ETIHAD

PRACTICE OVERVIEW

Oil & Gas

UPSTREAM · MIDSTREAM · DOWNSTREAM · ENERGY TRANSITION

Federal Iraq and Kurdistan Region



Oil & Gas

Etihad advises international oil companies, oilfield service and EPC contractors, traders and investors across Iraq's oil and gas sector, in federal Iraq and the Kurdistan Region. We combine contract, tax and regulatory experience with day-to-day work alongside the Ministry of Oil and its state-owned companies.



ACROSS THE VALUE CHAIN

1 Upstream

- Service and profit-sharing contracts with Ministry of Oil and state oil companies
- Production sharing contracts in Kurdistan Region
- Licensing rounds, bids and contract negotiation
- Farm-ins, farm-outs, joint operating agreements and asset sales

2 Midstream

- Pipeline, storage and transportation agreements
- Gas capture, processing and gas sales agreements
- Crude offtake and cross-border transit arrangements
- Infrastructure financing and regulatory approvals

3 Downstream & Petrochemicals

- Private investment in refineries and petrochemical plants
- Fuel supply, storage and distribution networks
- Product sales and supply chain agreements
- Environmental and regulatory compliance

4 Oilfield Services & EPC

- Drilling, completion, maintenance and equipment-rental contracts
- EPC and construction contracts, risk allocation and guarantees
- Joint ventures with local partners
- Acquisitions and sales of service businesses

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Operating in Iraq's Oil Sector

The practical matters that decide whether a contract in Iraq runs smoothly, handled by one team from registration to final payment.

1. **Registration and Qualification**
   Company or branch set-up, then registration with the Ministry of Oil, state oil companies and the Iraqi Drilling Company.
2. **Tenders and Contracts**
   Bids, contract review and negotiation with state oil companies, including service and EPC contracts.
3. **Bank Guarantees**
   Bid, performance and advance-payment guarantees, and securing their release at close-out.
4. **Oil and Gas Tax**
   The sector's income tax regime, withholding and retentions on contract payments, tax clearances and audits.
5. **Imports and Customs**
   Import licences and customs clearance for equipment, including equipment for power stations.
6. **Movement Approvals**
   Approvals to move vehicles and equipment between provinces and to project sites.
7. **Visas and Workforce**
   Visas, residency and work permits for expatriates, and Iraqi workforce requirements.
8. **Sites and Land**
   Due diligence and leases for camps, yards and project sites.
9. **HSE and Environment**
   Environmental approvals and compliance with HSE obligations under contract and Iraqi law.
10. **Claims and Disputes**
    Variation and delay claims, administrative grievances, Iraqi courts and arbitration.

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From Bid To Exit

Our tax team works alongside our oil and gas lawyers so that tax is priced into bids, contracts and structures from the start.

01 Bid and contract

Tax in bids and contracts
Pricing tax into bids, tax and gross-up clauses, and tax due diligence.

Oil and gas income tax
How the regime applies to foreign oil companies, their branches and subcontractors.

02 Set-up

Structuring
Branch or company structures and joint ventures.

Customs and exemptions
Customs duties on equipment and exemptions under contracts and investment licences.

03 Operations

Withholding and Retentions
On contractor and subcontractor payments, and release of retained amounts.

Social Security
Contributions and clearances for Iraqi and expatriate staff.

Audits and Appeals
Assessments, audits, objections and appeals before tax authorities.

04 Exit

Tax & Socia Security Clearances
Clearance letters for final payments, release of guarantees and exit.

Repatriation
Repatriation of profits and closing the tax position on exit.

- **Federal Iraq:** Ministry of Oil, state oil companies such as Basra Oil Company, and SOMO
- **Kurdistan Region:** KRG Oil and Gas Law No. 22 of 2007, ruled unconstitutional by Federal Supreme Court in 2022
- **Tax:** income tax regime for foreign oil companies and their subcontractors
- **Environment:** Law No. 27 of 2009 on Protection and Improvement of Environment
- **Refining:** Law No. 64 of 2007 on Private Investment in Crude Oil Refining
- **Arbitration:** New York Convention, to which Iraq acceded in 2021

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Kurdistan Region

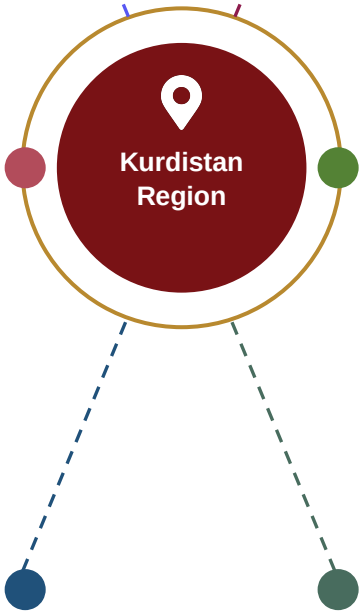
From our Erbil office, we advise companies working under the Kurdistan Region's separate oil and gas regime and its changing relationship with the federal framework.

Production Sharing Contracts

Review, negotiation and amendment of KRG PSCs, including alignment with federal requirements.

Government Relations

Approvals and filings with the Ministry of Natural Resources and other KRG authorities.



Payments and Receivables

Payment entitlements, receivables and cost recovery under PSCs.

Kurdistan Region Tax

The region's separate tax administration, retentions and clearances.

Residency and Workforce

Residency, work permits and employment of local and expatriate staff.

Disputes

Disputes under PSCs, including arbitration and claims involving federal and regional authorities.

WHERE THINGS STAND

- In 2022, the Federal Supreme Court ruled KRG Oil and Gas Law No. 22 of 2007 unconstitutional.
- Since September 2025, crude from Kurdistan Region has been exported through SOMO under Baghdad, Erbil arrangements.
- We track how these developments affect existing contracts, payments and operations.

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Compliance, Risk & Recovery

Compliance

- **Sanctions & Export Controls**
  Counterparty screening, sanctions risk in crude and gas trading, and export-control rules for imported equipment.
- **Anti-corruption & Integrity**
  Due diligence on agents and partners, anti-bribery programmes under the US FCPA and UK Bribery Act, and investigations.
- **Security Arrangements**
  Contracts with licensed private security companies and security approvals for field operations.
- **Local Content & Communities**
  Iraqi workforce and local procurement obligations, and agreements with communities near operations.

Recovery

- **Cost Recovery & Audits**
  Cost recovery and remuneration under service contracts, and contract audits by state oil companies.
- **Receivables Recovery**
  Recovering overdue payments from state entities through negotiation, claims and enforcement.
- **Investment Protection**
  Structuring investments for protection under investment treaties, and pursuing treaty claims.

Exit

- **Close-out & Exit**
  Final clearances, release of guarantees, branch deregistration and repatriation of funds.

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Gas, Power & Solar

Iraq's push to capture flared gas, add generating capacity and build solar is creating a new wave of projects. We support developers, contractors and lenders across them.

Gas Capture and Processing

Gas gathering, processing and sales agreements for associated-gas projects, including offtake by state entities.



Power Generation

Power purchase agreements with Ministry of Electricity, IPP structuring and grid connection.

Solar and Storage

Land, permits, procurement and financing for solar and battery storage projects.

PPP and Project Finance

Public-private partnership structures, financing documents and lender due diligence.

EPC and O&M

EPC, equipment supply and operation and maintenance contracts with clear risk allocation.

Licences and Approvals

Permits and approvals from the Ministry of Electricity, environmental authorities and local government.

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Key Contacts

Our oil and gas team works with clients from registration and bidding through operations, tax and disputes. Please contact any of us to discuss your project.



Dr. Ahmed Hankawi

Managing Partner, Commercial, Litigation

T +964 781 500 1400 ◆ **E** a.hankawi@etihad-law.com

Advises on upstream and downstream oil and gas matters, including development and production contracts, project financing, crude and fuel oil sales, negotiations with state oil companies, and petroleum storage and transit arrangements.



Farah Mahmood

T +964 787 474 0010 ◆ **E** f.mahmood@etihad-law.com

Advises operators and contractors on procurement and supplier contracts, service-level agreements, freight and logistics arrangements, security services, and supplier performance and warranty claims.



Abdulhadi AlShimary

Partner, Corporate, Litigation

T +964 780 944 7000 ◆ **E** a.alshimary@etihad-law.com

Advises oil and gas companies on establishing operations in Iraq, drafting and reviewing commercial and service contracts, obtaining licences and approvals, and managing regulatory, employment and compliance matters.



Zahraa Deyaa

Partner, Head of Corporate Structure

T +964 787 474 0012 ◆ **E** z.deyaa@etihad-law.com

Supports oil and gas companies and contractors with company and branch registration, licences and sector approvals, joint ventures and shareholders' agreements, and ongoing corporate compliance with the Registrar of Companies.



Anas Duraid

Associate, Head of Tax & Social Security

T +964 787 474 0007 ◆ **E** a.duraid@etihad-law.com

Advises oil and gas companies on tax planning and compliance, withholding tax on payments to foreign contractors and consultants, the application of tax treaties, and the tax structuring of energy-sector joint ventures.

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ETIHAD

Experienced Lawyers.
Unique Approach.

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MANCHESTER · DUBAI

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