

Marine Services in Iraq

September 2014

As such, it has become necessary to know the requirements to establish an entity which will conduct business in this field, and these requirements may be of interest both for those in Iraq and those outside of Iraq and the marine field. This article will discuss the requirements in connection with enabling an entity to render marine services in Iraq and will take you through the procedures of each stage with the aim of clarifying the entire process. It should be taken into consideration that the requirement at each stage has a bearing on the one ahead.

Stage 1 - Companies Registrar Department

The procedure for registering an entity with the Companies Registrar Department will vary depending on the type of the entity to be registered e.g. a local company, an LLC, or a representative office or branch of a foreign company; however, it is unnecessary to go into details of the registration requirements for each of these entities in this article. The points to be taken into consideration when registering an entity for rendering marine services in Iraq are as follows:

- The Executive Manager must be an Iraqi national;
- The entity's activity (marine services) must be reflected in the Memorandum of Incorporation; and
- The entity's name should explicitly include the business activity of marine services.

Stage 2 - Work Permit

In order to obtain a work permit from the General Company for Port of Iraq / Ministry of Transportation (the "GCPI"), by applying to the Marine Inspection Department, the following is required:

- The Companies Registrar Department / Ministry of Trade must have legitimately registered the entity (see Stage 1);
- The Executive Manager of the entity must hold a first class identification card from the Chamber of Commerce;
- The marine services entity's office must be located in Basra and either owned by the entity or leased and registered under the name of the Executive Manager;
- One of the entity's employees must be a marine expert;
- The Executive Manager should have at least three years of experience in marine techniques and in the marine management field;
- The entity must obtain a clearance from the General Commission for Taxes;
- The Marine Inspection Department must be paid annual fees which amount to one million Iraqi dinars (IQD 1,000,000);
- The entity must submit an undertaking to the Marine Inspection Department regarding complying with the rules and regulations; and
- The Marine Inspection Department must inspect the entity's office (and marine units if applicable).

Stage 3 - Licence for marine services

To apply for a licence for marine services from the Marine Agencies of the State Company for Maritime Transport / Ministry of Transportation, the following steps are required:

- Obtain a work permit from the Marine Inspection Department / GCPI / Ministry of Transportation (see

Stage 2 above);

- Register with the Companies Registrar Department pursuant to the valid companies laws and regulations (see Stage 1 above), this includes submitting the entity's documents (internal systems, Articles of Association, and the Memorandum of Incorporation);
- The entity's name should explicitly include the activity of marine services;
- The entity's activity (marine services) must also be reflected in the Memorandum of Incorporation;
- The Executive Manager should be an Iraqi national;
- The Memorandum of Incorporation should state that "the Entity's regulations do not conflict with Marine Agencies Code Number (56) of (1985) as amended";
- Provide tax clearance and a non-objection letter from the General Commission for Taxes addressed to the state company for maritime transport;
- The Executive Manager, or his deputy, should have a marine degree e.g. Shipmaster, Chief Engineer, Engineer, Naval Officer, and at least 8 years of experience;
- Provide a guarantee letter of seventy-five million Iraqi dinars (IQD 75m);

Submit an undertaking to the Marine Agencies regarding the following:

- To comply with all rules and regulations issued by the State Company for Maritime Transport and common marine rolls and regulations;
- To pay on behalf of the shipper all dues and expenses to the Marine Agencies / State Company for Maritime Transport (as stated on the Dues and Duties Tariff of Marine Services);
- To conduct its business without any conflict with the Marine Agencies Code Number (83) of (2012) and its amendment Code No. (56) of (1985);
- Not to ship or deal with products harmful to the safety and security of Iraq;
- To bear the legal consequences for breaching any of the above; and
- Upon the arrival of any ship to the Iraqi ports, to provide to the Marine Agencies a list of the mariners' names as issued by the port of departure, combined with a Certificate of Arrival from the Iraqi port.
- Pay the licence application fee of four million Iraqi Dinars (IQD 4,000,000); and
- The licence is valid for one year and renewable upon both parties' approval – the annual renewal fee is one million Iraqi dinars (IQD 1,000,000).

It is to be noted that each stage listed above is to be fully finalised prior to proceeding with the next one (i.e. Stage 1 must be fully satisfied before Stage 2 can be undertaken).