish information on transfers of resource related revenues to sub-national governments?**

**Score:** A B  C D E

**Comments:**

These Statistical Yearbooks are published annually; quarterly reports exist but do not contain information on subnational revenue transfers.

**References:**

Statistical Centre of Iran. (multiple years) Statistical Yearbook of Iran. See link:  
[http://amar.sci.org.ir/index\\_e.aspx](http://amar.sci.org.ir/index_e.aspx)

---

**5.2.1.069: Do sub-national governments publish information on transfers received from central governments?**

**Score:** A  B C

**Comments:**

Provincial governments do not publish information on transfers. The link above is an example of a government website from the province of Khuzestan, which produces nearly half of Iran's onshore oil and gas.


**References:**

Example of provincial government site: <http://www.ostan-kz.ir/>

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Indicator	Score
5.3.1 Legal Framework and Practice	0 

## 5.3.1 Legal Framework and Practice

### 5.3.1.070: Are arrangements (including formulas and responsible institutions) for resource revenue sharing between central and sub-national governments defined by legislation?

Score: A  B C

**Comments:**

The Constitutional provision for revenue sharing is not clear and is written in vague language, providing no information on formal arrangements for resource transfers.

**References:**

Constitution of Iran, Article 48

### 5.3.1.071: In practice, does the government follow the rules established by resource revenue sharing legislation?

Score: A B C  D E

**Comments:**

As noted above, there are no clear formal rules for subnational resource revenue transfers.

**References:**

Constitution of Iran, Article 48

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# Iran - RWI Index Questionnaire

## Context

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Indicator	Score
1.1	Context
1.1	Context

### 1.1.001: Does the country have a clear legal definition of ownership of mineral resources?

Score:  A  B  C  D  E

**Comments:**

Article 2 of the Petroleum Law of 1987 and Articles 44 and 45 of the Constitution stipulate national sovereignty over all natural resources and the complete ownership of resources by the state.

**References:**

Constitution of the Islamic Republic of Iran (1979). Chapter IV, Articles 44 and 45. English translation available here: [http://www.servat.unibe.ch/icl/ir00000\\_.html](http://www.servat.unibe.ch/icl/ir00000_.html)

Petroleum Law of 1987 (English version attached)

### 1.1.002: Who has authority to grant hydrocarbon and mineral rights or licenses?

Score:  A  B  C  D  E

**Comments:**

The Ministry of Petroleum is in charge of granting licenses, but the ministry and NIOC are de facto the same entity though on paper they are different. The Ministry of Petroleum was created following the 1979 revolution and NIOC is nominally under the authority of MoP, though in practice the lines are very blurry. (See Mahdavi 2012 attached elsewhere for a discussion of the murky lines separating the ministry and the NOC.) Included are both NIOC sources and the Petroleum Law (attached in previous question), specifically Articles 3 and 5 denoting the Ministry's role in contracts: "supervision over petroleum operations and other duties and functions mentioned in this Act shall be undertaken by the Ministry of Oil."

**References:**

Petroleum Act of 1987

The national oil company, National Iranian Oil Company (NIOC), is also in charge of granting licenses. See: [www.nioc.ir](http://www.nioc.ir)

### 1.1.003: What licensing practices does the government commonly follow?

Score:  A  B  C  D  E

**Comments:**

Some scholarly reports on NIOC and the Iranian oil industry have described the informal process of selecting appropriate participants in negotiations, see Valerie Marcel's *Oil Titans* for instance. The Iranian Constitution, Article 81, forbids granting concessions to foreigners for mineral extraction of any kind, but there are back channels that allow participation of foreign companies.

### References:

Marcel, Valerie. 2006. *Oil Titans*. London: Chatham House.

Past interviews, conducted 2008, also support this conclusion:

--Abbas Milani, Professor and chair of Iranian Studies at Stanford University, July 2008

--Hormoz Naficy, former Ministry official, Sep 2008

--Tony Renton, former BP manager involved in Caspian Basin negotiations with NIOC in 1990s, Sep 2008

### Peer Review Comments:

Article 81 of the Constitution indeed forbids the award of concessions to foreign companies, hence the use of the buyback contracts which avoid foreign ownership of oil reserves or granting rights to produced oil. In this sense, the government does not "grant mineral rights to private companies " at all, but the buyback contracts do provide a limited form of private participation.

The historical record of various Iranian fields provides strong support for the view that buyback contracts are awarded by opaque negotiations. For example, various news reports chronicle the discussions with Shell, Inpex, CNPC, Total and others over development of the Azadegan field between 2001 and 2009 (e.g. <http://www.meed.com/japan-shell-in-azadegan-negotiations/1750253.article>, <http://www.meed.com/sectors/oil-and-gas/azadegan-negotiations-come-down-to-the-wire-as-late-june-deadline-looms/1772201.article>, <http://www.shana.ir/144623-en.html>, <http://www.upstreamonline.com/live/article184876.ece>).

## 1.1.004: What is the fiscal system for mineral resources?

Score: A B  C D E

### Comments:

The 'buyback' contract offered by Iran is unique but is closest in concept to a service agreement. Instead of a 30-year period for IOCs to explore, develop, and operate a field (as is common for most PSAs), the government implemented a unique contract service mechanism: The buyback system only allowed for a five- to seven-year exploration and operation period (until 2004 when the time length was increased to 25 years), after which the operation of the field would be given to NIOC and the initial investment would be returned. The government knew that this arrangement would be unattractive to IOCs that had options in other countries, so it fixed the return on investment at a 15 percent to 17 percent profit margin. The thinking among government planners was that a fixed return would reduce risk and attract more foreign operators, although in practice this is not how foreign operators evaluate risk. Moreover, the IOCs following the adoption of the buyback scheme have regularly complained that the government changed the buyback terms, thus making an investment proposition that was barely attractive into one that included much more risk in practice.

### References:

Marcel 2006. See also Mahdavi 2012. Other sources: van Groenendaal, W.J.H. and Mazraati, M. (December 2006) 'A critical review of Iran's buyback contracts' *Energy Policy*, Vol.34, Issue 18

Ebrahimi, S.N., and Shiroui Khouzani, A. (2003) 'The Contractual Form of Iran's Buy-back Contracts in Comparison with Production Sharing and Service Contract' *Middle East Oil Show*, Bahrain

See also some examples of service contracts from NIOC website:

<http://en.nioc.ir/Portal/Home/Default.aspx?CategoryID=95949051-0d6f-4ca9-be99-45b894630ca5&TabNo=2>

Interview, though dated, with Tony Renton (former BP manager), Sep 2008

**Peer Review Comments:**

The 'buyback' agreements are closest in form to a service agreement since they have a fixed scope of work and cost, a fixed fee (calculated in order to give a negotiated rate of return), have a very limited time-frame (5-7 years as indicated) by comparison with most other oil development contracts, and do not give the contractor rights to oil reserves or production (in accordance with an interpretation of the Iranian constitution). It is true that recent negotiations have included performance incentives and penalties but the basic service contract structure remains.

---

**1.1.005: What agency has authority to regulate the hydrocarbon and mineral sector?**

**Score:** A B  C D E

**Comments:**

Same as question 1.1.003. NIOC, the national oil company, is the de facto regulatory, though the ministry has de jure authority (Petroleum Law 1987). The ministry, as noted above, is not in practice a separate entity from the NOC, so here the researcher chose the SOC as having authority based on practice as opposed to law.

**References:**

NIOC website: <http://en.nioc.ir/Portal/Home/Default.aspx?CategoryID=f398bd54-e170-44e9-a841-710c6c92b3a0&TabNo=1>

Petroleum Law of 1987, Articles 3 and 5

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# Iran - RWI Index Questionnaire

## Disclosure

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Indicator	Score
1.2.006 Information on licensing process	33 
1.2 Contract transparency	0 
1.2.008 Environmental and social impact assessments	0 
1.2 Access to information and legislation	34 

1.2.006 Information on licensing process

### 1.2.006.a: What information does the government publish on the licensing process before negotiations?

Score: A B  C D E

#### References:

Ministry of Petroleum site does provide link to financial systems and procedures, but the specific link to the rules of licensing does not work. The site is in Persian, and the middle link in the yellow horizontal bar is the one that should lead to licensing information but is not even clickable:  
<http://tadvinmali.nioc.ir/findex.aspx>

Information through the NIOC site through the Petroleum News Network site, though information on specific auctions or bids is available in Persian: <http://shana.ir/auction-fa.html>

Online information is mainly available through SHANA site as noted – which is linked to on the NIOC (farsi) site through the Private Sector Auctions and Tenders tab - as well as through auctions and tenders tabs on websites of NIOC subsidiaries (e.g. PEDEC – which manages development of many new fields for NIOC - <http://pedec.ir/detail/tenders>).

#### Peer Review Comments:

The licensing process has been generally communicated, if not to the general public, by roadshows in the late 1990s/early 2000s, and the overall procedure is reasonably well-known by experience, but it remains non-transparent and with large arbitrary/discretionary components.

### 1.2.006.b: What information does the government publish on the licensing process after negotiations?

Score: A B  C D E

#### Comments:

The NOC publishes who has won auctions or bids, but this information has not been updated for some time. See: <http://www.nioc.ir/portal/Home/Default.aspx?CategoryId=95949051-0d6f-4ca9-be99-45b894630ca5&TabNo=2>



**References:**

Ministry of Petroleum website (in Persian only), list of current tenders and bids:

<http://www.mop.ir/Portal/Home/Default.aspx?CategoryID=2e5daab6-b10c-410a-adc4-5e1dec0ca9d1>

**Peer Review Comments:**

Official/semi-official media publish stories containing some, usually incomplete, information on the conclusion of contracts or progress in negotiations.

Indeed the NIOC site has not updated the information on the progress of exploration contracts, but this is because little is going on. Even less information is available on progress on development projects such as Azadegan or Yadavaran.

## 1.2 Contract transparency

---

**1.2.007: Are all contracts, agreements or negotiated terms for exploration and production, regardless of the way they are granted, disclosed to the public?**

Score: A B C **(D)** E

**Comments:**

Some information is given by NIOC, but rules regarding contracts and auctions are not made available. See also information on current auctions (in Persian) from the Ministry of Petroleum website (link above).

**References:**

Petroleum News Network site (in Persian): <http://shana.ir/auction-fa.html>

Ministry of Petroleum website (in Persian only): <http://www.mop.ir/portal/Home/Default.aspx?CategoryID=2e5daab6-b10c-410a-adc4-5e1dec0ca9d1>

**Peer Review Comments:**

It is so rare for contracts to be published that it would almost be accurate to say "contracts are not published". A few model contracts are available from several years ago (the latest being from February 2008), but they omit key information such as the agreed rate of return, and in any case the final signed versions have probably undergone substantial modification from the original model version during negotiations.

## 1.2.008 Environmental and social impact assessments

---

**1.2.008.a: Does legislation require that mining, gas and oil development projects prepare an environmental impact assessment prior to the award of any mineral rights or project implementation?**

Score: A **(B)** C

**Comments:**

Legislation does not specify that 'elaborate' environmental impact assessments are necessary, but does require some provision of projected impact in Article 1: "provision of industrial safety and sanitation requirements and environment protection against pollution resulting from the operations by due observance of the criteria laid down by the organizations concerned". Also, Article 7 requires Ministry "to exert proper supervision and take due care in the course of petroleum operations and through sound planning for ... prevention of environment pollution (air, water, earth) in coordination with the organizations concerned."

**References:**

Petroleum Act of 1987, Article 1 and especially Article 7.

---

**1.2.008.b: Are environmental impact assessments for oil, gas and mining projects published by the authority in charge of regulating the sector and is there a consultation process?**

**Score:** A B C **(D)** E

**Comments:**

The appropriate authority (under the Ministry) does not appear to publish environmental assessment reports, but it does publish "standards" of different forms and assessment reports.

**References:**

Ministry of Petroleum/NIOC - HSE site (in Persian): <http://hse.mop.ir/>

And site for various standards of assessment impact reports: <http://hse.mop.ir/dastorol.htm>

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**1.2.008.c: Does legislation require that mining, gas and oil development projects prepare a social impact assessment?**

**Score:** A **(B)** C

**Comments:**

No requirement for a social assessment is made explicit in the Petroleum Law of 1987. The NIOC's HRM branch manages all social and welfare-related assessments but this is limited to employee HR issues (e.g. sport / leisure centers), not broader social impact of hydrocarbon projects.

Site in Persian: <http://www.nioc-hrm.com/kh-khdamat.asp>

**References:**

Petroleum Law of 1987

**Peer Review Comments:**

The legislative requirement is pretty weak, though it could be interpreted to require assessments or at least management of social impacts of projects.

---

**1.2.008.d: Are social impact assessments for oil, gas and mining projects published and is there a consultation process?**

**Score:** A B C D **(E)**

**Comments:**

SIAs are not required.

**References:**

<http://www.nioc-hrm.com/home.asp>

---

**1.2 Access to information and legislation**

---

**1.2.009: Does the government publish detailed mineral/hydrocarbon resource legislation?**

**Score:** A **B** C D E

**Comments:**

No specific details on fiscal contracts, especially since the law predates the buyback contract concept introduced in the 1990s. General information on revenue as it pertains to collection by the Ministry of Oil is made in Articles 5 and 6, though note that the prohibition on foreign companies has since been lifted by the Budget Act of 1994. This Act which introduced buybacks similarly does contain some specifics: contract length, maximum amount awarded, terms of repayment, but does not offer detailed specifics on revenue collection.

**References:**

Petroleum Law of 1987; Budget Act of 1994

**Peer Review Comments:**

The published legislation is so vague, and predates the buyback model (and the buyback model has been significantly modified since first introduced) that it is essentially useless for determining the revenue situation, though it does lay out the high-level principles.

---

**1.2.010: This country has adopted a rule or legislation that provides for disclosure of information in the oil, gas and mineral sectors.**

**Score:** A B C **D** E

**Comments:**

The Law or Budget Act does not make note of any requirements for disclosure by any entity affiliated with the oil industry.

**References:**


Petroleum Law of 1987; Budget Act of 1994

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# Iran - RWI Index Questionnaire

## Legal Framework and Practices

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Indicator	Score
1.3 Legal Framework and Practices	22 

### 1.3 Legal Framework and Practices

#### **1.3.011: The authority in charge of awarding licenses or contracts for mineral or hydrocarbon production is independent of the state owned company (SOC) or other operating companies.**

**Score:** A  B C

**Comments:**

As noted above, the SOC and Ministry are in practice one and the same, but de jure authority is granted to the Ministry of Petroleum as noted in Article 3 and 5 (and the description of contracts in Article 1).

**References:**

Petroleum Act of 1987, Articles 1, 3, and 5

**Peer Review Comments:**

Given that the SOC and Ministry are de facto (but not de jure) the same, it may be more appropriate to observe substance over form and say that the authority to award contracts is the same as the operator, regulator and rights-holder.

#### **1.3.012: Is the licensing process intended to be open and competitive to all qualified companies?**

**Score:** A B C  D E

**Comments:**

The law states that foreign companies cannot compete for contracts, though the addition of buybacks in the 1990s changed this practice. Buybacks were introduced by the Budget Act of 1994, and the Act, specifically note 29, which limits the amount of contracts with foreign companies up to a certain amount.

**References:**

Petroleum Law of 1987, Article 5 and 6; Budget Act of 1994

**Peer Review Comments:**

There is no formal procedure for qualifying companies. It should be noted that a number of quasi-private Iranian companies have been awarded buybacks (usually linked to the security services or semi-privatised elements of NIOC, e.g. with ownership by its pension fund), and their technical qualifications are even less subject to scrutiny than those of foreign oil companies.

#### **1.3.013: Does the licensing process or legislation impose limits to discretionary powers of the authority in charge of awarding licenses or contracts?**

**Score:** A B **C** D E

**Comments:**

The Law is not clear on limits of authority for the Ministry of Petroleum when awarding contracts or bids, nor does the Budget Act of 1994 make this clear for buybacks, but limitations placed on the authority by way of the Constitution (e.g. no foreign ownership) and the buyback principles and practice.

**References:**

Petroleum Law of 1987; Budget Act of 1994

**Peer Review Comments:**

Of course, NIOC/Ministry has to abide by the buyback principle when negotiating contracts, and in practice its freedom to modify the structure is quite constrained, even if this is not enshrined in legislation.

---

**1.3.014: Does the legislative branch have any oversight role regarding contracts and licenses in the oil, gas and mining sector?**

**Score:** **A** B C D E

**Comments:**

The Law explicitly states that contracts and establishment of companies by the Ministry are subject to the approval of the Islamic Consultative Assembly (the formal name for the Majlis or parliament of Iran).

The researcher's own academic work shows that deputies are active in oil policy and contracts, as prior work by Baktiari (1996) and Moslem (2002) indicates as well.

**References:**

Petroleum Law of 1987, Articles 4 and 5.

Mahdavi (2012); Baktiari, Bahman (1996) Parliamentary Politics in the Islamic Republic of Iran (University of Florida Press); Mehdi Moslem (2002) Factional Politics in Post-Khomeini Iran (Syracuse University Press)

**Peer Review Comments:**

Agreed with the point; the question is whether this is modified by March 2012 reports of the ministry's being given greater discretion in awarding contracts (in the context of a struggle between parliament and the president).

---

**1.3.015: Is there a due process to appeal licensing decisions?**

**Score:** A **B** C

**Comments:**

Major contracts have been voided by either the parliament or upper unelected tiers of government (e.g. Guardian Council, Judiciary, office of the Supreme Leader). Notably, contracts with foreign companies in the South Pars offshore gas fields have been changed or all together voided in the past four years (see Mahdavi 2012).

**References:**

Mahdavi (2012)

Interviews conducted in 2008:

Hormoz Naficy, former NIOC manager, Sep 2008

Tony Renton and Pete Nolan, former BP managers, Sep 2008

**Peer Review Comments:**

Mostly these changes to contracts have occurred during the negotiation procedure, which has indeed been very lengthy and subject to heavy interference. The buyback contracts with foreign companies have mostly been honoured as long as the company was fulfilling its obligations (the gas export contracts, particularly the one with Sharjah's Dana Gas, have however been subject to significant legal challenge).

---

**1.3.016: Is there a legal or regulatory requirement to disclose all beneficial ownership in oil, gas and mining companies or projects?**

**Score:** A (B) C

**Comments:**

None of the legal documents above contain regulations on beneficial corporations. In Iran, the use of shell companies to hide revenues is widespread, and extends beyond the oil and gas industry. For oil, one such subsidiary (and it has its own subsidiaries) is the Naftiran Intertrade Company (NICO), a subsidiary of the SOC. NICO is an oil-trading firm formerly based in the UK and now in Malaysia, but has been tied to several scandals in the past. For more information on NICO, see Mahdavi (2012), and Donald L. Losman (2007), "The Rentier State And National Oil Companies: An Economic And Political Perspective," Middle East Journal 64(3): 427-445.

**References:**

Petroleum Law 1987, Budget Bill of 1994, Constitution of Iran

**Peer Review Comments:**

It is also worth mentioning the role of several quasi-privatised companies such as PetroIran, PetroPars, Khatam Ol Anbia etc, which are either owned by state entities such as the NIOC pension fund or linked to the Revolutionary Guards. They have won several buyback and EPC contracts.

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# Iran - RWI Index Questionnaire

## Context

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Indicator	Score
2.1 Context	100 

### 2.1 Context

#### 2.1.017: Does the government receive in-kind payments instead of financial payments from resource companies?

Score: A  B C

**Comments:**

Under Iran's 'buyback' system, foreign investors do not pay the government with hydrocarbons (no in-kind payments), but instead foreign companies are paid by the government for production. Foreign companies thus do not even remit payments to the state.

**References:**

Ghandi , Abbas. (2011). "Do Iran's buy-back service contracts lead to optimal production?" Energy Policy 42(Mar): 181-190.

Interview with Tony Renton, former BP manager, Sep 2008

#### 2.1.018: If the government or state owned companies sell physical commodities (oil, gas or minerals) from in-kind payments or own production, is there information about how these commodities are marketed?

Score: A B C D  E

**Comments:**

The government does not sell commodities from in-kind payments since it does not receive in-kind payments.

**References:**

Ghandi (2011) (see above for full citation)

**Peer Review Comments:**

As noted, the government does not take in-kind payments from foreign companies. However, the vast bulk of Iran's oil production is operated by NIOC and its subsidiaries, which is marketed by contracts with end-users and traders, and of course domestic refineries (also NIOC-owned).

#### 2.1.019: What authority actually collects payments from resource companies?

Score:  A B C D E

**Comments:**

On paper, the Ministry of Petroleum is authorized by the Petroleum Act to collect payments from the national oil company (NIOC) and its subsidiaries and sister companies (e.g. National Iranian Gas Company). Academic reports indicate that in practice NIOC collects payments from its subsidiaries and these are then sent to the Treasury. However, as noted elsewhere in this questionnaire often NIOC and the Ministry of Petroleum organizationally overlap and the same individuals are represented in both organizations.

**References:**

Brumberg and Ahram (2006); Mahdavi (2012)

Petroleum Act 1987

**Peer Review Comments:**

NIOC and its subsidiaries are responsible for oil sales; foreign/private oil companies do not earn or remit oil sales.











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# Iran - RWI Index Questionnaire

## Disclosure

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Indicator		Score
2.2A.020	Does the Ministry of Finance publish periodical information on revenue generation?	7 
2.2A.020.j	Does the Ministry of Finance publish information on disaggregated revenue streams?	0 
2.2A	Quality of reports	33 
2.2B.020	Does the Ministry of the extractive sector publish information on revenue generation?	18 
2.2B.020.j	Does the Ministry of the extractive sector publish information on disaggregated revenue streams?	0 
2.2B	Quality of reports	17 
2.2C.020	Does a Regulatory Agency publish information on revenue generation?	N/A
2.2C.020.j	Does a Regulatory Agency publish information on disaggregated revenue streams?	N/A
2.2C	Quality of reports	N/A
2.2D.020	Does the Central Bank publish information on revenue generation?	44 
2.2D.020.j	Does the Central Bank publish information on disaggregated revenue streams?	67 
2.2D	Quality of reports	50 
2.2E.020	Does any other government agency or entity publish information on revenue generation?	N/A
2.2E.020.j	Does any other government agency or entity publish information on disaggregated revenue streams?	N/A
2.2E	Quality of reports	N/A
2.2	Public sector balance	44 

2.2A.020 Does the Ministry of Finance publish periodical information on revenue generation?

### 2.2A.020.a: Reserves

Score: A B C **(D)** E

#### Comments:

The Ministry of Economic Affairs and Finance does not publicly publish data on the oil industry, but

internal publications are published by the Central Bank of Iran's Annual Reports. The most recent publicly available report is from the 2009-2010 Iranian fiscal year (attached elsewhere).

**References:**

Central Bank of Iran. (2010). Annual Report. Tehran: Markaz-e Amar

**Peer Review Comments:**

Iran's oil reserves are reported annually to OPEC; in addition, the ministry has made ad hoc announcements of reserves increases at various times (e.g. <http://english.irib.ir/news/economy/item/90957-iran-oil-reserves-increase-by-28bn-barrels>). NIOC also reports oil reserves on its website (<http://en.nioc.ir/Portal/Home/Default.aspx?CategoryID=f398bd54-e170-44e9-a841-710c6c92b3a0&TabNo=3>) but these have not been updated since 2008. These reserves figures are not independently audited.

---

**2.2A.020.b: Production volumes**

Score: A  B C D E

**Comments:**

The Ministry published a "Summary of Annual Report on Iran's Economy" (most recently published in April 2011 covering the 2010-2011 Iranian fiscal year) which provides production volume numbers for oil and gas. These reports are supposed to be provided annually, but this was probably the first such report and it was not possible to find a subsequent report (would have expected in April 2012). Also, note that this is presented as a summary of the report, but the entire text of the report does not seem to be available, at least not online.

**References:**

<http://www.mefa.ir/Portal/Home/ShowPage.aspx?Object=Event&ID=753536f3-3296-4a98-9839-1f5b28010c17&LayoutID=066c8d89-97db-4f84-8440-1141e6724fea&CategoryID=105f2ea5-2e88-47bd-acfa-8bfe5731d984>

**Peer Review Comments:**

Iran reports its oil production to OPEC and to the Joint Organisations Data Initiative (JODI), but these figures are not independently verified and independent analysts often disagree with them.

---

**2.2A.020.c: Information on prices**

Score: A B C  D E

**Comments:**

The Ministry of Economic Affairs and Finance does not publicly publish data on oil prices in Iran, but internal publications are published by the Central Bank of Iran's Annual Reports. The most recent publicly available report is from the 2009-2010 Iranian fiscal year (attached elsewhere).

**References:**

Central Bank of Iran (2010)

---

**2.2A.020.d: Value of resource exports**

Score: A B C  D E

**Comments:**

The Ministry of Economic Affairs and Finance does not publicly publish data on value of oil exports, but internal publications are published by the Central Bank of Iran's Annual Reports. The most recent

publicly available report is from the 2009-2010 Iranian fiscal year (attached elsewhere).

**References:**

Central Bank of Iran (2010)

---

**2.2A.020.e: Estimates of investment in exploration and development**

**Score:** A B C **(D)** E

**Comments:**

The Ministry of Economic Affairs and Finance does not publicly publish data on estimates of investment in exploration and development, but internal publications are published by the Central Bank of Iran's Annual Reports. The most recent publicly available report is from the 2009-2010 Iranian fiscal year (attached elsewhere).

**References:**

Central Bank of Iran (2010)

**Peer Review Comments:**

The Central Bank's annual reports give only very limited information on investment in the oil sector.

---

**2.2A.020.f: Production costs**

**Score:** A B C **(D)** E

**Comments:**

The Ministry of Economic Affairs and Finance does not publicly publish data on production costs, but internal publications are published by the Central Bank of Iran's Annual Reports. The most recent publicly available report is from the 2009-2010 Iranian fiscal year (attached elsewhere).

**References:**

Central Bank of Iran (2010)

**Peer Review Comments:**

The Central Bank reports give only very limited information on the costs of the oil sector.

---

**2.2A.020.g: Names of companies operating in country**

**Score:** A B C **(D)** E

**Comments:**

The Ministry of Finance does not publish the names of oil companies, though it does note the presence of NIOC in the oil sector.

**References:**

Central Bank of Iran (2010)

Ministry of Economic Affairs and Finance website: <http://www.mefa.gov.ir/Portal/Home/Default.aspx>

**Peer Review Comments:**

Some of the oil companies operating are noted on the NIOC website. But since the Iranian oil sector is dominated by NIOC, its subsidiaries and quasi-private companies, this may not make much difference.

---

**2.2A.020.h: Production data by company and/or block****Score:** A B C **(D)** E**Comments:**

The Ministry of Economic Affairs and Finance does not publicly publish data on production per company, but internal publications are published by the Central Bank of Iran's Annual Reports. The most recent publicly available report is from the 2009-2010 Iranian fiscal year (attached elsewhere).

**References:**

Central Bank of Iran (2010)

**Peer Review Comments:**

NIOC notes approximate oil production figures for its subsidiaries. Since foreign participation is low and under the buyback arrangement, NIOC's production is the vast majority of the total.

---

**2.2A.020.i: Cost of subsidies or social investments paid by mineral revenue****Score:** A B C **(D)** E**Comments:**

The Ministry of Economic Affairs and Finance does not publicly publish data on the costs of subsidies, but internal publications are published by the Central Bank of Iran's Annual Reports. The most recent publicly available report is from the 2009-2010 Iranian fiscal year (attached elsewhere).

**References:**

Central Bank of Iran (2010)

2.2A.020.j Does the Ministry of Finance publish information on disaggregated revenue streams?

---

**2.2A.020.j1: Production streams value****Score:** A B C **(D)** E**Comments:**

The Ministry of Economic Affairs and Finance does not publicly publish data on the value of production streams, but internal publications are published by the Central Bank of Iran's Annual Reports. The most recent publicly available report is from the 2009-2010 Iranian fiscal year (attached elsewhere).

**References:**

Central Bank of Iran (2010)

**Peer Review Comments:**

The Central Bank reports do not provide disaggregated revenue streams.

---

**2.2A.020.j2: Government s share in PSC****Score:** A B C **(D)** E**Comments:**

The Ministry of Economic Affairs and Finance does not publicly publish data on the oil industry, but

internal publications are published by the Central Bank of Iran's Annual Reports. The most recent publicly available report is from the 2009-2010 Iranian fiscal year (attached elsewhere).

Note that Iran does not have PSCs in their standard form -- here, the reporting practices refer to information on Iran's buyback contracts, which share some PSC-like elements.

**References:**

Central Bank of Iran (2010)

**Peer Review Comments:**

The more relevant information would be the company's share of cashflow from the buyback contracts - which is not published.

---

**2.2A.020.j3: Royalties**

**Score:** A B C D **E**

**Comments:**

The Ministry of Economic Affairs and Finance does not publicly publish data on the oil industry, but the Ministry's internal publications are used for data found in the Central Bank of Iran's Annual Reports. The most recent publicly available report is from the 2009-2010 Iranian fiscal year (attached elsewhere).

**References:**

Central Bank of Iran (2010)

**Peer Review Comments:**

The Iranian fiscal system does not use royalties on production (except as part of NIOC's overall revenue transfers to the Central Bank).

---

**2.2A.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**

**Score:** A B C D **E**

**Comments:**

The Ministry of Economic Affairs and Finance does not publicly publish data on the oil industry, but the Ministry's internal publications are used for data found in the Central Bank of Iran's Annual Reports. The most recent publicly available report is from the 2009-2010 Iranian fiscal year (attached elsewhere).

**References:**

Central Bank of Iran (2010)

**Peer Review Comments:**

The Iranian fiscal system does not use special taxes charged on extractive companies.

---

**2.2A.020.j5: Dividends**

**Score:** A B C **D** E

**Comments:**

There are no dividends for state participation in Iran, since foreign companies are limited to buybacks. The score is on the basis of no information on payments from NIOC and its affiliated state-owned companies to the State as dividends. This information is included in the Central Bank report, as noted in the relevant question in that section.

**References:**

Central Bank of Iran (2010)

---

**2.2A.020.j6: Bonuses**

**Score:** A B C D  E

**Comments:**

No bonuses.

**References:**

Central Bank of Iran (2010)

**Peer Review Comments:**

The Iranian fiscal system does not use bonuses.

---

**2.2A.020.j7: License fees**

**Score:** A B C D  E

**Comments:**

No license fees.

**References:**

Central Bank of Iran (2010)

**Peer Review Comments:**

The Iranian fiscal system does not include licence fees.

---

**2.2A.020.j8: Acreage fees**

**Score:** A B C D  E

**Comments:**

No acreage fees.

**References:**

Central Bank of Iran (2010)

**Peer Review Comments:**

The Iranian fiscal system does not make use of acreage fees.

---

**2.2A.020.j9: Other (Explain in 'comments' box.)**

**Score:** A B C D  E

**Comments:**

N/A

**References:**

Central Bank of Iran (2010)

## 2.2A Quality of reports

---

### 2.2A.021: Are periodical reports containing information on revenue generation published by the Ministry of Finance understandable?

Score: A B  C D E

**Comments:**

See earlier comment on at least an annual report for 2010-2011 which includes information on production volumes and some other information related to the sector. The section on the oil/gas sector is a paragraph or two, there is not much information and no real references for the numbers used.

**References:**

<http://www.mefa.ir/Portal/Home/ShowPage.aspx?Object=Event&ID=753536f3-3296-4a98-9839-1f5b28010c17&LayoutID=066c8d89-97db-4f84-8440-1141e6724fea&CategoryID=105f2ea5-2e88-47bd-acfa-8bfe5731d984>

---

### 2.2A.022: How often are the periodical reports containing information on revenue generation published by the Ministry of Finance?

Score: A B  C D E

**Comments:**

The Ministry report referenced before, which purports to be on an annual basis, is only available on the Ministry website for Iranian FY 2010-2011. The Ministry of Economic Affairs and Finance publishes limited data on the oil industry, but the Ministry's internal publications (interview in 2008 indicates these are internally published annually, sometimes quarterly) are used for data found in the Central Bank of Iran's Annual Reports.

**References:**

<http://www.mefa.ir/Portal/Home/ShowPage.aspx?Object=Event&ID=753536f3-3296-4a98-9839-1f5b28010c17&LayoutID=066c8d89-97db-4f84-8440-1141e6724fea&CategoryID=105f2ea5-2e88-47bd-acfa-8bfe5731d984>

## 2.2B.020 Does the Ministry of the extractive sector publish information on revenue generation?

---

### 2.2B.020.a: Reserves

Score: A B  C D E

**Comments:**

The last annual report that is publicly available is from 2004-2005, published by the Ministry of Petroleum and NIOC. However, the links to the NIOC reports listed on the reference webpage are all down.

Note also that the Ministry and NIOC publish internal reports which are publicly published by the Central Bank of Iran's Annual Reports each year (latest is 2010).

**References:**

NIOC Library (managed jointly by NIOC and the Ministry of Petroleum):  
<http://www.nioclibrary.ir/nioc%20annual%20report.htm>

Ministry of Petroleum website: <http://www.mop.ir/Portal/Home/Default.aspx#>

**Peer Review Comments:**

NIOC publishes reserves information that runs up to 2008 (<http://en.nioc.ir/Portal/Home/Default.aspx?CategoryID=f398bd54-e170-44e9-a841-710c6c92b3a0&TabNo=3>) and reserves are reported to OPEC and on an ad hoc basis upgrades are communicated by NIOC and/or the ministry, though none of these figures are independently verified.

---

**2.2B.020.b: Production volumes**

**Score:** A B  C D E

**Comments:**

The last annual report that is publicly available is from 2004-2005, published by the Ministry of Petroleum and NIOC. However, the Ministry and NIOC publish internal reports which are publicly published by the Central Bank of Iran's Annual Reports each year (latest is 2010).

**References:**

Same as above

**Peer Review Comments:**

The ministry communicates its production figures to OPEC and to the Joint Organisations Data Initiative (JODI), although these figures are not independently verified and may vary significantly from those of independent analysts.

---

**2.2B.020.c: Information on prices**

**Score:** A B  C D E

**Comments:**

The last annual report that is publicly available is from 2004-2005, published by the Ministry of Petroleum and NIOC. However, the Ministry and NIOC publish internal reports which are publicly published by the Central Bank of Iran's Annual Reports each year (latest is 2010).

**References:**

Same as above

**Peer Review Comments:**

NIOC publishes official selling prices on its website (<http://en.nioc.ir/Portal/Home/ShowPage.aspx?Object=GeneralText&ID=a6310432-f24d-48f0-9e74-d22ced638d15&LayoutID=40310128-170d-47a6-a7c9-6400f8d4a3ec&CategoryID=a034ee3f-1acf-4bad-a4af-1bbbf5c1e716>); however these are not necessarily reflective of the actual prices obtained.

---

**2.2B.020.d: Value of resource exports**

**Score:** A B  C D E

**Comments:**

The last annual report that is publicly available is from 2004-2005, published by the Ministry of Petroleum and NIOC. However, the Ministry and NIOC publish internal reports which are publicly published by the Central Bank of Iran's Annual Reports each year (latest is 2010).

**References:**

Same as above

---



**2.2B.020.e: Estimates of investment in exploration and development****Score:** A B  C D E**Comments:**

The ministry last published a report on exploration and production which should include investment levels, published in 2008-2009. This book is publicly available in the NIOC library in Tehran but not electronically available. The list of books available in Persian is included in the link above; see page 11 in the pdf (page 7 in the actual document), top right corner book on Exploration and Production (in Persian) published in 2008-2009.

**References:**

NIOC/Ministry of Petroleum library list of books from 2008-2009: <http://www.nioclibrary.ir/taze-ha%5Cazar%2087/new%20titles.pdf>

---

**2.2B.020.f: Production costs****Score:** A B C  D E**Comments:**

Even in past annual reports, production costs have never been published.

**References:**

NIOC/Ministry of Petroleum library: <http://www.nioclibrary.ir/default.htm>  
Ministry of Petroleum website: <http://www.mop.ir/Portal/Home/Default.aspx#>  
NIOC website: <http://en.nioc.ir/Portal/Home/Default.aspx>

---

**2.2B.020.g: Names of companies operating in country****Score:** A B C  D E**Comments:**

Not published.

**References:**

<http://www.mop.ir/Portal/Home/Default.aspx#>

**Peer Review Comments:**

There are also several quasi-private Iranian companies operating in the oil sector, and they are not formally listed by NIOC though their names can be compiled from news reports and ministry announcements.

---

**2.2B.020.h: Production data by company and/or block****Score:** A B C  D E**Comments:**

Not published.

**References:**

<http://www.mop.ir/Portal/Home/Default.aspx#>

**Peer Review Comments:**

The list of NIOC subsidiaries at <http://www.nioc.ir/portal/Home/Default.aspx?CategoryID=f398bd54->

e170-44e9-a841-710c6c92b3a0&TabNo=7 does give some indications of production levels per subsidiary.

---

### 2.2B.020.i: Cost of subsidies or social investments paid by mineral revenue

**Score:** A B C **(D)** E

**Comments:**

The cost of subsidies are not published in the ministry's official reports on the sector. Interview in 2008 indicated that internal publications exist that are given to the appropriate legislative committee.

**References:**

Mahdavi (2012), Brumberg and Ahram (2006)

Interview with Manouchehr Takin, former NIOC manager and formerly Iran's ambassador to OPEC, Sep 2008

**Peer Review Comments:**

The cost of energy subsidies have, though, been extensively debated and reported in parliament, though the source and assumptions for these figures is frequently unclear.

2.2B.020.j Does the Ministry of the extractive sector publish information on disaggregated revenue streams?

---

### 2.2B.020.j1: Production streams value

**Score:** A B C **(D)** E

**Comments:**

This information is not reported.

**References:**

Ministry of Petroleum website: <http://www.mop.ir/Portal/Home/Default.aspx#>

NIOC website: <http://www.nioc.ir/Portal/Home/Default.aspx>

---

### 2.2B.020.j2: Government s share in PSC

**Score:** A B C **(D)** E

**Comments:**

Information not published. See comment above for 2.2.A.020.j2

**References:**

Ministry of Petroleum website: <http://www.mop.ir/Portal/Home/Default.aspx#>

NIOC website: <http://www.nioc.ir/Portal/Home/Default.aspx>

**Peer Review Comments:**

Iran does not use PSCs. It would be more meaningful to consider the share of revenue from buyback contracts which is allocated to the foreign investor (which is not published).

---

**2.2B.020.j3: Royalties****Score:** A B C D  E**Comments:**

Information not published.

**References:**Ministry of Petroleum website: <http://www.mop.ir/Portal/Home/Default.aspx#>NIOC website: <http://www.nioc.ir/Portal/Home/Default.aspx>**Peer Review Comments:**

The Iranian fiscal system does not make use of royalties.

---

**2.2B.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)****Score:** A B C D  E**Comments:**

Information not published.

**References:**Ministry of Petroleum website: <http://www.mop.ir/Portal/Home/Default.aspx#>NIOC website: <http://www.nioc.ir/Portal/Home/Default.aspx>**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of special taxes on extractive companies.

---

**2.2B.020.j5: Dividends****Score:** A B C  D E**Comments:**

Information not published.

**References:**Ministry of Petroleum website: <http://www.mop.ir/Portal/Home/Default.aspx#>NIOC website: <http://www.nioc.ir/Portal/Home/Default.aspx>

---

**2.2B.020.j6: Bonuses****Score:** A B C D  E**Comments:**

Information not published.

**References:**Ministry of Petroleum website: <http://www.mop.ir/Portal/Home/Default.aspx#>NIOC website: <http://www.nioc.ir/Portal/Home/Default.aspx>**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of bonuses.

---

### 2.2B.020.j7: License fees

Score: A B C D  E

**Comments:**

Information not published.

**References:**

Ministry of Petroleum website: <http://www.mop.ir/Portal/Home/Default.aspx#>

NIOC website: <http://www.nioc.ir/Portal/Home/Default.aspx>

**Peer Review Comments:**

The Iranian petroleum fiscal system does not make use of licence fees.

---

### 2.2B.020.j8: Acreage fees

Score: A B C D  E

**Comments:**

Information not published

**References:**

Ministry of Petroleum website: <http://www.mop.ir/Portal/Home/Default.aspx#>

NIOC website: <http://www.nioc.ir/Portal/Home/Default.aspx>

**Peer Review Comments:**

The Iranian fiscal system does not make use of acreage fees.

---

### 2.2B.020.j9: Other (Explain in 'comments' box.)

Score: A B C D  E

**Comments:**

No additional information is published on disaggregated revenue streams.

**References:**

Ministry of Petroleum website: <http://www.mop.ir/Portal/Home/Default.aspx#>

NIOC website: <http://www.nioc.ir/Portal/Home/Default.aspx>

## 2.2B Quality of reports

---

### 2.2B.021: Are periodical reports containing information on revenue generation published by the Ministry of the extractive sector understandable?

Score: A B  C D E

**Comments:**

No annual report has been published in the last nine years. The link above is to the most recent NIOC annual reports, and even there the links to electronic versions of annual reports is broken.

**References:**

NIOC historical annual reports: <http://www.nioclibrary.ir/nioc%20annual%20report.htm>

---

**2.2B.022: How often are the periodical reports containing information on revenue generation published by the Ministry of the extractive sector?**

**Score:** A B C  D E

**Comments:**

Same as above; reports used to be published annually but NIOC has not published an annual report since 2004-2005.

**References:**

NIOC historical annual reports: <http://www.nioclibrary.ir/nioc%20annual%20report.htm>

---

**2.2C.020 Does a Regulatory Agency publish information on revenue generation?****2.2C.020.a: Reserves**

**Score:** A B C D  E

**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

---

**2.2C.020.b: Production volumes**

**Score:** A B C D  E

**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

---

**2.2C.020.c: Information on prices**

**Score:** A B C D  E

**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

---

**2.2C.020.d: Value of resource exports****Score:** A B C D  E**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

**2.2C.020.e: Estimates of investment in exploration and development****Score:** A B C D  E**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

**2.2C.020.f: Production costs****Score:** A B C D  E**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

**2.2C.020.g: Names of companies operating in country****Score:** A B C D  E**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

**2.2C.020.h: Production data by company and/or block****Score:** A B C D  E**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

---

**2.2C.020.i: Cost of subsidies or social investments paid by mineral revenue****Score:** A B C D  E**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

**Peer Review Comments:**

The overall cost of fuel and other subsidies has been reported and discussed quite widely in the Parliament in connection with the recent subsidy reform.

---

**2.2C.020.j** Does a Regulatory Agency publish information on disaggregated revenue streams?

---

**2.2C.020.j1: Production streams value****Score:** A B C D  E**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

---

**2.2C.020.j2: Government s share in PSC****Score:** A B C D  E**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

**Peer Review Comments:**

Iran does not use PSCs.

---

**2.2C.020.j3: Royalties****Score:** A B C D  E**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of royalties.

---

**2.2C.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**

**Score:** A B C D  E

**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of special petroleum taxes on extractive companies.

---

**2.2C.020.j5: Dividends**

**Score:** A B C D  E

**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

---

**2.2C.020.j6: Bonuses**

**Score:** A B C D  E

**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of bonuses.

---

**2.2C.020.j7: License fees**

**Score:** A B C D  E



**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of licence fees.

---

**2.2C.020.j8: Acreage fees**

Score: A B C D  E

**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of acreage fees.

---

**2.2C.020.j9: Other (Explain in 'comments' box.)**

Score: A B C D  E

**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

**2.2C Quality of reports**

---

**2.2C.021: Are periodical reports containing information on revenue generation published by the Regulatory Agency understandable?**

Score: A B C D  E

**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

---

**2.2C.022: How often are the periodical reports containing information on revenue generation published by the Regulatory Agency?**

**Score:** A B C D **E**

**Comments:**

There is no additional regulatory body other than the Ministry of the Extractive sector and NIOC, so these questions are answered as "N/A".

**References:**

N/A

2.2D.020 Does the Central Bank publish information on revenue generation?

---

**2.2D.020.a: Reserves**

**Score:** **A** B C D E

**Comments:**

Table 2 (page 44 of the pdf; page 37 of the document) reports oil reserves for Iran for 1980, 1990, 2000, 2008, and 2009.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx)

**Peer Review Comments:**

Note that the Central Bank here is just reproducing figures from the BP Statistical Review, which in turn are compiled from various sources including Iran's reports to OPEC etc.

---

**2.2D.020.b: Production volumes**

**Score:** **A** B C D E

**Comments:**

Table 3 (page 45 of the pdf; page 38 of the document) report oil production levels.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

**Peer Review Comments:**

Note that the production levels in the Central Bank report are derived from the BP Statistical Review, which is itself compiled from various sources including Iran's submissions to OPEC, and hence it cannot be considered an independent source of information.

---

**2.2D.020.c: Information on prices**

**Score:** **A** B C D E

**Comments:**

Table 6 (page 47 of the pdf; page 40 of the document) reports average spot prices for 2009 and the first quarter of 2010 for Iranian light and heavy blends.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for

2.2D.020.a)

**Peer Review Comments:**

Note that the prices in the Central Bank report are derived from OPEC reports.

---

**2.2D.020.d: Value of resource exports**

**Score:** (A) B C D E

**Comments:**

Table 47 (page 69 of the pdf; page 62 of the document) reports the value of oil exports for 2005 until the first quarter of 2010.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

---

**2.2D.020.e: Estimates of investment in exploration and development**

**Score:** A B C (D) E

**Comments:**

Table 18 (page 52 of the pdf; page 45 of the document) presents estimates of investment for exploration but only for the mining sector. Estimates for investment in oil exploration are not published.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

---

**2.2D.020.f: Production costs**

**Score:** A B C (D) E

**Comments:**

Production costs are not reported by the Central Bank (or any other authority in Iran).

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

---

**2.2D.020.g: Names of companies operating in country**

**Score:** A B C (D) E

**Comments:**

Names of operating companies not reported by the Central Bank.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

---

**2.2D.020.h: Production data by company and/or block**

**Score:** A B C **(D)** E

**Comments:**

Production data by company or block not reported by Central Bank.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

---

**2.2D.020.i: Cost of subsidies or social investments paid by mineral revenue**

**Score:** A B C **(D)** E

**Comments:**

Social investments from mineral revenues are not reported; only general information on social investments are reported, e.g. agricultural investments in Table 14. Presumably this money comes from mineral revenues but this is not made explicit in the annual report.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

---

2.2D.020.j Does the Central Bank publish information on disaggregated revenue streams?

---

**2.2D.020.j1: Production streams value**

**Score:** A **(B)** C D E

**Comments:**

Some combination of Tables 39, 40, 41 (pages 54-56 of the document) can be used to calculate oil production streams value.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

**Peer Review Comments:**

Oil export revenues can also be estimated from Table 7 (p41 of the document) giving oil export volumes, and Table 6 (p40) giving average export prices.

---

**2.2D.020.j2: Government s share in PSC**

**Score:** A B C **(D)** E

**Comments:**

This information is not published in the annual reports explicitly. It is part of the figures presented in Tables 39-41, but the share of government revenue from selling oil affiliated with the buyback contracts is not made explicit.

---

As noted above in 2.2.A.020.j2, Iran does not have PSCs but rather has the buyback contract, which shares some PSC-like elements.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

---

**2.2D.020.j3: Royalties**

**Score:** A B C D **E**

**Comments:**

See comment above; it is not clear how to classify revenue from the sale of oil affiliated to buybacks, so the distinction between royalties and government's share in PSCs is not clearly defined. Nonetheless, Iran does not report information on buybacks, so both information on PSCs and royalties is not published.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

**Peer Review Comments:**

Iran's fiscal system does not make use of royalties.

---

**2.2D.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**

**Score:** A B C D **E**

**Comments:**

Tables 39-41 state clearly (in the header of each table) that special revenues are not included in the tables.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

**Peer Review Comments:**

Iran's fiscal system does not make use of special extractive taxes.

---

**2.2D.020.j5: Dividends**

**Score:** **A** B C D E

**Comments:**

Table 41 presents information on dividends from oil sales by the national owned oil company and subsidiaries up to the first quarter of 2010.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

---

**2.2D.020.j6: Bonuses**

**Score:** A B C D **(E)**

**Comments:**

This information is not published by the Central Bank.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

**Peer Review Comments:**

Iran's fiscal system does not make use of bonuses.

---

**2.2D.020.j7: License fees**

**Score:** A B C D **(E)**

**Comments:**

General "license fees" are reported in Table 47 (page 69 of the pdf; page 62 of the document), but it is not clear if these apply specifically to oil and gas. Hence I have marked "other".

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of licence fees; the fees reported in Table 47 are therefore presumably from other licencing, and are trivial in any case.

---

**2.2D.020.j8: Acreage fees**

**Score:** A B C D **(E)**

**Comments:**

No acreage fees in Iran.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of licence fees.

---

**2.2D.020.j9: Other (Explain in 'comments' box.)**

**Score:** **(A)** B C D E

**Comments:**

Sales of oil products can be inferred from Table 39 and taxes on oil product sales are reported in Table 40.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

## 2.2D Quality of reports

---

### 2.2D.021: Are periodical reports containing information on revenue generation published by the Central Bank understandable?

Score: A  B C D E

**Comments:**

There is a narrative section in the beginning of annual reports issued by the Central Bank, but some items in the statistical tables are not easily understandable. Examples include terms such as "disposal of non-financial assets" which refer to the sale of crude oil. Sources are given but methods for calculating figures are generally not reported.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

**Peer Review Comments:**

Some of the sources for oil production, prices, etc, are reported from the BP Statistical Review and/or OPEC, which largely derive from other sources including Iran's own submissions.

---

### 2.2D.022: How often are the periodical reports containing information on revenue generation published by the Central Bank?

Score: A B  C D E

**Comments:**

Quarterly reports exist but do not contain as much information on oil and gas. As such, the researcher selected "annual" to reflect the publication of annual reports. The latest report includes the first quarter of 2010 for most figures.

**References:**

Central Bank of Iran (2009/2010). Annual Report. [www.cbi.ir/page/7575.aspx](http://www.cbi.ir/page/7575.aspx) (see attachment for 2.2D.020.a)

## 2.2E.020 Does any other government agency or entity publish information on revenue generation?

---

### 2.2E.020.a: Reserves

Score: A B C D  E

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

---

### 2.2E.020.b: Production volumes

**Score:** A B C D **(E)**

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

---

**2.2E.020.c: Information on prices**

**Score:** A B C D **(E)**

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

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**2.2E.020.d: Value of resource exports**

**Score:** A B C D **(E)**

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

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**2.2E.020.e: Estimates of investment in exploration and development**

**Score:** A B C D **(E)**

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

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**2.2E.020.f: Production costs**



**Score:** A B C D **(E)**

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

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**2.2E.020.g: Names of companies operating in country**

**Score:** A B C D **(E)**

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

**Peer Review Comments:**

The names of companies operating in the industry are quite widely reported in the media, though there is no systematic list published.

---

**2.2E.020.h: Production data by company and/or block**

**Score:** A B C D **(E)**

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

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**2.2E.020.i: Cost of subsidies or social investments paid by mineral revenue**

**Score:** A B C D **(E)**

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

**Peer Review Comments:**

The cost of subsidies was quite widely reported and debated in the Parliament during the recent subsidy reform.

2.2E.020.j Does any other government agency or entity publish information on disaggregated revenue streams?

---

**2.2E.020.j1: Production streams value**

**Score:** A B C D  E

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

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**2.2E.020.j2: Government s share in PSC**

**Score:** A B C D  E

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

**Peer Review Comments:**

Iran does not use PSCs.

---

**2.2E.020.j3: Royalties**

**Score:** A B C D  E

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of royalties.

---

**2.2E.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**Score: A B C D **E****Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of special extractive taxes.

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**2.2E.020.j5: Dividends**Score: A B C D **E****Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

**2.2E.020.j6: Bonuses**Score: A B C D **E****Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of bonuses.

---

**2.2E.020.j7: License fees**Score: A B C D **E****Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional

entity reporting oil data.

**References:**

N/A

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of licence fees.

---

**2.2E.020.j8: Acreage fees**

**Score:** A B C D  E

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of acreage fees.

---

**2.2E.020.j9: Other (Explain in 'comments' box.)**

**Score:** A B C D  E

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

2.2E Quality of reports

---

**2.2E.021: Are periodical reports containing information on revenue generation published by any other government agency or entity understandable?**

**Score:** A B C D  E

**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

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**2.2E.022: How often are the periodical reports containing information on revenue generation published by the any other governmental agency or entity?**Score: A B C D  E**Comments:**

No other entity publishes information on the oil industry. For the purposes of this questionnaire, as I have noted elsewhere, the state-owned company NIOC is counted as part of the Ministry of Petroleum. The questions on the Ministry of the Extractive sector cover NIOC as well, so there is no additional entity reporting oil data.

**References:**

N/A

2.2 Public sector balance

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**2.2.023: Does the government include the SOC financial balance (its assets and liabilities) within the public sector balance or overall balance of general government in reports to the legislature?**Score: A B C  D E**Comments:**

Tables 48, 49, and 50 in the Central Bank Annual Report do not show separate information on the SOC's financial balance. The only information presented is for general "Government Institutions and Organizations" of which the SOC is part. No detailed information is given in any of the three tables on the SOC's assets or liabilities.

**References:**Central Bank of Iran (2010) Annual Report

---

**2.2.024: Does the government include projections of transactions, accounts of actual spending by the natural resource funds, and their assets and liabilities, within the public sector balance or overall balance of general government in reports to the legislature?**Score: A B  C D E**Comments:**

Table 42 (page 64 of the pdf; page 57 of the document) provides information on how much money is withdrawn and deposited annually from the Oil Stabilization Fund (OSF), Iran's natural resource fund. There is scant detail on how this money is used as only three options are given: "Implementation of development projects", "External Obligations", and "Others", which includes "financing the deficit of credits allocated to gas supply in rural areas."

**References:**Central Bank of Iran (2010). Annual Report.

---

**2.2.025: Does the government provide information on the non resource fiscal balance in its budget proposal?**Score:  A B C

**Comments:**

Tables 39-42 (pages 61-64 in the pdf; pages 54-57 in the document) provide information on non-resource tax revenues, non-resource financial assets, and miscellaneous non-resource revenues.

**References:**


Central Bank of Iran (2010). Annual Report.

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# Iran - RWI Index Questionnaire

## Legal Framework and Practices

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Indicator	Score
2.3 Legal Framework and Practices	43 

### 2.3 Legal Framework and Practices

#### 2.3.026: In the legal framework, what government agencies have authority to collect taxes and payments from resource companies?

Score: A  B C D E

##### Comments:

See note to question 19. According to the Petroleum Act, the Ministry of Petroleum has authority to collect taxes. But in practice, the agency in charge of receiving payments from NIOC and other oil companies is the Ministry of Economic and Finance Affairs. This information could not be found on the Ministry's website or anywhere else. A report from the World Bank, the ESMAP report on Investing Oil in MENA from 2007, contains a case study on Iran describing this practice, see page 64 specifically.

##### References:

Ministry of Economic and Financial Affairs website: <http://www.mefa.gov.ir/Portal/Home/Default.aspx?CategoryID=32079fb9-1999-4ad0-9140-d7e9164f33a0>  
ESMAP Report No. 40405.  
[http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/09/19/000020953\\_20070919115824/Rendered/PDF/404050MNA.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/09/19/000020953_20070919115824/Rendered/PDF/404050MNA.pdf)

#### 2.3.027: Are all resource related revenues, including those collected by state owned companies, regulatory agencies, ministries, special funds or by the tax authority placed in the national treasury?

Score: A B  C D E

##### Comments:

Revenues are partly placed in the Oil Stabilization Fund (OSF) which is held in the national treasury; these figures are publicly available in the Central Bank's annual reports, specifically tables 19 and 42.

It is not clear where the rest of the revenue goes. Academic reports (cited above) indicate that some is funneled out of the country into the Naftiran Intertrade Company (NICO), an offshore oil-trading firm owned by the SOC.

##### References:

Central Bank of Iran (2010) Annual Report (attached elsewhere)

Mahdavi (2012), Brumberg and Ahram (2006)

---

**2.3.028: Are government officials with a role in the oversight of the oil, gas or mining sector required to disclose information about their financial interest in any extractive activity or projects?**

**Score:** A  B C

**Comments:**

No such law indicates this requirement.

**References:**

Petroleum Law of 1987, Budget Act of 1994, Iranian Constitution

---

**2.3.029: Is there independent external validation of internal controls of agencies in charge of receiving payments from resource companies with the objective of providing assurances of integrity of public funds and sound financial management?**

**Score:** A  B C D E

**Comments:**

The Ministry of Economic and Financial Affairs has an auditing arm called the Islamic Republic of Iran Audit Organization, which is overseen by the Supreme Audit Court. It is responsible for auditing the Oil Stabilization Fund, and the Ministry of Petroleum and NIOC's financial reports. A dated Freedom House report on Iran is skeptical of the Organization's ability to carry out proper audits (see link above).

**References:**

Islamic Republic of Iran Audit Organization website: <http://audit.org.ir/>

Freedom House, "Countries at the Crossroads 2007: Iran". Authored by Stephen Fairbanks. Link: <http://www.freedomhouse.org/report/countries-crossroads-2007/iran>. (click on "anticorruption and transparency" link on the right)

---

**2.3.030: Does the national audit office (or similar independent organization) report regularly to the legislature on its findings, including an objective analysis of agencies in charge of managing resource revenues, and are these reports published?**

**Score:** A B  C D E

**Comments:**

The Supreme Audit Court is a legislative institution and is where the Audit Organization files and presents audit reports. The Supreme Audit Court Act specifies that any audits must be made public, though in practice (as noted by the Freedom House report) these are regularly not released.

It should be noted that given the agency's reported inability to carry out proper audits (see Freedom House report) this question could also be marked as "Other". This is because the Audit Organization is likely not providing "objective" reports, though these reports are made public.

**References:**

Iran Audit Organization website list of reports (in Persian):

<http://audit.org.ir/%D8%A7%D9%86%D8%AA%D8%B4%D8%A7%D8%B1%D8%A7%D8%AA/%D9%86%D8%B4%D8%B1%DB%8C%D8%A7%D8%AA/tabid/125/language/en-US/Default.aspx>

Supreme Audit Court Act: [http://www.dmk.ir/ShowPage.aspx?](http://www.dmk.ir/ShowPage.aspx?page_=form&order=show&lang=2&sub=0&PageId=1291&codeV=1&temname=EnMain)

[page\\_=form&order=show&lang=2&sub=0&PageId=1291&codeV=1&temname=EnMain](http://www.dmk.ir/ShowPage.aspx?page_=form&order=show&lang=2&sub=0&PageId=1291&codeV=1&temname=EnMain)

Freedom House 2007 report (cited elsewhere): <http://www.freedomhouse.org/report/countries->



crossroads-2007/anticorruption-and-transparency-11

---

**2.3.031: Does a Parliamentary committee scrutinize reports on resource related revenues and, if so, when does this occur?**

**Score:**  A  B  C  D  E

**Comments:**

Audit reports are prepared annually and presented within the year to the Supreme Audit Court, a parliamentary committee. See the "Overview" document published by the Court itself, specifically Section 13 (page 16 ) on "Annual Reports".

**References:**

Supreme Audit Court (a parliamentary committee) website in English: <http://www.dmk.ir/?&lang=2&index.aspx>

"Overview of the Supreme Audit Court", brochure on statutes and regulations and procedures of the Supreme Audit Court, in English (attached), available from the website.

---

**2.3.032: Is this country an EITI candidate or compliant country?**

**Score:**  A  B  C  D  E

**Comments:**

Iran is not an EITI candidate or compliant country, nor has there been expressed interest in EITI.

**References:**

EITI website: <http://eiti.org/countries>

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# Iran - RWI Index Questionnaire

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Indicator	Score
3.1.1	Context 50 

3.1.1 Context

### 3.1.1.033: Is there a state-owned company? If so, what is its role in the extractive sector?

Score:  A  B  C  D  E

#### References:

Academic: Mahdavi (2012), Brumberg and Ahram (2006)

Government: NIOC website: <http://www.nioc.ir/portal/Home/Default.aspx?CategoryID=f398bd54-e170-44e9-a841-710c6c92b3a0&TabNo=1>

Ministry of Petroleum website (in Persian): <http://www.mop.ir/portal/Home/ShowPage.aspx?Object=Event&ID=1b1eca80-6a36-49d1-85bf-0c8700ef6e2b&LayoutID=63343e70-4d2d-424a-8232-64746f58279a&CategoryID=4bd7d587-34c9-4985-9d2a-2b724685e2b9>

#### Peer Review Comments:

There are also several quasi-private companies which are linked to the security forces, religious establishments or state pension funds, which operate under buyback contracts in the oil sector.

### 3.1.1.034: How is government ownership of resource companies structured in this country?

Score:  A  B  C  D  E

#### References:

Academic: Mahdavi (2012), Brumberg and Ahram (2006)

Government: Ministry of Petroleum website (in Persian): <http://www.mop.ir/portal/Home/ShowPage.aspx?Object=Event&ID=1b1eca80-6a36-49d1-85bf-0c8700ef6e2b&LayoutID=63343e70-4d2d-424a-8232-64746f58279a&CategoryID=4bd7d587-34c9-4985-9d2a-2b724685e2b9>

### 3.1.1.035: Is there more than one state-owned company (SOC) operating in the extractive sector?

Score:  A  B  C

#### Comments:

Technically there are four separate state-owned enterprises -- NIOC, National Iranian Gas Company, National Iranian Petrochemical Co, National Iranian Drilling and Exploration Co -- but in reality NIOC is the head company. These companies are treated as "sister" companies, but interviews and academic sources above suggest that there is really only one NOC, and this is NIOC.

#### References:

Academic: Mahdavi (2012)

Government: Ministry of Petroleum website (in Persian): <http://www.mop.ir/portal/Home/Default.aspx?CategoryID=b37c877a-1ec5-4ae5-90a0-a36ed666ca3c>

[click on the fourth link down in the main menu on the right-hand side, will show the four different state-owned enterprises in the oil and gas sector]

Interview: Hormoz Naficy (former NIOC manager), Sep 2008

**Peer Review Comments:**

There are also various quasi-private companies which are in fact linked to the security forces, religious establishment or to state (including NIOC) pension funds, which operate in the oil sector under buyback and EPC contracts.

---

**3.1.1.036: Do the roles and responsibilities of the SOC include provision of subsidies or social expenditures (quasi-fiscal activities)?**

Score: A (B) C

**Comments:**

NIOC is involved in several social programs as well as providing general fuel subsidies. Academic reports above cite NIOC's presence in social welfare programs such as housing reconstruction, infrastructure development, and health programs and other needs-based assistance to impoverished communities within Iran. The NIOC English site above provides a brief overview of a few of these projects. However, in terms of legislation, there is no explicit mention in the Petroleum Law of 1987 or Iranian Constitution that the SOC must engage in quasi-fiscal activities.

**References:**

Mahdavi (2012), Brumberg and Ahram (2006)

NIOC website on Public Welfare programs in English: <http://en.nioc.ir/Portal/Home/Default.aspx?CategoryID=4d7a0dda-f836-49a1-8ece-0494c431e046&TabNo=2>






**Peer Review Comments:**

NIGC (National Iranian Gas Company) is also involved in extending the gas distribution network throughout the country, including to remote areas where it is of doubtful commerciality. Some quasi-privatised oil sector companies are owned by the NIOC pension fund and other state funds and religious foundations.

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# Iran - RWI Index Questionnaire

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Indicator		Score	
3.2.1	Comprehensive reports	33	
3.2.2.038	Does the SOC publish information on revenue generation?	22	
3.2.3.038.j	Disaggregated Revenue Streams	0	
3.2.4	Quality of reports	0	
3.2.5.043	Audited reports	17	

## 3.2.1 Comprehensive reports

### 3.2.1.037: Does the SOC publish comprehensive reports with information about its operations and subsidiaries?

Score: A B  C D E

#### Comments:

No annual report has been publicly published since 2003-2004. See Mahdavi (2012) for more information. NIOC website provides some information, without clear guidelines, sometimes old, sometimes up to date information – and definitely not comprehensive, but some limited information published there.

#### References:

NIOC website in English: <http://www.nioc.ir/Portal/Home/Default.aspx?CategoryID=1749ab39-6590-49b0-a616-930afcbc8233&TabNo=1>

NIOC website in Persian, with no data on Annual Reports:

<http://www.nioc.ir/Portal/Home/ShowPage.aspx?Object=GeneralText&ID=94cb2099-5592-46d3-b6de-6a43abd8efb6&LayoutID=2c52983e-f7f5-4151-9aaa-1d487aec1ec8&CategoryID=d7d95987-15cb-4032-9f2a-be66a31b0c38f7f5-4151-9aaa-1d487aec1ec8&CategoryID=d7d95987-15cb-4032-9f2a-be66a31b0c38>

#### Peer Review Comments:

NIOC does have some limited information on its website about its subsidiaries and their activities.

## 3.2.2.038 Does the SOC publish information on revenue generation?

### 3.2.2.038.a: Reserves

Score: A B  C D E

#### Comments:

The SOC does not publicly publish this information, though revenues from NIOC are reported in the Central Bank of Iran's Annual Reports (see questions on the Central Bank in prior section)

**References:**

Central Bank of Iran (2010) Annual Report

NIOC website in English: <http://www.nioc.ir/Portal/Home/Default.aspx?CategoryID=1749ab39-6590-49b0-a616-930afcbc8233&TabNo=1>

**Peer Review Comments:**

NIOC reports its reserves up to 2008 on its website (<http://en.nioc.ir/Portal/Home/Default.aspx?CategoryID=f398bd54-e170-44e9-a841-710c6c92b3a0&TabNo=3>), though of course these figures are not independently audited.

---

**3.2.2.038.b: Production volumes**

Score: A B C **(D)** E

**Comments:**

The SOC does not publicly publish this information, though production volumes from NIOC are reported in the Central Bank of Iran's Annual Reports (see questions on the Central Bank in prior section)

**References:**

See above for description of sources

**Peer Review Comments:**

NIOC's production can be deduced from its reserves figures and reserves life given on its website (<http://en.nioc.ir/Portal/Home/Default.aspx?CategoryID=f398bd54-e170-44e9-a841-710c6c92b3a0&TabNo=3>) though this is approximate and non-transparent.

---

**3.2.2.038.c: Information on prices**

Score: A **(B)** C D E

**Comments:**

The weblink above shows current oil price information provided by NIOC. There is a link at the bottom for prior months as well.

**References:**

NIOC website in English: <http://www.nioc.ir/Portal/Home/ShowPage.aspx?Object=GeneralText&ID=402eba2e-9216-44b1-aa5e-18473ad445a5&LayoutID=40310128-170d-47a6-a7c9-6400f8d4a3ec&CategoryID=a034ee3f-1acf-4bad-a4af-1bbbf5c1e716>

**Peer Review Comments:**

These official oil selling prices may not reflect the actual prices received by NIOC.

---

**3.2.2.038.d: Value of resource exports**

Score: A B C **(D)** E

**Comments:**

NIOC does not publish this information but it is publicly published by the Central Bank in its annual reports.

**References:**

Central Bank of Iran (2010) Annual report.

---

**3.2.2.038.e: Estimates of investment in exploration and development****Score:** A B C **(D)** E**Comments:**

NIOC does not publish this information nor is it publicly published by the Central Bank in its annual reports, where other statistics on revenue are published.

**References:**

Central Bank of Iran (2010) Annual Report

---

**3.2.2.038.f: Production costs****Score:** A B C **(D)** E**Comments:**

NIOC does not publish this information nor is it publicly published by the Central Bank in its annual reports, where other statistics on revenue are published.

**References:**

Central Bank of Iran (2010) Annual Report

---

**3.2.2.038.g: Names of companies operating in country****Score:** A B **(C)** D E**Comments:**

The most recent list of foreign operating companies in Iran's oil sector, by contract, only seems to go up to 2008. On the other hand a complete and recent list of NIOC's (state-owned) subsidiaries operating in the oil sector can be found here (in English): <http://www.nioc.ir/portal/Home/Default.aspx?CategoryID=f398bd54-e170-44e9-a841-710c6c92b3a0&TabNo=7>

**References:**

NIOC website lists some foreign companies: <http://www.nioc.ir/portal/Home/Default.aspx?CategoryID=95949051-0d6f-4ca9-be99-45b894630ca5&TabNo=2>

NIOC website list of national companies: <http://www.nioc.ir/portal/Home/Default.aspx?CategoryID=f398bd54-e170-44e9-a841-710c6c92b3a0&TabNo=7>

**Peer Review Comments:**

NIOC gives some information about companies operating under buyback contracts, though this only runs up to 2008 and may not be complete.

---

**3.2.2.038.h: Production data by company and/or block****Score:** A B **(C)** D E**References:**

<http://www.nioc.ir/portal/Home/Default.aspx?CategoryID=95949051-0d6f-4ca9-be99-45b894630ca5&TabNo=2>

**Peer Review Comments:**

The list of NIOC subsidiaries at <http://www.nioc.ir/portal/Home/Default.aspx?CategoryID=f398bd54->

---

e170-44e9-a841-710c6c92b3a0&TabNo=7 does give some indications of production levels per subsidiary.

---

### 3.2.2.038.i: Quasi fiscal activities

**Score:** A B  C D E

**Comments:**

The site above only shows scant information from prior years on a few social projects. No recent information on this is available.

**References:**

NIOC website on social programs (in English): <http://www.nioc.ir/Portal/Home/Default.aspx?CategoryID=4d7a0dda-f836-49a1-8ece-0494c431e046&TabNo=2>

### 3.2.3.038.j Disaggregated Revenue Streams

---

#### 3.2.3.038.j1: Production streams value

**Score:** A B C  D E

**Comments:**

This data is not published by NIOC but it is publicly reported by the Central Bank of Iran in its annual reports.

**References:**

Central Bank of Iran (2010) Annual Report

---

#### 3.2.3.038.j2: Government s share in PSC

**Score:** A B C D  E

**Comments:**

This information is not published by NIOC.

**References:**

NIOC website (in Persian): <http://www.nioc.ir/Portal>

**Peer Review Comments:**

Iran does not use PSCs.

---

#### 3.2.3.038.j3: Royalties

**Score:** A B C D  E

**Comments:**

This information is not published by NIOC.

**References:**

NIOC website (in Persian): <http://www.nioc.ir/Portal/Home/Default.aspx>

---

### 3.2.3.038.j4: Special taxes

Score: A B C D **E**

**Comments:**

This information is not published by NIOC.

**References:**

NIOC website (in Persian): <http://www.nioc.ir/Portal/Home/Default.aspx>

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of special taxes on the extractive sector.

---

### 3.2.3.038.j5: Dividends

Score: A B C **D** E

**Comments:**

This information is not published by NIOC.

**References:**

NIOC website (in Persian): <http://www.nioc.ir/Portal/Home/Default.aspx>

---

### 3.2.3.038.j6: Bonuses

Score: A B C D **E**

**Comments:**

This information is not published by NIOC.

**References:**

NIOC website (in Persian): <http://www.nioc.ir/Portal/Home/Default.aspx>

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of bonuses.

---

### 3.2.3.038.j7: License fees

Score: A B C D **E**

**Comments:**

This information is not published by NIOC.

**References:**

NIOC website (in Persian): <http://www.nioc.ir/Portal/Home/Default.aspx>

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of licence fees.

---

### 3.2.3.038.j8: Acreage fees



**Score:** A B C D **(E)**

**Comments:**

This information is not published by NIOC.

**References:**

NIOC website (in Persian): <http://www.nioc.ir/Portal/Home/Default.aspx>

**Peer Review Comments:**

Iran's petroleum fiscal system does not make use of acreage fees.

---

**3.2.3.038.j9: Other (Describe below)**

**Score:** A B C D **(E)**

**Comments:**

No additional information on disaggregated revenue is published by NIOC.

**References:**

NIOC website (in Persian): <http://www.nioc.ir/Portal/Home/Default.aspx>

3.2.4 Quality of reports

---

**3.2.4.039: Are the reports published by the state owned company understandable?**

**Score:** A B C **(D)** E

**Comments:**

As noted above, these reports are not publicly available.

**References:**

NIOC website (in Persian): <http://www.nioc.ir/portal/Home/ShowPage.aspx?Object=GeneralText&ID=94cb2099-5592-46d3-b6de-6a43abd8efb6&LayoutID=2c52983e-f7f5-4151-9aaa-1d487aec1ec8&CategoryID=d7d95987-15cb-4032-9f2a-be66a31b0c38>

**Peer Review Comments:**

There is some scattered information on reserves, production levels and subsidiaries on the NIOC website, though it may be out of day and is not systematic.

---

**3.2.4.040: How often are the reports or statistical databases containing information on revenue generation published by the state owned company?**

**Score:** A B C **(D)** E

**Comments:**

As noted above, these reports are not publicly available.

**References:**

NIOC website (in Persian): <http://www.nioc.ir/portal/Home/ShowPage.aspx?Object=GeneralText&ID=94cb2099-5592-46d3-b6de-6a43abd8efb6&LayoutID=2c52983e-f7f5-4151-9aaa-1d487aec1ec8&CategoryID=d7d95987-15cb-4032-9f2a-be66a31b0c38>

---

**3.2.4.041: If the SOC is involved with quasi fiscal activities, does it publish information about them?****Score:** A (B) C**Comments:**

As mentioned above, NIOC does publish some information about quasi-fiscal activities such as social welfare programs, but this information is quite dated.

**References:**

NIOC website: <http://en.nioc.ir/Portal/Home/Default.aspx?CategoryID=4d7a0dda-f836-49a1-8ece-0494c431e046&TabNo=2>

**3.2.4.042: If there are joint ventures, does the SOC (or government) publish information on its share of costs and revenues deriving from its equity participation in joint ventures?****Score:** A B (C)**Comments:**

JVs exist in Iran, but the only reported ones on NIOC's website are those NIOC is engaged in outside Iran. E.g. a joint venture in Malaysia. Furthermore, very few details are given even for these JVs, but the researcher marked "N/A or Other" because it seems that some information at least is given.

**References:**

NIOC website: <http://en.nioc.ir/Portal/Home/Default.aspx?CategoryID=bd768d10-b7db-4e5a-8bfe-ebe20e0b9f56&TabNo=6>

**Peer Review Comments:**

Iran has JVs in Azerbaijan, the UK and elsewhere but information is not available. It does not operate JVs in the upstream sector within Iran, but it does have foreign investment via buyback contracts; again, the details of these are not reported.

## 3.2.5.043 Audited reports

**3.2.5.043.a: Is the SOC subject to annual audits conducted by an independent external auditor to ensure that the financial statements represent the financial position and performance of the company?****Score:** A B (C) D E**Comments:**

The Supreme Audit Court, a legislative committee which oversees the Audit Organization, monitors NIOC and the oil industry. However, as the Freedom House report indicates (as mentioned in other comment sections in this questionnaire) that the audits are not necessarily independent or even effective. For this reason the researcher chose the "C" criterion since audits do take place (annually at the least), but these audits are not trustworthy.

**References:**

Freedom House 2007 report on Iran (cited elsewhere)

Supreme Audit Court website, information on audit laws and procedures:  
[http://www.dmk.ir//dorsapax/Data/Sub\\_0/File/brochure.pdf](http://www.dmk.ir//dorsapax/Data/Sub_0/File/brochure.pdf)

**3.2.5.043.b: Are SOC audited reports published?****Score:** A B C **D** E**Comments:**

No specific audit reports on NIOC or the oil sector writ large appear to be published, though these reports do exist (and are required by law, see the above link for the Supreme Audit Court Act)

**References:**

Supreme Audit Court website: <http://www.dmk.ir/?&lang=2&index.aspx>


Supreme Audit Court Act:

[http://www.intosaiitaudit.org/mandates/mandates/Mandates/Iran.htm#supreme\\_audit](http://www.intosaiitaudit.org/mandates/mandates/Mandates/Iran.htm#supreme_audit)

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Indicator	Score
3.3.1 Legal Framework and Practice	25 

## 3.3.1 Legal Framework and Practice

### 3.3.1.044: Does the SOC have a legal obligation to publish financial reports?

Score: A  B  C

**Comments:**

None of the laws above contains regulation requiring the SOC to publish financial reports.

**References:**

Petroleum Law of 1987, Budget Act of 1994, Constitution of Iran, Supreme Audit Court Act ([http://www.intosaiitaudit.org/mandates/mandates/Mandates/Iran.htm#supreme\\_audit](http://www.intosaiitaudit.org/mandates/mandates/Mandates/Iran.htm#supreme_audit))

### 3.3.1.045: Does the SOC follow internationally recognized accounting standards?

Score: A  B  C

**Comments:**

There is no information on accounting practices, and since there are no recent Annual Reports or financial reports, it is difficult to assess what accounting standards the SOC follows. As such, the researcher marked "N/A" but could also answer "No"

**References:**

NIOC website: <http://www.nioc.ir>

**Peer Review Comments:**

In general, Iranian accounting standards are based on IAS, the forerunner of IASB, hence it could be expected that NIOC's accounts would broadly follow IASB. However this is only supposition in the absence of published accounts.

### 3.3.1.046: Do SOC audits include consolidated accounts that cover all of the SOC subsidiaries?

Score: A  B  C

**Comments:**

Since there are no publicly available audit reports of the SOC, it is not possible to answer this question, so the researcher marked "N/A", but as above, could also have marked "No"

**References:**

Supreme Audit Court website: <http://www.dmk.ir/index.aspx?lang=2&sub=0>

---

**3.3.1.047: Are officials of the SOC required to disclose information about their financial interest in any oil, gas or mining projects?**

Score: A  B C

**Comments:**

There is no legislation requiring SOC officials to disclose this information

**References:**

Petroleum Act of 1987, Budget Act of 1994, Constitution of Iran

---

**3.3.1.048: Does the SOC publish information on the composition of its Board of Directors?**

Score:  A B C

**References:**

NIOC website on managers/directors/board members: <http://www.nioc.ir/portal/Home/ShowPage.aspx?Object=GeneralText&ID=49c82094-183a-44a5-b112-4da9349dbb87&LayoutID=434e06e5-ac33-4c53-8c59-bcd473f7f0ab&CategoryID=d7d95987-15cb-4032-9f2a-be66a31b0c38>

And here on general organization: <http://www.nioc.ir/portal/Home/ShowPage.aspx?Object=GeneralText&ID=9503b0da-3ea8-4761-94e8-25c11604d725&LayoutID=434e06e5-ac33-4c53-8c59-bcd473f7f0ab&CategoryID=d7d95987-15cb-4032-9f2a-be66a31b0c38>

In English: <http://en.nioc.ir/Portal/Home/Default.aspx?CategoryID=f398bd54-e170-44e9-a841-710c6c92b3a0&TabNo=5>

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**3.3.1.049: Does the SOC publish information about the rules governing decision making by the Board of Directors?**

Score: A  B C

**Comments:**

NIOC does not publish this information, but legislation does indicate the rules governing the board's decisions, mainly that they are subject to parliamentary approval (see Petroleum Act of 1987).

**References:**

NIOC site on board of directors in English: <http://en.nioc.ir/Portal/Home/Default.aspx?CategoryID=f398bd54-e170-44e9-a841-710c6c92b3a0&TabNo=5>

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