

**The Law on National General Accounts, Approved on
August 23, 1987**

With the latest amendments and appendices

Official Gazette No. 12400, September 22, 1987
No. 1/3325

September 9, 1987

Attn.: Mr. Prime Minister

The Law on National General Accounts, approved on August 23, 1987, by the Islamic Consultative Assembly, which has proceeded through all the necessary legal stages, is hereby forwarded to you so that it may be made available to the responsible authorities for implementation.

Seyyed Ali Khamenei, President

No. 23Gh/80070

September 12, 1987

Ministry of Economic and Financial Affairs

The Law on National General Accounts, which was approved at the session of the Islamic Consultative Assembly on Saturday, August 23, 1987, was confirmed by the Guardian Council on September 1, 1987, and was subsequently forwarded to the Office of the Prime Minister along with the Presidential Letter No. 1/3325, dated September 9, 1987, is hereby communicated, attached to this letter, for implementation.

Prime Minister, Mir-Hossein Mousavi

Law on National General Accounts

Chapter One – Definitions

Article 1 – The general national budget is the Government's financial plan, which is prepared for a period of one fiscal year and contains revenue projections and other sources of provision of credit, as well as expenditure estimates for the implementation of operations that would result in the achievement of policies and statutory objectives, and consists of the following three parts:

1 – The Government's general budget, which includes the following components:

A – Forecast of receipts and sources of credit provision that, either directly or indirectly, are received by organizations during the budgetary legislation's fiscal year through the Treasury General's accounts.

B – Forecast of payments that, out of the general or allocated revenue, can be made for current, development, and allocative credits of the executive organizations during the relevant year.

2 – The budget of governmental corporations and banks, including revenue forecasts and other sources of credit provision.

3 – The budget of institutions that are included in the general national budget under headings different than the ones above.

Article 2 – A ministry is a particular organizational unit that has legally been recognized or is recognized as such.

Article 3 – A governmental institution is a particular organizational unit that has been created according to the law and administered under the supervision of one of the three powers, and is not called a ministry.

Note – The Presidency, which is administered under the supervision of the President, is considered a governmental institution by this law.

Article 4 – A governmental corporation is a particular organizational unit that is created with legal authorization as a corporation, or else has been nationalized or expropriated by a legal ruling or by a qualified court, and has been recognized as a governmental corporation, and more than 50 percent of whose capital belongs to the Government. Any commercial corporation that has been created through investment by governmental corporations is considered to be a governmental corporation, as long as more than 50 percent of its shares belong to governmental corporations.

Note – Corporations that have been or are created through bailment of capital, farming contract and such, in order to employ personal deposits with banks, credit institutions, and insurance companies, are not, according to this law, considered to be governmental corporations.

Article 5 – Public non-governmental institutions and organizations are, according to this law, particular organizational units that have been or are organized by this law's authorization in order to carry out duties and services that have a public aspect.

Note¹ – The list of such institutions and organizations shall be proposed on behalf of the Government, with due consideration of the relevant laws and regulations, and shall be approved by the Islamic Consultative Assembly.

Article 6 – The fiscal year consists of one solar year based on the Hegira, which begins on March 21, and end on March 20.

¹ See the Law on the List of Public Non-governmental Organizations and Institutions, approved on July 10, 1994, by the Islamic Consultative Assembly, and its subsequent appendices. Also, according to the single Article of the founding Law on Self-Sufficient Rural Authorities in the Country's Rural Regions, approved on July 5, 1998, by the Islamic Consultative Assembly, and also according to Article 1 of the Law on the Board of Trustees of Foreign Exchange Savings in Treatment of Patients, approved on December 12, 1999, by the Islamic Consultative Assembly, the Board of Trustees of Foreign Exchange Savings in Treatment of Patients (Foreign Exchange Board of Trustees) operates as a public non-governmental organization.

Article 7 – Credit consists of an amount that has received the approval of the Islamic Consultative Assembly for specific spending or spendings in order to achieve the Government’s objectives and carry out its plans.

Article 8² – Unallocated debts consist of payable debts of prior years for which no credit has been specified in the relevant budget, or which exceed the approved credit, and, in either case, have been created, without the control of the organization, in one of the following manners.

A – Explicit orders issued on behalf of qualified authorities.

B – Various types of debts to ministries, governmental institutions, and governmental corporations arising from services carried out, such as charges for electricity, water, communications, postal services, and similar expenses, which have been created outside the control of the executive organization.

C – Other debts that have been created outside the control of the organization. The types of unallocated debts that are the subject of this paragraph shall be determined and announced on behalf of the Ministry of Economic and Financial Affairs.

Article 9 – The expenditure items specify the type of expenditure within the budget or a part of the activities of a ministry or governmental institution.

Article 10 – General revenue consists of the revenues of the ministries and governmental institutions, taxes and dividends of governmental corporations, the revenue earned from monopolies or ownership, and other revenues that are included in the general national budget under the heading of general revenue.

Article 11 – Governmental receipts consist of all funds that, under the headings of general revenue, allocated revenue, revenue of governmental corporations, other sources of credit provision, deposits, gifts other than gifts that have been allocated to specific uses and such, and other funds that legally must be concentrated in the Treasury General’s accounts.

Article 12 – Other sources of credit provision consist of sources that under the headings of loan, issuance of bonds, return from payments of prior years, and similar headings are forecast in the general national budget, and are not of the nature of revenue.

Article 13 – Public funds consist of cash that is connected to ministries, governmental institutions, governmental corporations and organizations, public non-governmental institutions, and institutions affiliated to the above organizations, that are not a part of what belongs to individuals and private institutions, and regardless of the

² See the executive guidelines regarding unallocated debts that are the subject of articles 8 and 58 of the Law on National General Accounts, No. 56/5556/8291, dated July 12, 1988, of the Ministry of Economic and Financial Affairs, and its subsequent amendments.

method and source of its earning, is subject to interference and possession solely for public uses according to law.

Note 1 – Interference in funds such as deposits, guaranties, and such items that are made available to the organizations mentioned in this article on a temporary basis, and which are recoverable after the expiration of a set period or the achievement of specific conditions, as long as they are available to the said organizations, without the consent of the fund's owner or the obtaining of waiver from the fund's owner, is construed as illegal possession of public funds.

Note 2 – Valuable documents and securities belonging to the organizations mentioned in this article are also construed as public funds.

Article 14³ – Allocated revenue consists of revenues that, pursuant to law, have been included as allocated revenue in the general national budget for specific use or uses. (*amended*)

Article 15 – Revenue of governmental corporations consists of revenues that are earned by these corporations in return for offering services or selling goods, as well as for other activities that the law and regulations authorize the said corporations to carry out.

Article 16 – The other sources of credit provision of governmental corporations consist of sources that the said corporations are legally allowed to include in the relevant budgets as governmental subsidy, loan, use of reserves, reduction of capital in circulation, and so on.

Note – In this article, “capital in circulation” means the excess of current assets over current liabilities.

Article 17 – “To designate” consists of determination and selection of goods and services and other payments whose acquisition or provision is necessary to the achievement of the implementation of the plans of the executive organizations.

Article 18 – Credit provision consists of allocation of all or part of approved credit to a specific expenditure.

Article 19 – Commitment, from this law's viewpoint, consists of the creation of debt owed by the Government, resulting from:

A – Delivery of goods or carrying out services.

B – Carrying out contracts concluded with observance of regulations.

C – Rulings issued by legal and qualified authorities.

D – Joining international agreements, and membership in international organizations or forums, as authorized by law.

³ Pursuant to Article 92 of the Law on Collection of Certain Government Revenues and Their Expenditure, approved on March 19, 1995, by the Islamic Consultative Assembly, the latter part of Article 14 of this law has been omitted.

Article 20 – Confirmation consists of determining the amount of debt that is payable pursuant to documents that prove indebtedness.

Article 21 – Draft consists of a written authorization issued by authorized officials of a Ministry, governmental institution, governmental corporation, local executive organization, non-governmental public organization, or other executive organization for the payment of payable commitments and debts, out of the relevant credits, owed by the accountability officer to the beneficiary.

Article 22 – Demand for funds is a document that the accountability officer issues to the account of the payment bank account of the relevant executive organization, in order to receive the funds for payment of the drafts issued that are the subject of Article 21 of this law, and for other payments that are legally authorized out of the funds concentrated at the Treasury, according to the case, out of the relevant credits or funds held by the central Treasury or the provincial representatives of the Treasury.

Article 23 – Expenditure consists of payments that are conclusively made to the beneficiary due to commitments or as subsidy or other similar titles, with observance of the relevant laws and regulations.

Article 24 – Revolving fund consists of bank credit in the public revenue account at the Central Bank of the Islamic Republic of Iran, authorization to use which, at set amounts, is issued, according to the law, in each fiscal year, in order to meet the Treasury's cash requirements in the same year, to the Ministry of Economic and Financial Affairs, and is deposited by the end of the year.

Article 25 – Provincial revolving fund consists of funds that the Treasury, out of the credits approved in order to create the facilities necessary in payment of the current and development expenditures of local executive organizations subject to the provincial budget system, makes available to the representatives of the Treasury at each provincial capital.

Article 26 – Accounting revolving fund consists of funds that the Treasury or the Treasury's representatives in each province make available to the accountability officer out of the credits approved for carrying out certain expenditures of the current year and the payable commitments of previous years, so that they are deposited towards the issued drafts, and are again received through the issuance of a demand for funds.

Article 27 – Payment revolving fund consists of funds that are made available to units or officials who, pursuant to this law and its implementing regulations, are authorized to receive revolving funds, out of accounting revolving funds, on behalf of the accountability officer, with the approval of the Minister, institution head, or by authorized officials on their behalf, so that, as the relevant expenditures are made, the expenditure documents are delivered, and they receive funds again.

Article 28 – Prepayment consists of a payment made out of the relevant credits, on the basis of rulings and agreements, pursuant to regulations, prior to the carrying out of the commitment.

Article 29 – An installment consists of a payment that is made in order to repay a part of a commitment, with observance of the regulations.

Article 30 – From this law’s viewpoint, a deposit consists of:

A – Funds that, pursuant to laws and regulations, are received in order to secure the Government’s rights or to prevent their loss, and whose restitution or confiscation are subject to the conditions set out in the relevant laws, regulations, and agreements.

B – Funds that, due to arrangements or rulings issued by legal authorities, are received from natural or legal persons, and that are recoverable, in whole or in part, pursuant to arrangements or rulings of the said authorities.

C – Funds that are left with governmental organizations in the interest of third parties, on the basis of legal regulations, so that they are paid to the beneficiaries, with observance of the relevant regulations.

Note – Funds that are received by governmental organizations from persons, on the basis of regulations, as deposits or as charges for water, electricity, telephone services, telex, gas, and so on, are not considered as deposits by this law, and are, in every way, subject to the regulations relevant to them.

Article 31 – Accountability officer is an official who, pursuant to orders of the Ministry of Economic and Financial Affairs, is appointed to this position, from among the qualified officials, in order to carry out the necessary supervision and coordination in the execution of financial and accounting regulations at the ministries, governmental institutions and corporations, local executive organizations, or non-governmental public institutions and organizations, and is responsible for carrying out the duties detailed below:

1 – Supervision of financial and accounting affairs, maintenance and compilation of accounts according to law and the relevant terms and regulations, and their accuracy and health.

2 – Supervision of maintenance of financial documents and records.

3 – Maintenance, delivery, and development of funds, cash, deposits, and securities.

4 – Keeping account of governmental assets, and supervision of such assets.

Note 1 – The accountability officer works under the director of the executive organization.

Note 2 – Accountability officers of non-governmental public institutions and organization, the subject of Article 5 of this law regarding funds that they receive out of public revenues, are appointed pursuant to an order of the Ministry of Economic and Financial Affairs, and with that organization's agreement.

Article 32 – The accountability officer's deputy is an official who is appointed to this position from among qualified officials by an order of the Ministry of Economic and Financial Affairs.

Article 33 – The Treasury's provincial representative is a specific organizational unit at each provincial capital who carries out the affairs related to receipt of the province's revolving fund and assignment of the accounting revolving fund to accountability officers of executive organizations pursuant to the provincial budgetary system, the communication of the provincial budgetary credits, the opening of governmental current accounts at the provincial level, and other duties that, pursuant to this law and its implementing regulations have been assigned to the said unit, representing the Treasury at the relevant province, under the supervision of the local director of economic and financial affairs.

Article 34⁴ – The Assets Trustee is an official who is appointed to this position from among qualified and trusted officials, with the accountability officer's agreement, and pursuant to an order of the relevant Ministry or organization, and who is responsible for the protection, delivery, development, and compilation of assets accounts, documents that are equivalent to cash, and goods that are subject to financial responsibility. The regulations regarding the conditions, selection method, and limits of duties and responsibilities of the Assets Trustee regarding portable and non-portable assets shall be prepared by the Ministry of Economic and Financial Affairs, with observance of this law's regulations, and shall be submitted to the Cabinet for approval.

Article 35 – Supplier is an official who is appointed to this position from among qualified officials, and who takes action regarding the purchase and provision of the required goods and services, according to the orders of authorized officials, and with observance of regulations.

Article 36⁵ – An accountability officer's agent is an official who, with the accountability officer's consent, and on the basis of the relevant executive organization's order, is appointed to this position from among qualified officials, in cases that shall be

⁴ See the implementing regulations regarding the conditions, selection method, and limits of the duties and responsibilities of the Assets Trustee, the subject of the Cabinet Bill No. H17482T/74888, approved on February 4, 1998.

⁵ See the implementing regulations that are the subject of Article 36 of the Law on National General Accounts, Bill No. 809T/81278, approved by the Cabinet on February 6, 1989.

determined according to this article's implementing regulations, and who shall be delegated by the accountability officer to carry out a portion of the duties and responsibilities that are the subject of Article 31 of this law.

Suppliers, supply units, and other governmental officials and units, as long as they are authorized to receive payment revolving funds from an accountability officer, according to the type and nature of their legal responsibilities or the missions assigned to them, are, from the viewpoint of the regulations regarding the deposit of received revolving funds, considered as agents of the accountability officer.

Chapter Two – Budget Implementation

Section 1 – Revenues and other sources of credit provision

Article 37 – Forecasts of revenue or other sources of credit provision in the general national budget is not license to collect from individuals, and, in each case, legal license is required. The heads of the relevant executive organizations are responsible for the correct and timely collection of revenue.

Article 38 – Collection of revenues that have not been included in the national general budget, in conformity with the laws and regulations that are relevant to it, is permissible.

Article 39 – Funds that are received through revenues and other sources of credit provision included in the national general budget, as well as the revenues of governmental corporations, with the exception of banks, credit institutions, and insurance companies, must be delivered to the Treasury accounts that are opened at the Central Bank of the Islamic Republic of Iran.

The Treasury is required to make the necessary arrangements so that governmental corporations can use their funds, within the limits set by the approved budget.

Note – In the case of governmental corporations a part of whose shares of stock belong to the non-governmental (private and cooperative) sector, if their articles of association differ from any of the articles of this law, this law is, with the agreement of the owners of the said stock, applicable; otherwise, the articles of this law must be applied to the shares belonging to the governmental sector.

Article 40⁶ – The operational methodology and methods of implementation regarding the collection of the revenues of the ministries and governmental corporations, and the forms used for this purpose, shall be based on directives that shall be prepared and communicated by the Ministry of Economic and Financial Affairs.

⁶ The directives and memoranda that are the subject of Article 40 of this law have been prepared, depending on the case, by the Ministry of Economic and Financial Affairs, and have been communicated to the accountability officers and executive organizations for implementation.

Note – Governmental corporations, with the exception of banks, credit institutions, and insurance companies, are required to submit the implementation methods of their revenue collection to the Ministry of Economic and Financial Affairs for approval.

Article 41 – Funds that have been received by the ministries, governmental institutions, and governmental corporations (with the exception of banks, credit institutions, and insurance companies) as deposits, guaranties, collateral, and so on, must be deposited in special accounts that are opened at the Central Bank of the Islamic Republic of Iran or branches of other governmental banks that represent the Central Bank of the Islamic Republic of Iran. The funds deposited in the said accounts, which cannot be withdrawn, must, at the end of each month, be transferred to the special account of concentration of deposited funds at the Treasury.

Note – Transfer of the deposited funds is carried out in conformity to its own regulations, and the Ministry of Economic and Financial Affairs is required, through the assignment of deposit transfer revolving funds from the account of concentration of deposited funds, or through other means, to provide the means to expedite and facilitate the transfer of all deposits that are the subject of this article.

Article 42 – All ministries, governmental institutions, and governmental corporations are required, within at most a period of three months from the date of implementation of this law, to transfer all the funds of the deposits that, up to the said date, have been received and no action has as of yet been taken regarding their transfer to the beneficiary, to the Treasury's account for concentration of deposited funds at the Central Bank of the Islamic Republic of Iran, and to announce to the Treasury a list of the full specifications of the said deposits.

Article 43⁷ – The regulations regarding the implementation method of articles 39, 41, and 42 shall be approved by the Minister of Economic and Financial Affairs and communicated, and violators of implementation of these articles, in conformity with the ruling of advisory boards of the National Accounts Tribunal, shall be sentenced to the punishments stated in the statute of the National Accounts Tribunal.

Article 44 – Governmental corporations are required, after the approval of the corporation's balance sheet and statement of profit and loss by the relevant public assemblies, to arrange, within at most one month, for payment of taxed amounts, as well as the Government's dividend, to the account of the Ministry of Economic and Financial Affairs.

Violations regarding implementation of this article amount to illegitimate appropriation of public funds.

⁷ See the implementing regulations for concentration of revenue and deposit funds, subject of Article 43 of the Law on National General Accounts, No. 25881, dated November 17, 1987, of the Ministry of Economic and Financial Affairs, and its subsequent amendments.

Note – Governmental corporations are required, if their balance sheet and statement of profit and loss has not been approved by the relevant public assemblies by September 22 of each year, to pay the accrued taxes, on the basis of the figures of the balance sheet and the statement of profit and loss that they have submitted to the auditor selected by the Ministry of Economic and Financial Affairs, according to the relevant tax statutes, or else the equivalent of 80 percent of the amount that has been forecast for them in the national general budget legislation as tax for the fiscal period under consideration, in the manner stated in the article, to the account of the Ministry of Economic and Financial Affairs, as an installment.

Article 45 – The general meetings of governmental corporations are not authorized, at the time of approving dividend distribution proposals, to set the corporation's capital and current accumulations, which are forecast in the provisions of their articles of association, in such a way that it would cause a reduction in the Government's dividend in the national general budget.

Article 46 – Various revenue stamps and documents that are utilized in order to collect the public revenues included in the national general budget, and various passports, identity documents, title documents, as well other official governmental documents, shall be printed at the printing company of the Iranian Government, under the supervision of a board consisting of two representatives of the Minister of Economic and Financial Affairs, one representative of the Attorney General, one representative of the National Accounts Tribunal, and one person chosen by the Islamic Constitutional Assembly, and shall be delivered to the relevant Ministry or governmental institution.

Note 1 – Determination of the documents that are subject to this article is with the Ministry of Economic and Financial Affairs.

Note 2 – The Cabinet is authorized, if expedient, to assign the printing and delivery of all or part of the stamps and documents that are the subject of this article to the banknote printer of the Central Bank of the Islamic Republic of Iran or to the printer of one of the other governmental banks, so that it is carried out under the said board's supervision, and, in this case, an official of the relevant bank, as selected by the bank's governor, shall also have membership on the said board, in place of one of the representatives of the Minister of Economic and Financial Affairs.

Note 3⁸ – The arrangements for the implementation of this article, as well as the method of supervision of the said board, are subject to the regulations that, as proposed by the Ministry of Economic and Financial Affairs, shall be submitted to the Cabinet for approval.

⁸ See the implementing regulations, the subject of Note 3 to Article 46 of the Law on National General Accounts, Bill No. 409T/4444, approved by the Cabinet on July 19, 1989, and its subsequent amendments.

Article 47⁹ - In cases where no rules have been set, according to special regulations or general regulations, for installment payment of individuals' debts to ministries or governmental institutions, or for granting grace periods to the said debtors, or for cash penalties arising from refusal to pay or lack of timely payment of debts, the methodology shall be according to the regulations prepared by the Ministry of Economic and Financial Affairs, and implemented after receiving Cabinet approval.

Note – In cases where the debts that are the subject of this article have arisen from commitment of crimes or violations, the recovery of governmental debt through installments or the granting of a grace period are not obstacles to the legal prosecution of the relevant violators or criminals by the relevant executive organizations or other qualified authorities.

Article 48 – The claims of the ministries and governmental institutions from persons that have been finalized through the necessary orders and documents shall be collectable according to the implementation regulations of direct taxes.

Article 49¹⁰ – Funds that have been collected without license or in excess of the set amount, whether the origin of the excess receipt is the payer's or the collection agent's error, or else a lack of reconciliation of the collected amount with the case, or else the realization of the excess receipt results from the relevant organization's investigation or that of the executive authorities, it must be paid out of public funds, in such a way that there is no delay in paying the beneficiary's right.

Note 1 – Regarding excess receipt from owners of goods, as customs fees and duties, the relevant regulations are carried out.

Note 2 – Damages for late payment do not accrue to the debts of persons on account of their excess payment.

Section 2 – Expenditures and other payments

Article 50 – The presence of credit in the general national budget does not, by itself, create any rights for persons, whether natural or legal, and the utilization of the credits must be carried out in conformity to its relevant regulations.

Article 51 – Regarding that portion of ongoing current expenditures whose carrying out, generically, does not exceed one fiscal year, the ministries and

⁹ Regarding the implementing regulations, the subject of Article 47 of the Law on National General Accounts, currently the regulation regarding granting a grace period, the installment method of payment of individuals' debt to ministries and governmental institutions, the setting of the rate of interest, and the damages for delayed payment, the subject of Article 39 of the Law on National General Accounts, approved on January 5, 1971, which was approved at the session of November 20, 1972, by the Finance Committee of the former Consultative Assembly, is applicable (attached).

¹⁰ See the implementing regulations, the subject of Article 49 of the Law on National General Accounts, No. 55/68567/36217, dated February 12, 1989, of the Ministry of Economic and Financial Affairs.

governmental institutions can conclude contracts for a suitable period, whose execution period does not exceed one fiscal year. The ministries and the said institutions are required to include the necessary credits for payment of the relevant commitments in their annual budgets prior to other credits.

Note¹¹ – The various expenditures that are the subject of these articles, and their conditions, shall be determined and communicated by the Ministry of Economic and Financial Affairs and the Department of Planning and Budget.

Article 52 – Payment of expenditures is carried out after the following stages have been gone through, and with the application of fiscal supervision: determination, credit provision, commitment, confirmation, and draft.

Article 53 – The power and responsibility for determination, and carrying out commitment, confirmation, and draft are with the Minister or the head of institution, and the responsibility for credit provision and reconciliation of payment with laws and regulations are with the beneficiary.

Note 1 – The powers and responsibilities that are the subject of this article are, depending on the case, delegable, directly and without intermediaries, by superior authorities to other authorities of the relevant organization, in whole or in part, but in no case shall delegation of power and responsibility divest the delegating authority of power and responsibility.

Note 2 – In implementing this article, it is not permissible to delegate the powers and responsibilities related to a Minister or head of institution and a to beneficiary to the same person, or to delegate the powers and responsibilities of a Minister or head of institution to a beneficiary or the employees who work under that person.

Article 54¹² – In order to facilitate payment of the expenditures of ministries, governmental institutions, and their affiliated units in the capital, the provinces, and abroad, the Ministry of Economic and Financial Affairs shall make the necessary funds available as revolving funds to the relevant accountability officers and the provincial representatives of the Treasury.

The regulations on the method of transfer, and the amount and cases of utilization of the various revolving funds whose transfer is required on the basis of this article and other articles of this law, as well as the arrangement for their deposit, shall be approved and communicated by the Ministry of Economic and Financial Affairs.

¹¹ See the implementing regulations for the various ongoing expenditures and their conditions, the subject of Article 51 of the Law on National General Accounts, No. 56/3926/9567, dated June 22, 1989, of the Ministry of Economic and Financial Affairs and the Department of Planning and Budget.

¹² Refer to the implementing regulations of the method of transfer and amount and cases of use of various revolving funds, the subject of Article 54 of the Law on National General Accounts, No. 56/1756/2311, dated April 27, 1988, by the Ministry of Economic and Financial Affairs, and its subsequent amendments.

Article 55 – A credit that is included in the national general budget law as unforeseen expenditure can be used on the basis of proposals by the relevant Ministers, confirmation of the Ministry of Planning and Budget, and approval of the Cabinet, with compliance to the regulations of this law and other public regulations of the Government, and the Cabinet is authorized, regarding the executive organizations that have special legal regulations, to allow that the credit transferred out of the credits that are the subject of this article be used according to the relevant organization’s special regulations.

Note – Draft and demand for credit funds that are the subject of this article shall be issued by the Prime Minister’s office, with compliance to this law’s provisions by the authorized officials of the relevant executive organization and in other organizations that have no accountability officer.

Article 56 – The authority to issue drafts and demands for funds out of credits that are included separately in the general national budget, and which are not relevant to the expenditures of a specific executive organization, shall be determined by the Ministry of Economic and Financial Affairs, except for cases that have been decided in this law.

Article 57 – The inclusion of credit as “secret” in the general national budget is prohibited, except in the case of the Ministry of Information and military and police organizations. The use of credits that are approved under this designation is not subject to the regulations of this law or other laws, and is paid out, in the case of the Ministry of Information, with the agreement of the Prime Minister and the issuance of a draft by the Minister of Information, and, in the case of military and police organizations, with the confirmation of the High Council of Defense and the issuance of a draft by the relevant Minister, and is committed to the final expenditure through, respectively, consumption certification of the Minister or the High Council of Defense. Reports on such expenditures must be submitted to the Islamic Consultative Assembly by the Prime Minister within at most six months.

Article 58¹³ – The credits listed in the budgets of the ministries and governmental institutions under the heading of “unprovided-for debts” regarding current credits can be used, with the agreement of the Ministry of Economic and Financial Affairs and regarding development credits of ministries, governmental institutions, and other executive organizations, with the confirmation of the Ministry of Planning and Budget.

Article 59 – In the case of situations where it is necessary to pay out some funds prior to carrying out a commitment on the basis of conditions stated in orders or contracts according to regulations, it is possible, as decided by authorized officials, to pay some amounts as prepayment.

Article 60 – In the case of situations where, for some reason, it is not possible to carry out the confirmation or prepare the necessary documents for payment of the entire

¹³ See the implementing regulations regarding unprovided-for debts, the subject of articles 8 and 58 of the Law on National General Accounts, No. 56/5556/8291, dated July 12, 1988, of the Ministry of Economic and Financial Affairs, and its subsequent amendments.

debt, or else where payment of the entire committed funds is not possible, it is possible to pay out a part of the committed amount as an installment, as decided by the authorized officials.

Article 61¹⁴ – The amount and cases of payment of prepayment and installment, as well as the method of their deposit and calculation as to final expenditures, complies with the regulations that are prepared by the Ministry of Economic and Financial Affairs and approved by the Cabinet.

Article 62 –

1 – ministries, governmental institutions, and governmental corporations can undertake to open Letters of Credit for their required imported goods and services if they have provided credit for its total amount plus customs fees and duties, commercial profit, and other relevant expenses.

2 – In the case of that portion of the goods and services that are the subject of this article whose price, according to concluded contracts, must be paid to the seller gradually or as a lump sum in future years, the opening of Letters of Credit by the Central Bank of the Islamic Republic of Iran without pre-receipt of the price of the said goods and services, with the commitment of the Ministry of Planning and Budget indicating forecast of the necessary credit in the relevant annual budgets, is permissible.

3¹⁵ – The implementing regulations of this article, including the amounts that are payable as prepayment for opening Letters of Credit prior to obtaining commitment, are prepared by the Ministry of Economic and Financial Affairs, Ministry of Planning and Budget, and the Central Bank of the Islamic Republic of Iran, and are submitted to the Cabinet for approval.

Article 63¹⁶ – All current and development credits (fixed investment) included in the national general budget law can be committed and paid until the end of the fiscal year, and the balance of the unused credit funds must be returned to the Treasury each year by April 20. Commitments that have been created by the end of the relevant fiscal

¹⁴ The implementing regulations that are the subject of Article 61 of the Law on National General Accounts have been prepared, but have not yet received Cabinet approval. Also, as to the regulations regarding obtaining guarantees and payment of prepayment for contract work, which is carried out out of credits for development plans, see the Cabinet Bill No. H325T/33767, dated October 4, 1992, and its subsequent amendments, and, as to other credits, currently the prepayment and installment regulations that were approved by the finance committee of the former National Consultative Assembly in implementing Article 52 of the national account law, approved on January 5, 1971, in its session of March 18, 1977, is applicable (attached).

¹⁵ See the regulations for opening Letters of Credit, subject of Article 62 of the Law on National General Accounts, Cabinet Bill No. 96T/5986, dated May 13, 1989, and its subsequent amendments.

¹⁶ See the single Article of the amendment law, articles 43 and 64, of the Law on National General Accounts, approved on March 5, 2001, by the Islamic Consultative Assembly.

year with compliance to the regulations regarding the approved credits limits and have not been paid, shall be payable in subsequent years, as follows.

1 – The commitments regarding current credits are included in the budget of subsequent years out of a special credit under the designation of “unpaid commitments of the approved budget of the previous years.”

2 – The commitments regarding development plans of the year 1973 and later, out of the credit that in subsequent years is included as part of the relevant development agreements, after the inspection and confirmation of the authorized officials of the executive organizations at the time of payment.

3 – The commitments of the years mentioned in Paragraph 2 regarding plans whose operations have been concluded or else have generally been halted, after the inspection and confirmation of the authorized officials of the executive organizations at the time of the commitment’s payment, and with the agreement of the Ministry of Planning and Budget, within a framework whose credit is forecast out of the relevant program or else out of a specific line that has been forecast for this purpose in each year’s budget.

Note 1 – The price of goods and services that are the subject of contracts concluded according to regulation in each fiscal year to provide that year’s requirements, and has been provided out of approved current or development credits, on condition that the end of the contract period is at most the end of that same fiscal year, but for reasons outside the control of the parties to the contract or one of them reaches the commitment stage, wholly or in part, in the next fiscal year, is payable, with the confirmation of the Ministry of Economic and Financial Affairs, according to the case, out of the credits mentioned in Paragraphs 1 or 2 of this article.

Note 2 – The Ministry of Economic and Financial Affairs is authorized to set up an arrangement so that, if necessary, the balance of unused funds relevant to the credits of the units abroad, the ministries, and governmental institutions at the end of each fiscal year, with compliance to the provisions of the regulations, the subject of Article 54 of this law, is carried to the account of the revolving funds of the said units for the subsequent year.

Note 3 – Checks that, by the end of each year, are drawn on the Treasury’s account are counted as that year’s payments.

Article 64¹⁷ – Credits approved out of allocated revenues by the end of the fiscal year can be committed and paid up to the limits of collected amounts of the relevant revenues, and the balance of the credit funds out of the unused allocated revenue of each year must, by April 20, be returned to the Treasury, so that it is included in the national general revenue account. Commitments that, by the end of the fiscal year, in compliance to regulations, have been created up to the limits of approved credit and the relevant

¹⁷ See footnote 16 above.

collected revenues and have not been paid shall be payable out of the credit that is the subject of Paragraph 1 of Article 63 of this law.

Note 1 – Any amount of the allocated revenues, the subject of this article, which is collected in excess of the amounts forecast in the relevant approved budgets is not usable and must be deposited to the national revenue account.

Note 2 – The Social Security Organization is exempt from inclusion under the regulations of this article, and is subject to its own regulations.

Article 65 – All executive organizations are required, except in cases where, on the basis of this law or other laws and regulations, other arrangements have been set up, to carry out their payments exclusively through the authorized bank accounts, and the bank's confirmation establishing the following is considered as payment:

- 1 – transfer of the funds to the beneficiary's account
- 2 – payment of the funds to the beneficiary or its legal deputy
- 3 – draft to the account of the beneficiary or its legal deputy

Article 66¹⁸ – Regarding the budgets of the Guardian Council, the Islamic Consultative Assembly, and the Regime's Expediency Discernment Council, compliance to the regulations of this law is not obligatory, and the use of credits in any of them is subject to the internal regulations specific to each of them, and the said credit shall be payable by the Treasury on the basis of requests for funds by the Director of the Guardian Council, the Speaker of the Islamic Consultative Assembly, and the Chairperson of the Regime's Expediency Discernment Council, or officials that have their authorization (*amended*).

Article 67 – The headings of subsidy listed in the national general budget provide current credits only.

Article 68 – The budget of each Ministry, governmental institution, or their affiliated units must be listed in full and separately in the national general budget, and inclusion of credit under the heading of subsidy in the budgets of ministries and governmental institutions for payment to the subordinate and affiliated units of the same Ministry or governmental institution, or to other ministries or governmental institutions, as well as payment of any funds in this regard is prohibited.

Article 69 – Credits that are included in the national general budget as subsidy for current operations of governmental corporations are payable by the Treasury on the basis

¹⁸ According to the inclusion law, Article 66 of the Law on National General Accounts, to the Regime's Expediency Discernment Council, and its fiscal regulations approved on February 24, 1998, by the Islamic Consultative Assembly.

of drafts and demands for funds from authorized officials of the said corporations, with compliance to the relevant regulations.

Whenever, at the conclusion of a fiscal year, the corporation's loss, on the basis of the balance sheet and statement of profit and loss approved by the general meeting, is less than the amount forecast in the relevant approved budget, the corporation is required, first, to provide the resulting loss out of the internal resources forecast in its own budget, and to use the Government's subsidy exclusively to make up the resulting loss, and to deposit the remaining subsidy received from the Government resulting from the decrease in the forecast loss to the account of the Treasury.

Note – Governmental corporations are required, within a period of at most one month after the approval of their balance sheet and statement of profit and loss by the general meeting, to return the refundable funds subject of this article to the Treasury.

Article 70 – All funds that are allocated outside the internal resources of governmental corporations and the credits of the executive organizations towards the purchase and provision of food items and essential goods required by the public, must be spent exclusively on the provision of the said materials and goods. The funds that are gained from the sale of the said materials and goods must be directly returned to the relevant bank account in order to pay for the funds received for this purpose. The probable loss resulting from the purchase and sale of such materials and goods, on the basis of the relevant laws and regulations and within the approved credit limits, after inspection and confirmation by an auditor selected by the Ministry of Economic and Financial Affairs, is payable and can be counted towards final expenditures.

Note 1 – The account of purchase and sale of the said materials and goods must be maintained separately from the fiscal operations of the relevant executive organization, in such a way that it is possible to inspect the said accounts independently.

Note 2 – When necessary, on the basis of the relevant executive organization's proposal and agreement of the Ministry of Planning and Budget, prior to the inspection by the selected auditor of the Ministry of Economic and Financial Affairs, an amount equivalent to at most 70 percent of the forecast loss related to purchase and sale of the goods that are the subject of this article is payable as installment.

Note 3 – Any kind of violation of the provisions of this article would amount to illegitimate appropriation of public funds.

Article 71¹⁹ – Payment of subsidy or support to individuals and non-governmental institutions out of the budgets of the ministries, governmental institutions, and governmental corporations, except for cases where they are legally bound to make such payments, is prohibited.

¹⁹ See the law of the terms of payment of subsidy or support to individuals and non-governmental institutions, subject of Article 71 of the Law on National General Accounts, approved on November 8, 1999 by the Islamic Consultative Assembly.

The terms of payment of such subsidies and support shall be approved by the Islamic Consultative Assembly, and the funds paid in this regard by the accountability officers of the paying organizations, shall be carried to the account of final expenditures, by obtaining a receipt from the receiver, unless a different arrangement has been established in the said terms.

Note²⁰ – The Government is required to apply fiscal supervision on the use of the credits that are paid to non-governmental institutions, as subsidy, out of the budgets of the ministries and governmental institutions, or else out of the credits included in other lines of the national general budget. The method of the said supervision is subject to regulations that, on the basis of a proposal by the Ministry of Economic and Financial Affairs, shall be submitted to the Cabinet for approval.

Article 72 – The use of current and development credits included in the national general budget is subject to the provisions of this law and other public laws and regulations of the Government.

Note 1 – The use of credits out of allocated revenues on the basis of approved budgets, except in cases determined in this law, is subject to the relevant legal provisions, and if the relevant executive organizations have no specific legal provisions for this issue, the said credits shall be useable according to general governmental laws and regulations.

Note 2 – The use of revenues and other sources of credit provision of governmental corporations on the basis of approved budgets, except in cases that have been determined by this law, is subject to legal provisions. However, the implementation of development plans of the said corporations, from the financial and business viewpoint, is subject to the provisions of this law and other general laws and regulations of the Government. Governmental corporations and organizations whose inclusion in public regulations requires the mention of their names are also subject to the provisions of this law.

Note 3 – If non-governmental public institutions and organizations have their own special legal regulations for use of credits, they can use the current credits that are made available to them out of the credits included in the national general budget law according to their own regulations, except in cases that are explicitly provided for in this law. In cases where the credits that are the subject of this Note are made available to non-governmental public institutions and organizations as subsidy out of the credits included in the budgets of the ministries and governmental institutions, the paying organization's accountability officer shall include the funds paid in this regard to the final expenditure, obtaining a receipt from the receiving institution.

Note 4 – The credits of the development plans of non-governmental institutions and organizations are subject to this law and other general laws and regulations of the Government.

²⁰ The implementing regulations, the subject of the Note to Article 71 of the Law on National General Accounts, have not as of yet been prepared and compiled.

Note 5 – The expenditure account and documents regarding the current and development credits (fixed investment) of non-governmental public institutions and organizations must, prior to the approval of the relevant legal authorities, be inspected by auditors selected by the Ministry of Economic and Financial Affairs, and their annual account must be submitted to the National Accounts Tribunal for auditing.

Note 6²¹ – The financial and business regulations regarding the current credits of that category of non-governmental public institutions and organizations that, according to the law, are or shall be exempt from inclusion in public regulations, shall be compiled by the Ministry of Economic and Financial Affairs, in compliance to the law of the National Accounts Tribunal, and shall be submitted to the Cabinet for approval.

Article 43 – Any resulting shortage or waste from the financial responsibility of officials of the ministries and governmental institutions that, according to regulations, are authorized to receive and maintain cash or documents that are equivalent to cash in respect of the said funds and documents shall be provided for out of the credit for unforeseen expenditures included in the national general budget, with the announcement of the relevant executive organization and the order of the National Accounts Tribunal. This undertaking would not prevent legal prosecution of those responsible for the matter.

Note – Funds that, as a result of prosecution of the responsible persons have been collected in this regard shall be included in the general revenue account.

Article 74²² – The method of carrying out and the limits of the duties and responsibilities of the representatives of the Treasury in the provinces, and the nature of their relationship with the Treasury General and the executive organizations based in the counties comprising each province, shall be determined on the basis of the regulations that, with compliance to the provisions of this law, shall be approved by the Minister of Economic and Financial Affairs.

Article 75²³ – The regulations regarding the method of demanding funds for the expenditures of executive organizations at the capital and the provinces, as well as the regulations regarding communication of credit and cash drafts, shall be according to

²¹ The financial and business regulations, the subject of Note 6 to Article 72 of the Law on National General Accounts, have not yet been approved in general. However, they have been approved by the Cabinet on a case-by-case basis.

²² See the implementing regulations, the subject of Article 74 of the Law on National General Accounts, No. 18021, dated September 25, 1988, by the Ministry of Economic and Financial Affairs, and their subsequent amendments. Also, according to articles 72 and 73 of the Legislation of the Third Economic, Social, and Cultural Development Plan of the Islamic Republic of Iran, approved on April 5, 2000, by the Islamic Consultative Assembly, the fixed provincial Treasury was created, from March 21, 2000, and the Treasury's representative in the province has been changed to "fixed treasury of the province."

²³ See the implementation directive on the manner of communication of credit, the subject of Article 75 of the Law on National General Accounts, No. 54/6182/25953, dated October 7, 2000, by the Ministry of Economic and Financial Affairs.

guidelines that the Ministry of Economic and Financial Affairs shall prepare and implement.

Note – By April 21 of each year at the latest, that year's approved development budget and the credits of all organizations and agreements must be communicated to them, and a portion of the credits must, in compliance to the law, be allocated to the executive organizations.

Article 76 – For the ministries, governmental institutions, governmental corporations (with the exception of banks, insurance companies, and credit institutions) and their affiliated units in the capital and the provinces, according to the case, the needed number of bank accounts shall be opened by the Treasury or the Treasury's representatives in the provinces at the Central Bank of the Islamic Republic of Iran or other governmental banks that represent the Central Bank of the Islamic Republic of Iran, for the relevant payments. The use of the said accounts in the case of the ministries and governmental institutions shall be carried out with the joint signatures of the accountability officer or an official authorized by the accountability officer and at least one other person from among the responsible and authorized officials of the relevant organization, as introduced by the Treasury or the Treasury's representative in the province, and all of the said organization's payments shall be authorized exclusively through the said bank account. The use of the bank accounts of governmental corporations would be possible with the joint signatures of the said officials in their articles of association and that of the corporation's accountability officer or his/her deputy.

Note – Non-governmental institutions and organizations, the subject of Article 5 of this law, as long as they receive funds out of public revenue, shall be subject to the provisions of this article regarding the said funds, and the funds of the credits that are approved in the national general budget for such organizations shall be payable by the Treasury or the Treasury's representative in the province exclusively through the said bank accounts.

Article 77 – The ministries and governmental institutions can, on the basis of the relevant organization's highest executive official's proposal, confirmation by the Ministry of Planning and Budget, and the agreement of the Ministry of Economic and Financial Affairs, in order to resolve the requirements of the subsequent year in cases where a situation has an urgent and vital aspect, and any delay in carrying it out would cause loss and damage to the Government, conclude the necessary contracts for the purchase of needed goods or services, with compliance to regulations, if the amount of such contracts, on the basis of the Ministry of Planning and Budget's determination, does not, in each case, exceed the approved and similar credit in that year, or, in cases where the situation is without precedent, a total of, in the case of each executive organization, a maximum of 10 percent of the relevant organization's approved non-personnel credits. If in carrying out the concluded contract and on the basis of the relevant regulations, payment of funds as prepayment becomes necessary or the said contracts reach the commitment phase prior to the end of the fiscal year, the Ministry of Economic and

Financial Affairs can pay the necessary funds as prepayment (out of the special credit that is forecast in carrying out this article in the budget of each year), and during the next year, after the approval of the budget, to deposit it directly from the credits of the relevant organization.

Article 78²⁴ – Regarding the expenditures related to important and sudden national events such as war, fire, earthquake, flood, contagious disease and diseases related to the above events, economic blockade, as well as similar cases, which, by the decree of the Leadership or the Leadership Council, are declared to be Islamic or national emergencies, compliance to the provisions of this law is not obligatory, and such cases are subject to “the law of the method of funding credits that, according to law, are exempt from inclusion under the law of general accounts and other governmental public regulations.” A report on this matter must be presented by the Prime Minister at the first session of the Islamic Consultative Assembly.

Section 3 – Governmental transactions

Article 79 – Transactions of the ministries and governmental institutions, whether purchase, sale, rent, lease, contract work, wage work, and so on (with the exception of cases that are subject to employment regulations) must, according to the case, be carried out through tender and auction, except in the following cases:

1 – In the case of transactions where the transaction partner is a Ministry, governmental institution, or governmental corporation

2 – In the case of transactions whose execution, based on the determination and responsibility of the highest official of the executive organization in the capital or the province, or by authorized officials acting on their behalf, with the organizations, institutions, and corporations detailed below are economical and expedient for the Government:

A – Non-governmental public institutions and organizations and affiliated institutions more than 50 percent of whose shares of stock, capital, or ownership belong to the said institutions or organizations.

B – Consumer and distribution cooperative companies that are established and administered on the basis of the laws and regulations governing cooperative companies.

C – Production and distribution cooperative companies that are established and administered under direct governmental supervision.

3 – In the case of the purchase of properties, services, and rights that, by the determination and responsibility of the Minister or the highest official of the executive

²⁴ See the agreement dated February 12, 1989, of the Great Leader of the Revolution and the Founder of the Islamic Republic of Iran regarding announcement of other similar cases, the subject of Article 78 of the Law on National General Accounts, as approved by the Cabinet.

organization in the capital or the province, or authorized official acting on their behalf, are one of a kind and have no similar types.

4 – In the case of purchase or lease of non-portable properties that would be carried out, by the determination and responsibility of the Minister or the highest official of the executive organization in the capital or the province, or authorized official acting on their behalf, along with the provision of the opinion of the judiciary's official expert or the relevant field's knowledgeable and committed expert.

5 – In the case of purchase of artwork, with compliance to Islamic guidelines and those of fine arts and expert services.

6 – In the case of governmental monopoly goods or other goods that have a monopoly seller, and for which the relevant governmental organizations have determined and announced set prices.

7 – In the case of purchase of goods that have daily use, for which a fixed price has been set locally by the relevant governmental organizations or city halls.

8 – In the case of goods manufactured by domestic plants and ground transportation freight of cargo, whose prices have been set for them by the relevant governmental organizations.

9 – In the case of air or sea transportation of cargo, the cost of transportation and so on, if there is a fixed and set price for them.

10 – In the case of repairs to fixed and mobile machinery, by the determination and responsibility of the Minister or the highest official of the executive organization in the capital or the province, or authorized officials acting on their behalf.

11 – In the case of the purchase of spare parts for replacement or completion of accessories or equipment of existing fixed and mobile machinery, as well as implements, tools, and instruments for exact measurement, equipment for scientific and technical laboratories and so on, with the determination of the price being negotiated by at least one knowledgeable and committed expert in the relevant field who, according to the case, shall be selected by the Minister or the highest official of the executive organization in the capital or the province, or by authorized officials acting on their behalf, after the confirmation of the officials mentioned in this line.

12 – In the case of transactions that, in the opinion of the Cabinet, must remain secret for the sake of the Government's interest and expediency.

13²⁵ – In the case of printing and bookbinding that are carried out according to special regulations that are proposed by the Ministry of Islamic Guidance, confirmed by the Ministry of Economic and Financial Affairs, and submitted to the Cabinet for approval.

14 – In the case of purchase of goods and services that are produced and offered directly by the ministries and governmental institutions, and whose selling price is set by the legal authorities.

Note – Carrying out the transactions that are the subject of lines 1 and 2 of this article, without compliance to the protocol of tender or auction, is conditional upon the selling organization having the object of the transaction under its control or being its producer or implementer, or that it should have the function of provision, distribution, and sale of the object of the transaction assigned to it.

Article 80²⁶ – Governmental transactions are divided into the three categories of minor, medium, and major, as detailed below:

A – Minor transactions: Transactions whose amount does not exceed 1.2 million rials. (*amended*)

B – Medium transactions: Transactions whose amount exceeds 1.2 million rials but does not exceed 18 million rials. (*amended*)

C – Major transactions: Transactions whose amount exceeds 18 million rials. (*amended*)

Note 1 – The basis of the limit in purchase for minor and medium transactions is the amount of the transaction, and for major transactions it is the amount of the estimate.

Note 2 – The basis of the limit in sale is the amount appraised by a knowledgeable and committed expert in the relevant field who has been selected by the relevant executive organization.

Article 81 – Tender in transactions is carried out in the following manner:

A – In the case of minor transactions, at the lowest possible price, as determined and with the responsibility of the supplier.

²⁵ See the regulations for printing and binding governmental publications, the subject of Paragraph 13 of Article 79, the Law on National General Accounts, No. H434T/49124, approved by the Cabinet on December 22, 1991.

²⁶ According to the Cabinet Bill No. H23078T/35598, approved on the date of September 9, 2000, in carrying out Article 63 of the Legislation of the Third Economic, Social, and Cultural Development Plan of the Islamic Republic of Iran, approved on April 5, 2000, by the Islamic Consultative Assembly, the limits that are the subject of articles 80, 86, and 87 of the Law on National General Accounts are set as detailed in the text, and are to be implemented from March 21, 2000, until such time as they are amended.

B – In the case of medium transactions, at the lowest possible price, as determined and with the responsibility of the supplier and the person in charge of the relevant provisions unit and confirmation of the Minister or the highest official of the executive organization in the capital or the province, or officials authorized by them.

C – In the case of major transactions, with the publication of public tender advertisement or sending letters of invitation (limited tender), on the basis of the determination of the Minister or the highest official of the executive organization, or officials authorized by them.

Article 82 – Tender in transactions is carried out in the following manner:

A – In the case of minor transactions, at the highest possible price at the determination and responsibility of the sales agent.

B – In the case of medium transactions, by auction.

C – In the case of major transactions, by publication of public tender advertisement.

Article 83 – In cases where carrying out a tender or auction on the basis of an explanatory report of the relevant executive organization with the determination of a three-member board made up of the officials listed in Article 84 of this law is not feasible or expedient, the transaction may be carried out in a different manner. In such a case, the said board, in compliance to the Government's advantage and interest, shall determine and announce the arrangements for the implementation of this type of transaction, in compliance to other relevant regulations in each case or in general, for each type of goods or services.

Article 84 – The composition of the board that relinquishes tenders and auctions, the subject of Article 83 of this law, in the case of the executive organizations in the capital and the provinces is as follows:

A – In the case of the current and development credits of the central units of the ministries and governmental institutions, as well as in the case of the governmental institutions located outside the capital, the financial and administrative deputy or a similar official of the Ministry or governmental institution, depending on the case, and the relevant accountability officer and one other person from among the Government's knowledgeable and committed employees as selected by the Minister or the highest official of the relevant executive organization.

B – In the case of non-provincial current and development credits of the units of the ministries and governmental institutions outside the capital, the provincial governor or his/her representative, the highest official of the executive organization at the location, and the relevant accountability officer's agent in the provincial capital.

C – In the case of the current and development credits of the judiciary of the Islamic Republic of Iran, Radio and Television of the Islamic Republic of Iran, the National Accounts Tribunal, and the other governmental institutions that are administered independently and are not affiliated to any of the ministries, in place of the Minister’s representative, respectively, a representative of the judicial high council, a representative of the supervisory council of Radio and Television of the Islamic Republic of Iran, a representative of the head of the National Accounts Tribunal, and a representative of the highest official of the relevant executive organization shall participate in the board that is the subject of this article.

D – In the case of provincial current or development credits, the provincial governor or his/her representative, the highest official of the relevant local executive organization, and the relevant accountability officer.

E – In the case of the current and development credits of governmental corporations, the chief executive officer or the highest executive official, the relevant accountability officer, and one person elected at the general meeting.

F – In the case of non-governmental public institutions and organizations, as long as they receive funds out of public revenue, if they are managed in accordance to the relevant regulations under the supervision of a council or similar organization, the accountability officer and two persons selected by the relevant council or organization; and if it lacks a council or similar organization, the accountability officer and two persons selected by the highest executive official of the relevant institution or organization.

G²⁷ – In the case of the transactions of the tripartite forces of the Army of the Islamic Republic of Iran and the forces of the Guardians of the Islamic Revolution of Iran in the capital, the commander of the relevant force, the relevant accountability officer or one person selected by the Joint Chief of Staff of the Army of the Islamic Republic of Iran or the Joint Chief of Staff of the Guardians of the Islamic Revolution, depending on the case; and, outside the capital, respectively, a representative of the relevant force, the accountability officer’s local agent, and a representative of the Joint Chief of Staff of the Army of the Islamic Republic of Iran or the Joint Chief of Staff of the Guardians of the Islamic Revolution, depending on the case. (*amended*)

H²⁷ – In the case of the transactions of the Ministry of Defense and Support of the Armed Forces, in the manner provided for in Paragraph A of this article, and, in the case of the relevant transactions of the Joint Staff of the Army of the Islamic Republic of Iran or the Joint Staff of the Guardians of the Islamic Revolution, the relevant accountability officer and two persons selected by the Joint Chief of Staff of the Army of the Islamic Republic of Iran or the Joint Chief of Staff of the Guardians of the Islamic Revolution, depending on the case. (*amended*)

²⁷ According to the single Article of the amending legislation of Paragraphs G and H of Article 84 and Paragraph C of Article 86 of the Law on National General Accounts, approved by the Islamic Consultative Assembly on May 1, 1996.

Article 85 – The board that is the subject of articles 83 and 84 of this law, which, in each case, is formed by invitation of the Minister or the highest official of the executive organization or officials authorized by them, has a quorum with the presence of all three of its members, and all of the members are obligated to attend the sessions of the board and express their opinions regarding the explanatory report of the relevant executive organization regarding a request to relinquish a tender or auction, as well as the method of carrying out a transaction under consideration. However, the board's decisions are valid with a vote of the majority of its members.

Article²⁸ 86 – In carrying out Article 83 of this law, if the transaction's amount exceeds 180 million rials, carrying out the transaction is authorized after the approval of the three-member board, the subject of Article 84 of this law, according to the case, with confirmation of the following officials (*amended*):

A – In the case of the central units of the ministries, governmental institutions, and governmental corporations, the relevant Minister.

B – In the case of local executive organizations that are subject to the provincial budget regime, other units affiliated to the ministries and governmental institutions outside the capital, as well as in the case of governmental institutions located outside the capital, the relevant provincial governor.

C²⁹ – In the case of the transactions of the tripartite forces of the Army of the Islamic Republic of Iran and the Joint Staff of the Army of the Islamic Republic of Iran, the Joint Chief of Staff of the Army of the Islamic Republic of Iran, and in the case of the transactions of the forces of the Guardians of the Islamic Revolution of Iran and the Joint Chief of the Guardians of the Islamic Revolution of Iran, the Joint Chief of Staff of the Guardians of the Islamic Revolution, and in the case of the transactions of the Ministry of Defense and Support of the Armed Forces, the Minister of Defense and Support of the Armed Forces (*amended*).

D – In the case of the transactions relating to the judiciary of the Islamic Republic of Iran, Radio and Television of the Islamic Republic of Iran, the National Accounts Tribunal, and the other governmental institutions that are administered independently and are not affiliated to any of the ministries and governmental institutions, respectively, the judicial high commission, the supervisory council, the head of the National Accounts Tribunal, and the highest official of the relevant executive organization.

E – In the case of the transactions relating to non-governmental public institutions and organizations, if, according to the relevant regulations, they are administered under the supervision of a council or similar organization, the relevant council or organization; and if they lack a council or similar organization, the highest executive official of the relevant institution or organization.

²⁸ See footnote No. 26.

²⁹ See footnote No. 27.

Article 87³⁰ – In carrying out Article 83, if the amount of the transaction is more than 1.2 billion rials, the transaction's execution, after the approval of the three-member board, the subject of Article 84, shall be subject to the proposal of the officials and authorities mentioned in the Paragraphs under Article 86, and the confirmation of the Economic Council (*amended*).

Article 88 – In cases where compliance to some of the provisions of this law and the regulations of governmental transactions regarding transactions relevant to goods and services that are locally needed by units of ministries and governmental institutions abroad, with the determination and responsibility of the ambassador of the Government of the Islamic Republic of Iran in the relevant country, or the highest political official who, in the ambassador's absence, is in charge of carrying out his duties, is not possible, the transaction shall be carried out in the manner determined by the ambassador or the said official, with compliance to the Government's interest and expediency, in each case or in general, for each type of goods or services.

Article 89³¹ – The manner of carrying out the transactions and protocol of tenders and auctions, as well as other implementation provisions of articles 79 to 88 of this law shall be according to the law that shall be approved by the Islamic Consultative Assembly.

Chapter Three – Financial Supervision

Article 90 – The application of financial supervision on the expenditures of the ministries, governmental institutions, and governmental corporations regarding reconciliation of payments with the provisions of this law and other laws and regulations regarding any type of spending is the responsibility of the Ministry of Economic and Financial Affairs.

Note – The Government's operational supervision on the implementation of development activities and plans, whose cost is provided out of the current and development credits included in the national general budget, is for the purpose of evaluation and from the viewpoint of comparison of the completed operations and results with the objectives and policies set out in the legislations of the development plans and the laws of the national general budget, and comparison of the work's progress with schedules, in the way that has been or shall be provided for in the national planning and budget law, shall continue to be the responsibility of the Ministry of Planning and Budget.

³⁰ See footnote No. 26.

³¹ The legislation of governmental transactions, the subject of Article 89 of the Law on National General Accounts, dated August 23, 1987, has not been finalized as of yet, and, at the moment, the regulations of the regulations of governmental transactions, approved on March 18, 1971, by the Finance Committee of the former National Consultative Assembly and its subsequent amendments are applicable (attached).

Article 91 – If the accountability officer determines that carrying out a certain expenditure is contrary to the law and the regulations, he/she shall report the matter in writing, along with the relevant supporting legal documentation, to the official who has issued the order for the expenditure. If the official who has issued the order, after receiving the accountability officer’s report, considers his/her order to be in compliance to laws and regulations, and assumes the responsibility for the legality of his/her order in writing, stating the supporting legal documentation, and reports the matter to the accountability officer, the accountability officer is required to pay the funds for the relevant expenditure document, after attaching the written order indicating the said acceptance of responsibility, and to report the matter, stating the relevant supporting legal documentation, to the Ministry of Economic and Financial Affairs, and its copy to the National Accounts Tribunal for their information. If the Ministry of Economic and Financial Affairs find the case to be a violation, it shall report the matter, for the necessary legal proceedings, to the National Accounts Tribunal.

Article 92 – In cases where, because of commitments in excess of credits, or lack of compliance to the provisions of this law, a service is carried out or a property comes into the Government’s possession, the relevant executive organization is required to reject the relevant transaction. And if rejection of the transaction itself is not possible, or the seller refuses to accept, and also regarding services that have been carried out, it is required to accept, and the funds of the transaction, within the limits of the existing credits or the credits of the subsequent year of the relevant executive organization are payable, and the above actions do not prevent legal prosecution of the violator.

Article 93 – If, on the basis of a certification by an accountability officer that is contrary to fact regarding provision of credit, or action or order of a Minister, head of a governmental institution, or authorized officials, funds are paid or a commitment against the Government is signed on their behalf that is in excess of the approved credit or violates the law, any one of these violations would amount to illegal appropriation of governmental funds and properties.

Article 94 – The Ministry of Economic and Financial Affairs is required, with compliance to laws and regulations, to take action towards the creation of unity of procedure in the application of supervision prior to spending.

Chapter Four – Compilation of Account and Settlement of Budget

Article 95³² – All of the accountability officers of the ministries and governmental institutions are required to submit the first copy of the receipts and payments statement for each month, along with the original copy of the relevant documents by the end of the subsequent month, and the final account for each [Iranian] year by June 21 of the next year, in the way that has been set out in the implementation of Article 39 of the legislation of the National Account Tribunal, to the said tribunal, and to forward the

³² See Note 1 to the single article of the amending law to articles 63 and 64 of the Law on National General Accounts, approved by the Islamic Consultative Assembly on the date of March 5, 2001.

second copy of the said statements, without attaching the documents, in the way that the Ministry of Economic and Financial Affairs shall determine, to the said Ministry.

Note 1 – The above statements must have been signed by the highest official of the relevant executive organization or an official authorized by him/her, as well as by the accountability officer, and must have been certified by the National Accounts Tribunal.

Note 2 – The deadlines for compilation and submission of the statements that are the subject of this article can be altered by the National Accounts Tribunal, in coordination with the Ministry of Economic and Financial Affairs.

Note 3 – The manner of auditing or inspection of the National Accounts Tribunal regarding the statements and documents that are the subject of this article shall be set out in the implementing regulations of the legislation of the National Accounts Tribunal.

Note 4 (*amended*)³³ – In order to remove the existing obstacles confronting the compilation of accounts and the annual revenue statement of the national general budget, a three-member board composed of deputies of the Islamic Consultative Assembly, the National Accounts Tribunal, and the Ministry of Economic and Financial Affairs has been set up and shall take the needed decisions regarding the items below:

A – In the case of incomplete annual documents (from 1985 on) of the ministries and governmental institutions, and the development credits of the governmental corporations that use the Government's general budget.

B – Regarding the documents of the organizations mentioned in Paragraph A, which have been destroyed in some way because of unexpected events or the imposed war, as determined by the said board.

C – Deficiency or waste arising in the inventories of the ministries and governmental institutions and corporations shall be subject to Article 73 of the Law on National General Accounts.

The decisions of this board, with majority vote, shall be final and binding. However, these decisions, which are merely overseeing the creation of the necessary facilities in the matter of compilation of accounts, shall not prevent legal prosecution of the violators in these matters.

³³ According to the single article of the amendment law, Note 4 to Article 95 of the Law on National General Accounts, approved by the Islamic Consultative Assembly on April 18, 1993.

This Article's implementing regulations shall be prepared jointly by the Ministry of Economic and Financial Affairs and the National Accounts Tribunal within a period of at most two months after this law's approval, and shall be implemented.³⁴

Article 96 – The executive organizations are required, in the manner that shall be set out by the Cabinet, to forward to the National Accounts Tribunal and the Ministry of Economic and Financial Affairs, at most within a period of six months after the end of each fiscal year, a report of the operations carried out during that year, on the basis of the forecast objectives in the approved budget.

Article 97³⁵ – In cases where the position of the accountability officer changes, or the position of accountability officer is in any manner taken away from him/her, the previous and subsequent accountability officers are required, within at most one month from the date of recruitment of a new accountability officer, to deliver and develop the accountability records, along with compiling a written report, on the basis of a directive that is prepared by the Ministry of Economic and Financial Affairs. This report must be signed by the deliverer and the recipient, and its first copy must be forwarded to the Ministry of Economic and Financial Affairs.

Note – In cases where an accountability officer refuses to deliver his/her financial responsibility, or his/her participation in the process of delivery and development is for any reason not possible, his/her financial responsibility shall be delivered to the new accountability officer in the presence of a representative of the National Accounts Tribunal and a representative of the Ministry of Economic and Financial Affairs through the compilation of a written report.

Article 98 – Governmental corporations are required to forward their balance sheets and statements of profit and loss, immediately after the general meeting's approval, to the Ministry of Economic and Financial Affairs, for inclusion in the annual revenue statement of the national general budget.

Article 99³⁶ – Governmental corporations are required to prepare their statement of receipts and payments of development plans (fixed investment credits), in accordance with the guidelines that shall be compiled by the Ministry of Economic and Financial Affairs, and, after the relevant general meeting's approval, to forward it immediately to

³⁴ Refer to the amended Directive, the subject of Note 4 to Article 95 of the Law on National General Accounts, No. 53/5432/21237, dated September 22, 1993, by the National Accounts Tribunal and the Ministry of Economic and Financial Affairs.

³⁵ See the implementation directive, the subject of Article 97 of the Law on National General Accounts, No. 53/10827/52441, dated March 15, 1999, by the Ministry of Economic and Financial Affairs.

³⁶ The implementation directive of Article 99 of the Law on National General Accounts has been prepared by the Ministry of Economic and Financial Affairs, and has also been confirmed, in the letter No. 2/100/329, dated July 30, 1997, by the National Accounts Tribunal, and has been communicated to all governmental corporations in the memorandum No. 54/3914/15905, dated August 20, 1997.

the Ministry of Economic and Financial Affairs, for inclusion in the annual revenue statement of the national general budget.

For-profit institutions affiliated to the Government, the subject of Article 130 of this law, are also subject to the order in this article.

Article 100 – All non-governmental public institutions and organizations, the subject of Article 5 of this law, are required to prepare their annual statement of receipts and payments, whether regarding current credits or development plans (fixed investment credits), according to guidelines that shall be prepared and communicated by the Ministry of Economic and Financial Affairs, and, after the approval of the relevant legal authorities, to forward it by September 22 of the subsequent [Iranian] year to the Ministry of Economic and Financial Affairs, for inclusion in the annual revenue statement of the national general budget.

Note – The organizations and institutions that are subject to this article, after the approval of the relevant financial regulations, shall take action to implement Note 6 of Article 72 of this law regarding compilation and forwarding of the above accounts at the times and in the way set out in the said regulations.

Article 101 – The Treasury is required to prepare the statement of monthly receipts and payments of the revenue accounts concentrated at the Treasury, with a categorization of the types of accounts, at most within a period of two months, and to deliver it to the National Accounts Tribunal. The categorization of the types of the accounts mentioned in this article shall be determined and announced by the Ministry of Economic and Financial Affairs by taking into account the categorization of revenues and credits in the national general budget legislation.

Article 102 – Prepayments are carried to the account of the same year in which they reach the commitment stage, and installments in the year in which they are settled, and they are included in the annual revenue statement of the national general budget collectively and as expenditures.

Article 103 – The Ministry of Economic and Financial Affairs is required to prepare and submit, along with the statement of the Treasury's cash circulation, one copy of each year's revenue account statement to the National Accounts Tribunal and, simultaneously, one copy to the Cabinet, by December 21 of the subsequent [Iranian] year, according to the divisions and headings of revenue and other sources of credit provision and credits listed in the budget legislation of the relevant year, containing the following information:

A – The statement of the Treasury's receipts, including:

1 – The Treasury's holdings at the beginning of the year

2 – The collected revenues of the relevant fiscal year

3 – Other sources of credit provision

4 – Deposit of the prepayments of the previous years

B – The statement of the Treasury's payments, including:

1 – Payments out of the credits and other sources of credit provision included in the budget legislation of the relevant year.

2 – Prepayments

3 – The prepayments of previous years that have not been included under the approved credits of the fiscal year

4 – The holdings at the end of the year

Article 104 – The National Accounts Tribunal is required (according to Article 55 of the Constitution) to take action to prepare the settlement of the annual budget through inspection of the accounts and documents and reconciliation with the annual revenue account statement of the national general budget, and to submit a settlement report of the previous year's budget, along with attaching its own opinions, to the Islamic Consultative Assembly on an annual basis, and to investigate any violations of the provisions of this law and report them to the advisory boards.

Article 105 – The accountability officers and other financial officials, in carrying out the tasks and responsibilities assigned to them by the Ministry of Economic and Financial Affairs, are required to perform the assigned tasks and responsibilities, and all of the officials of the executive organizations and employees of the accountability office are required to cooperate in this regard.

Violators shall be sentenced, by announcement of the Ministry of Economic and Financial Affairs or the prosecutor of the National Accounts Tribunal, on the basis of the ruling of the said tribunal's advisory boards, depending on the case, to the following punishments:

1 – Written warning without inclusion in the employment file

2 – Written warning with inclusion in the employment file

3 – Deduction from salary or benefits to a maximum of one third, from one month to three months

4 – Temporary dismissal from three months to one year

Chapter Five – Governmental Properties

Article 106 – The responsibility for maintenance, protection, and keeping of the account of governmental portable properties available the ministries and governmental institutions is with the using Ministry or governmental institution, and the responsibility for supervision and concentration of the account of the said properties is with the Ministry of Economic and Financial Affairs.

The Ministry of Economic and Financial Affairs is authorized, in carrying out this article, to inspect, in cases where it finds it necessary, the account and properties inventory of the ministries and governmental institutions in the appropriate manner, and the said organizations are required to cooperate and create the necessary facilities in this regard, and, in any case, inspection and supervision by the Ministry of Economic and Financial Affairs does not remove the responsibility of governmental organizations.

Note – Weapons, ammunition, and the other equipment of the armed forces of the Islamic Republic of Iran, whether military or police, are exempt from inclusion under this article for purposes of inspection and supervision of the Ministry of Economic and Financial Affairs, and are subject to their own regulations. A list of other equipment that are the subject of this Note shall be set out on the basis of a proposal by the ministries of Defense and Army, and the approval of the High Council of Defense.

Article 107 – Gratuitous transfer of the Government's portable properties from one Ministry or governmental institution to another Ministry or governmental institution is possible if, in addition to the agreement of the Ministry or institution that holds the property, the agreement of the Ministry of Economic and Financial Affairs has already been obtained.

Article 108 – Gratuitous transfer of the portable properties of ministries or governmental institutions to governmental corporations 100 percent of whose shares of stock belong to the Government is authorized on the basis of the relevant governmental corporation's request and the agreement of the Minister or the highest executive official of the Ministry or governmental institution transferring the property, along with the prior confirmation of the Ministry of Economic and Financial Affairs.

If the total value of the portable properties that, in executing this article, are transferred to a governmental corporation each year, on the basis of the appraisal of an expert selected by the corporation, is more than 1 million rials, the corporation's capital must be increased at the end of each year by an amount equivalent to the appraised amount, and, in any case, the company receiving the transfers is required to include the value of the transferred property in its relevant accounts.

Article 109 – Gratuitous transfer of portable properties of governmental corporations 100 percent of whose shares of stock belong to the Government to the ministries or governmental institutions is authorized, on the basis of a request by the

Minister or the head of the relevant governmental institution, the agreement of the company's general meeting, and prior notification of the Ministry of Economic and Financial Affairs, on condition that the book value (the price paid minus accumulated depreciation) of the properties that are transferred in carrying out this article does not in total exceed 50 percent of the corporation's paid capital.

The property's transferring corporation is required, if the book value of the corporation's portable properties that, in carrying out this article, are transferred to ministries and governmental institutions, is up to 1 million rials, to include the equivalent of the said amount in the expenditure account of the same year, and if this amount exceeds 1 million rials, to reduce the corporation's capital by an amount equivalent to the book value of the transferred properties.

Article 110 – The ministries, governmental institutions, and governmental corporations can make their portable properties available in trust to other ministries, governmental institutions, governmental corporations, and non-governmental public institutions and organizations. In this case, the receiving ministries, governmental institutions, governmental corporations, and non-governmental public institutions and organizations, without having ownership appropriation rights regarding the said properties in trust, are responsible for maintenance, protection, and keeping account of these properties, and must forward a list of the said properties to the Ministry of Economic and Financial Affairs, and return the properties themselves, after their needs have been fulfilled, to the relevant Ministry, governmental institution, or governmental corporation, and to notify the Ministry of Economic and Financial Affairs of the matter.

Article 111 – The meaning of portable properties mentioned in Chapter Five of this law is non-consumption portable properties, and the arrangement for keeping account of the transfer of consumption- and equivalent-to-consumption portable properties shall be set out in regulations that are the subject of Article 122 of this law.

Article 112 – The sale of portable properties of the ministries and governmental institutions, which properties have been scrapped or have been found to be in excess of requirements, and are not needed by other ministries and governmental institutions, is authorized, with prior notification to the Ministry of Economic and Financial Affairs, and the authorization of the highest official of the relevant executive organization, with compliance to the regulations regarding governmental transactions. The funds earned from the sale of such properties must be deposited to the general revenue account.

Note – Portable properties whose sale is legally prohibited are exempt from inclusion under this article.

Article 113³⁷ – All portable and non-portable properties and assets that are purchased out of the credits of development plans (fixed investment) for the purpose of

³⁷ In compliance to Paragraph A, line 1, Cabinet Bill No. H19755T/29303, dated July 29, 1998, on the basis of Article 138 of the Constitution of the Islamic Republic of Iran, the power of the Cabinet cited in articles

carrying out the said plans, or are created or taken possession of as a result of the execution of these plans, whether the plan's executive organization is a Ministry, governmental institution, governmental corporation, or non-governmental public institution or organization, belong to the Government until such time as the implementation of the relevant plans has been completed, and their maintenance and protection is the responsibility of the relevant executive organization, and if the said properties are no longer required for continuing the plan's operation, the transfer of the same or the right to use them to other governmental organizations, as well as their sale, would be subject to the provisions of Chapter Five of this law, and the resulting funds must be deposited to the national general revenue account.

Note 1 – Portable and non-portable properties, the subject of this article, after the completion of the implementation of the relevant plans, in the case of plans that are implemented by the ministries and governmental institutions shall continue to belong to the Government, and in the case of plans whose implementers are governmental corporations or organizations or non-governmental public institutions shall be included in the account of the properties and assets of the organization responsible for the plan's operation.

Note 2 – The incomes arising from the utilization of this type of properties and assets, in the case of development plans that are implemented by the ministries and governmental institutions, before and after the completion of the implementation of the plan, are included in the national general revenue account, and in the case of the plans that are implemented by governmental corporations and non-governmental public institutions and organizations, if the operating expenses are provided out of the corporation's resources or the internal resources of the relevant non-governmental institution or organization, in the account of the organization responsible for the plan's operation, and, otherwise, in the national general revenue account.

Article 114³⁸ – All non-portable properties of the ministries and governmental institutions belong to the Government, and their maintenance and protection is the responsibility of the Ministry or governmental institution holding the properties. The ministries and governmental institutions can, with the Cabinet's approval, transfer the right of use of the said properties that they hold to one another.

Article 115³⁸ – The sale of non-portable properties of the ministries and governmental institutions that have been found to be in excess of requirements, with the exception of the non-portable properties detailed below, whose sale is prohibited, is permissible, with the proposal of the relevant Minister and approval of the Cabinet, and with compliance to the other relevant regulations. The funds earned from the sale of such properties must be deposited to the national general revenue account.

113, 114, 115, 117, and 118 of the Law on National General Accounts has been delegated to the Ministers who are members of the Economic Committee of the Cabinet.

³⁸ See footnote No. 37.

- 1 – non-portable properties that are among national treasures;
- 2 – military installations and fortifications, and weapons and munitions plants;
- 3 – historical works and buildings;
- 4 – non-portable properties that, in connection with national expediency and interest, are in the Government's possession.

Note 1 – In the case of the governmental institutions that are not subject to the supervision of any of the ministries, and which are administered independently, a proposal for the sale of the non-portable properties that are relevant to the implementation of this article shall be carried out by the highest executive official of the said institutions.

Note 2 – The sale of non-portable properties of governmental corporations, with the exception of the non-portable properties that have been exempted in this article, is authorized, with the approval of their general meetings.

Article 116³⁹ – [The Ministry of Economic and Financial Affairs is required to sell non-portable properties that have come or shall come into the Government's possession in return for the Government's claims, through the execution of specific laws and regulations or court orders, if they are not among the exemptions subject of Article 115 of this law, with compliance to the relevant regulations, and to deposit the proceeds of the sale to the national general revenue account.

Note – As long as the properties that are the subject of this law have not been sold, their maintenance, administration, and operation is the responsibility of the Ministry of Economic and Financial Affairs.] *Has been abrogated.*

Article 117⁴⁰ – Non-portable properties of the ministries and governmental institutions, at the proposal of the Minister or the head of the relevant institution, or by Cabinet approval, are transferable to corporations 100 percent of whose shares of stock belong to the Government. The above properties shall be appraised at the current price by an expert or experts selected by the corporation's general meeting, and, after the general meeting's confirmation, the corporation's capital shall be increased by an amount equivalent to the said price.

Article 118⁴⁰ – Non-portable properties belonging to governmental corporations 100 percent of whose capital and shares of stock belong to the Government are, by

³⁹ In compliance to Article 45 of the legislation founding the Organization for Collection and Sale of Possessory Properties and its articles of association, approved on January 14, 1992, by the Islamic Consultative Assembly, Article 116 of the Law on National General Accounts, approved on August 23, 1987, has been abrogated.

⁴⁰ See footnote No. 37.

Cabinet approval, transferable to ministries and governmental institutions, on condition that the total book value of such transferred properties does not exceed 50 percent of the paid capital of the corporation. An amount equivalent to the book value of the said properties would be subtracted from the corporation's capital.

Article 119 – Non-portable properties belonging to corporations 100 percent of whose shares of stock belong to the Government are, with the approval of their general meetings, transferable to one another. The price of such properties is determined by the mutual consent of the relevant general meetings, and its equivalent would be subtracted from the transferring corporation's capital, and added to the capital of the corporation receiving the properties.

Article 120 – The ministries and governmental institutions can, after the Cabinet's approval, temporarily transfer the right to use governmental non-portable properties that are in excess of their needs to non-governmental public institutions and organizations. In this case, the non-governmental public institutions and organizations receiving the properties are, without having ownership appropriation rights, responsible for maintenance and protection of the said properties, and, after their requirements have been met, must return the properties themselves to the relevant Ministry or governmental institution, and report the matter to the Ministry of Economic and Financial Affairs.

Article 121 – The transfer of portable and non-portable properties of the Guardian Council and the Islamic Consultative Assembly is not subject to these provisions, and is subject to its own special regulations.

Article 122⁴¹ – The regulations regarding the manner of execution of Chapter Five of this law, and the method of inspection, supervision, and concentration of the account of portable and non-portable properties of the Government shall be prepared by the Ministry of Economic and Financial Affairs, and shall be submitted to the Cabinet for approval.

Chapter Six – Miscellaneous Provisions

Article 123⁴² – The shares of stock and ownership documents of non-portable properties, guarantees and other securities belonging to the ministries and governmental institutions, as well as the shares of stock belonging to the Government in corporations, must be kept in order at the place or places determined by the Ministry of Economic and Financial Affairs.

The national Treasury General is required to supervise the proper maintenance of the said shares, documents, and securities. The shares of stock, documents, guarantees,

⁴¹ See the regulations of governmental properties, subject of Article 122 of the Law on National General Accounts, Cabinet Bill No. H212T/10424, dated October 3, 1993, and its subsequent amendments.

⁴² See the implementation guidelines, the subject of Article 123 of the Law on National General Accounts, No. 52/3289/22883, dated November 19, 1990, by the Ministry of Economic and Financial Affairs.

and other securities that are the subject of this article shall be identified according to the relevant implementation guidelines that shall be prepared and communicated by the Ministry of Economic and Financial Affairs.

Article 124 – The Treasury’s accounts at the Central Bank of the Islamic Republic of Iran or at branches of other governmental banks that represent the Central Bank of the Islamic Republic of Iran are opened or closed at the request of the national Treasurer General or an official authorized by him/her, and the use of the said accounts shall be through at least the joint signatures of two officials of the Treasury General who are official government employees, as introduced by the national Treasurer General, and, in his/her absence, by an official who, by order of the Minister of Economic and Financial Affairs, is temporarily in charge of his/her duties. All correspondence that causes any transfer in the balance of the Treasury’s accounts must be through the signatures of at least two authorized officials mentioned in this article.

Article 125 – The Treasury is authorized, in order to meet its own requirements, to use, on a temporary basis, the balance of special accounts, including the account for concentration of the revenue of governmental accounts and deposits, on condition that, immediately upon the relevant organization’s request, it returns the used funds.

Article 126 – The rights that are created for the Government as a result of violation of the conditions stated in contracts are not, in whole or in part, forgivable, except in the case of final orders of judicial courts, which are binding.

Article 127 – All Government bills that have a financial aspect must, in addition to the signatures of the Prime Minister and the responsible Minister, carry the signature of the Minister of Economic and Financial Affairs.

All approved proposals of the executive organizations that have a financial aspect can only be considered by the Cabinet if they have already been forwarded to the Ministry of Economic and Financial Affairs, and the said Ministry’s opinion has been obtained.

Article 128⁴³ – Samples of the documents that are acceptable for payment of expenditures, as well as the documents, books, and the method of account keeping shall be determined with the agreement of the Ministry of Economic and Financial Affairs and the confirmation of the National Accounts Tribunal, and this law’s implementing regulations shall be communicated by the said Ministry.

Article 129 – Fractions of rial are not received or paid regarding receipt of revenue and payment of expenditure.

⁴³ The implementation guidelines and directives, subject of Article 128 of the Law on National General Accounts, shall be prepared by the Ministry of Economic and Financial Affairs, and, after the confirmation of the National Accounts Tribunal, are and shall be communicated to all accountability officers and executive organizations, according to the case, for implementation.

Article 130 – From the date of this law’s approval, creation or formation of a governmental organization, according to articles 2, 3, and 4 of this law, shall only be authorized as a Ministry, a governmental institution, or a governmental corporation. All for-profit and commercial institutions affiliated with the Government, as well as other governmental organizations that have been created in a form other than a ministry, governmental institution, or governmental corporation are required, within a period of at most one year from this law’s implementation, with compliance to the relevant provisions, to reconcile their status with one of the three above statuses; otherwise, after this opportunity’s expiry, they would be considered a governmental institution, and would be subject to the provisions of this law regarding governmental institutions.

Note – The organizations and institutions that have been created during the realization of the Islamic Revolution, or thereafter according to the requirements of the Islamic Revolution, and which receive all or part of their required credits directly from the Treasury, out of the credits included in the national general budget legislation, if their legal status has not been determined by law, are required, with the period mentioned in this article, to reconcile their status with one of the articles 2, 3, 4, or 4 of this law.

Article 131⁴⁴ – In cases where funds must be received, in compliance to the regulations, as revenue stamp fee or through attaching and canceling of revenue stamps, the Ministry of Economic and Financial Affairs can determine other appropriate methods for the collection of such revenues. The cases, the method of action, and the replacement methods would be according to regulations that shall be prepared by the Ministry of Economic and Financial Affairs.

Article 132 – The general meetings of governmental corporations are required, within six months after the end of the fiscal year, to inspect and approve the balance sheet and statement of profit and loss of the company (including current operations and development plans).

Note 1 – The balance sheet and the statement of profit and loss (including current operations and development plans) can be presented and approved at a general meeting if they have been inspected by an auditor selected by the Ministry of Economic and Financial Affairs, and include the auditor’s report.

Note 2 – In the case of governmental corporations, the board of directors or the management board, according to the case, is required, after the end of the fiscal year, by June 21 at the latest, to submit the balance sheet, the statement of profit and loss, and the relevant attachments, for inspection, to the auditor selected by the Ministry of Economic and Financial Affairs.

The auditor selected by the Ministry of Economic and Financial Affairs is required, after receiving the balance sheet, the statement of profit and loss, and the

⁴⁴ As the preparation and compilation of the implementing regulations, the subject of Article 131 of the Law on National General Accounts, is not possible for all cases, considering the diversity of methods, therefore special cases shall be investigated and acted upon on a case-by-case basis.

relevant attachments, to carry out the necessary inspections within a period of at most two months, and to submit the audit report to the relevant officials and authorities.

Note 3 – The deadline for submission of the balance sheet, statement of profit and loss, and the relevant attachments by the board of directors or the management board to the auditor selected by the Ministry of Economic and Financial Affairs are extendable by a maximum of two months, and the deadline for the inspection by the auditor selected by the Ministry of Economic and Financial Affairs by at most three months, through the submission of valid reasons that are confirmed by the Ministry of Economic and Financial Affairs.

Article 133 – If, once a general meeting has been convened, the balance sheet and the statement of profit and loss of a governmental corporation cannot, for valid reasons, be approved, the general meeting is required to order the corporation’s board of directors or management board, according to the case, to take action to remove the deficiencies and problems, and to make the necessary arrangements to convene the general meeting to approve the balance sheet and the statement of profit and loss. In any case, the balance sheet and the statement of profit and loss of governmental corporations for each fiscal year must have been approved by their general meetings by December 21 of the next [Iranian] year.

Note – Approval of the balance sheet and the statement of profit and loss of governmental corporation by the relevant general meetings do not prevent legal prosecution regarding possible violations of the responsible officials regarding the corporation’s performance.

Article 134 – The liquidation of governmental corporations is only possible through the law, unless other arrangements have been set out in the relevant articles of association.

Article 135 – Governmental corporations are required to allocate the equivalent of 10 percent of the net profits of the corporation each year as the statutory reserve, in order to increase the financial strength of the governmental corporation, until such time as the said reserve equals the corporation’s registered capital.

Note – Increasing the corporation’s capital out of the statutory reserve is not permissible.

Article 136 – The profit or loss resulting from the exchange of the foreign currency assets and liabilities of governmental corporations are not counted as revenue or expenditure. The difference resulting from the exchange of the said assets and debts must be included in the account of “reserve for foreign exchange assets and liabilities.”

If, at the end of the fiscal year, the balance of the said reserve account is a debit, this amount shall be included in that year’s statement of profit and loss.

Note – If the balance of the account of reserve for foreign exchange assets and liabilities at the end of the fiscal year exceeds the amount of the corporation's registered capital, the excess amount, after passing through the statutory stages, shall be transferable to the corporation's capital.

Article 137 – The ministries, governmental institutions, governmental corporations, and non-governmental public institutions and organizations are required to make directly available all the financial data requested by the Ministry of Economic and Financial Affairs that it considers necessary for carrying out its duties in implementing this law.

Article 138 – Radio and Television of the Islamic Republic of Iran, in compliance to the legislation of the Department of Radio and Television of the Islamic Republic of Iran, approved on December 29, 1980, by the Islamic Consultative Assembly, is considered a governmental corporation from the viewpoint of this law's application.

Article 139 – The Ministry of Economic and Financial Affairs is required, in order to provide the means for comprehensive financial supervision of the expenditures of governmental organizations, as well as for the mobilization of the taxation and auditing staff, according to the articles of association that, as proposed by the said Ministry, shall be submitted to the Cabinet for approval, to take action to found a specialized higher education institute in this regard, whose cost shall be provided on the basis of Note 65 to the budget legislation of the year 1981.

Article 140 – This Law shall be implemented from its approval date, and, beginning on that date, the General Accounts Law, approved on January 5, 1971, and its subsequent amendments, and all public laws and regulations that in some case differ from this law are abrogated.

Note – The implementing regulations of the General Accounts Law approved on January 5, 1971, until such time as the implementing regulations of this legislation have been approved and [...]