

# Iranian Internet Infrastructure and Policy Report

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## INTRODUCTION

The Iranian tech sector has been the recipient of a great deal of hype in recent months, with events such as Bridge2014, Startup Weekend, and an array of Iranian conferences stoking a great deal of speculation in the domestic and international media about the potential for Silicon Valleys to spring up across the Islamic Republic.

This edition of the Iranian Internet Infrastructure and Policy Report is the first in a series that will explore the potential of the Iranian startup sector alongside its challenges. We'll engage with the issues of economic viability, infrastructural requirements, and the challenge of sanctions. In addition, we'll be following the stories of a number of startups that are trying to make it big in Iran today. This will all come alongside the report's usual content, keeping track of all the latest internet policy statements, infrastructural developments, and filtering measures in the past month.

# AN INTRODUCTION TO IRAN'S STARTUP ECOLOGY

In the last couple years, there has been a surge in interest in Iran's Startup ecosystem both inside the country and abroad. At the time of writing, a Google search for the Farsi term for Startup (استارتاپ) returns around 302,000 results; the term had not been in use before 2012 according to [Google Trends](#). Western media have taken note as well, with outlets such as [Washington Post](#) and [National Public Radio \(NPR\)](#) running articles covering Iran's nascent startup scene.

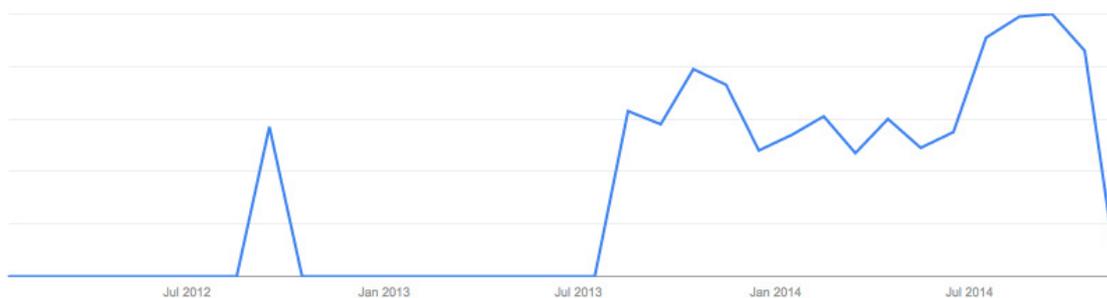


Figure [1] - Source: [Google Trends](#)

Over the coming months, Small Media plans to publish a series of reports on startups in Iran, with the aim of comparing the generally celebratory discourse regarding the startup scene with the political, economic and technological realities affecting the development of the tech sector. In this report, we'll begin the process by looking at the use of the term "startup," and how it is understood by Iranians.

## HISTORY OF STARTUPS IN IRAN

Iranians have a long history of supporting commerce. [Tehran's Grand Bazaar](#) has been a crucial centre of trade and for centuries, and even today provides opportunities for small businesses to emerge, grow, and potentially even expand into national or international markets. But entrepreneurs are finding new ways to launch their businesses, with the phenomenon of the tech 'startups' - young, innovative and agile companies - reaching Iran two years ago.

According to Small Media's research, the first time that the word 'startup' appears in mass media was in 2012, when [the first Startup Weekend](#) was held in Tehran on 5 - 7 September. This event introduced the concept of a startup to many young and educated Iranians. Small Media's research shows that before 2012, discussion of startups was generally confined to smaller websites, such as [Business of Software](#).

Yet amongst the general public, startups remain poorly understood. Hamidreza Ahmadi, Executive Vice President of Iran Entrepreneurship Association (IEA) and Project Manager of Startup Weekend Tehran, published [an article](#) in which he notes that despite widespread excitement about the development of startups in Iran, many Iranians still do not have a good understanding of the concept.

#### **STARTUP EVENTS IN IRAN**

Figure [1] shows a series of spikes in references to startups since 2012, all of which coincide with big events:

- **September 2012:** The first Startup Weekend, attracted many young and educated people, was held in Tehran.
- **September 2013:** For the first time, Startup Weekend was held in two cities other than the capital, Isfahan and Mashhad.
- **September 2014:** Since September 2013, new startup events such as [Startup Grind](#), [Lean Startup Machine](#) and [Slush](#) have been held in Iran.

Although there is a great deal of interest in Iran's startup scene, there are also significant obstacles to its further development, including issues relating to infrastructure, funding and regulation. Over the next three months, Small Media will provide a series of reports on the topic aiming to separate fact from fiction and furnish a sober assessment of both the possibilities and limitations of tech entrepreneurship in Iran.

# CONTENT FILTERING AND BLOCKED SITES

دسترسی به تارنمای فراخوانده شده امکان پذیر نمی باشد. جهت رسیدگی به گزارش ها و شکایات اینجا کلیک کنید.

<ul style="list-style-type: none"> <li>• پزشکی و سلامت</li> <li>• علوم پایه</li> <li>• فناوری اطلاعات</li> <li>• مراکز آموزشی</li> <li>• کتابخانه ها و منابع علمی</li> <li>• دانشنامه و لغتنامه</li> <li>• علوم فنی و مهندسی</li> <li>• علوم انسانی</li> <li>• فضای و حقوق</li> </ul>	<ul style="list-style-type: none"> <li>• مراکز داندو و ایلود</li> <li>• زیر آفرز های موبایل</li> <li>• خدمات سایت و وبلاگ</li> <li>• مریانی و نت دامنه</li> <li>• طراحی و برنامه نویسی</li> <li>• شبکه های اجتماعی</li> <li>• ناآرهای گنگو</li> <li>• اصلی و جت فارسی</li> <li>• موتورهای جستجو</li> </ul>	<ul style="list-style-type: none"> <li>• خانواده</li> <li>• سنگ زندگی</li> <li>• کودکی و نوجوان</li> <li>• ورزش و جوانان</li> <li>• بانوان</li> <li>• عفاف و حجاب</li> <li>• نقدیه و آشپزی</li> <li>• جشنواره و نمایشگاه</li> <li>• مؤسسات عام المنفعه</li> </ul>	<ul style="list-style-type: none"> <li>• مراجع و علما</li> <li>• معارف و منابع اسلامی</li> <li>• قرآن</li> <li>• سینما و هنر</li> <li>• انقلاب اسلامی</li> <li>• شهدا و دفاع مقدس</li> <li>• چندرسانه مذهبی</li> <li>• ادبیات و شعر</li> <li>• گردشگری و میراث فرهنگی</li> </ul>
<ul style="list-style-type: none"> <li>• بورس و سرمایه گذاری</li> <li>• فروشنده اینترنتی</li> <li>• کامپیوتر و تلفن همراه</li> <li>• تجارت و خدمات</li> <li>• تبلیغات و بازاریابی ها</li> <li>• اشتغال و کارآفرینی</li> <li>• تولیدی و صنعتی</li> <li>• صنایع خودرو</li> <li>• حمل و نقل</li> </ul>	<ul style="list-style-type: none"> <li>• باربهای رایانه ای</li> <li>• طنز و سرگرمی</li> <li>• عکس های جدیدی</li> <li>• گنگس - جده دار</li> <li>• دانلود فیلم و آهنگ</li> <li>• عکس و خاطره</li> <li>• پیامک</li> <li>• امکان تفریحی</li> <li>• سینما و تئاتر</li> </ul>	<ul style="list-style-type: none"> <li>• خدمات فضای و تنی</li> <li>• خدمات انتظامی و راهنمایی</li> <li>• اورژانس و هلال احمر</li> <li>• وزارتخانه ها و نهادهای حکومتی</li> <li>• خدمات شهری</li> <li>• خدمات خودرو</li> <li>• بانکداری الکترونیک</li> <li>• پرداخت فیوض</li> <li>• بیمه و خدمات درمانی</li> </ul>	<ul style="list-style-type: none"> <li>• بانکهای خیرگی</li> <li>• خیرگزاری های داخلی</li> <li>• خیرگزاری های خارجی</li> <li>• رادیو</li> <li>• تلویزیون</li> <li>• روزنامه ها و نشریات</li> <li>• مجله و هفته نامه</li> <li>• نشریات تخصصی</li> <li>• بین الملل</li> </ul>

[ این صفحه بصورت خودکار پس از 10.7 ثانیه وارد پیوندها می شود. (مانند در این صفحه) ]

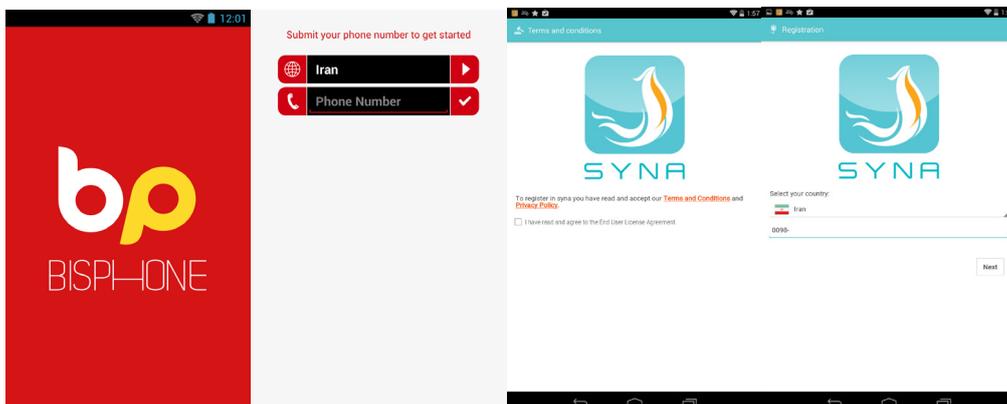
- **October 1:** [Entekhab](#), a news website close to President Hassan Rouhani, has been blocked due to 12 complaints. The website is still blocked at the time of writing, and remain unavailable around the world. Anyone attempting to access the site is redirected to [Peyvanhda](#), the page Iranians see whenever they try to log on to a blocked site. On 7 October 2014, MP Ali Motahari announced that the blocking of Entekhab was illegal because it was blocked based on a personal decision and did not go through the legal process. ([Source I](#), [Source II](#))
- **October 8:** The [Rich Kids of Tehran](#) Instagram account has been blocked and the owner(s) of the account deleted all images 'due to false publicity'. This account [showed](#) the opulent lifestyle of the super rich in Tehran. ([Source](#))
- **October 12:** A young man who scammed people through social networks was arrested by Iran's Cyber Police (FATA) in Fars province. According to FATA, the man created a fake account which he used to pretend to be a girl in need of financial assistance. He asked his victims to transfer money to his account. ([Source](#))
- **October 28:** Colonel Hossein Hosseinzad, Head of Police in Isfahan province arrested two 'disruptive' people who tried to distribute rumors online following the [acid attacks in Isfahan](#). ([Source](#))

## STATEMENTS FROM MINISTRIES AND POLITICIANS

- **October 1:** Mahmood Vaezi, the Information and Communication Technology (ICT) Minister, had an interview with Iranian Students' News Agency (ISNA). The highlighted points are listed below:
  - Blocking social networks is not a good solution to the problem of “immoral” content, because there are lots of social networks on the Internet. For instance, when Iran blocked WeChat, around 2 million Iranians installed circumvention tools on their smart phones and migrated to other mobile apps such as Tango and Viber. A better solution is to develop Iranian social networks and encourage people to use them.
  - The Cultural Appendix has been prepared and sent to the Secretariat of the Supreme Council of Cyberspace (SCC). However some economic and security issues remain. The ICT Minister is very keen to develop Iranian social networks for two reasons: 1) accessing them will be faster, and will avoid many problems such as poor connections; 2) they will protect Iranians against the data mining and monitoring by foreign companies that have plagued Western social networks.
  - Most people in other countries share little information about themselves on social networks while Iranians share lots of personal information on them. This means Iranians need to educate themselves about using social networks.
  - Vaezi claimed he did not promise Iran's Judicial System (IJS) that the ICT Ministry will solve the criminal content problems on social networks, but the Ministry is doing its best to remove all criminal content from the Internet. On **20 September 2014**, Iran's General Prosecutor Gholam Hossein Mohseni-Ejei sent a letter to the ICT Minister setting a one month deadline for the blocking of WhatsApp, Viber and Tango.
  - Work has begun on the pilot phase of the National Information Network (SHOMA) in Qom and the Ministry hopes it will be ready to launch by the end of March 2016.
  - The national bandwidth has increased 2.5-fold since last year. The current bandwidth is 1200 Mbps. The international bandwidth will increase whenever ‘intelligent filtering’ is introduced because Iran needs to monitor content.
  - Iran hosts 35% of Iranian websites inside the country, up from 10% when the government started its term. ([Source](#))
- **October 1:** Sadeq Ardeshir Amoli Larijani, Head of IJS, said Iranians who use search engines and social networks are in danger of having their personal information spied on by the US government. In addition, he said the IJS is not interested in blocking social networks or services but is keen to minimise the level of criminal content on them. ([Source](#))
- **October 3:** The ICT Ministry submitted its plan to support Iranian websites and services. According to the plan:
  - The ICT Ministry supports a series of Iranians social networking apps that are in the development phase. When they are released to the public, the ministry aims to attract more Iranians to use them.
  - The ICT Ministry will offer free bandwidth and Internet connections to Iranian social networks and Iranians will pay less than 1/10 of the current Internet price to use them.
  - The ICT Ministry will support apps for tablets, smartphones, Iranian computer games, augmented reality, virtual reality, Business Intelligence (BI) and Cultural Intelligence (CI) tools.
  - The ICT Ministry will support developing tools for data mining, big data and data analysis.
  - The ICT Ministry supports producing content in Farsi and would like to support e-learning

platforms, blogs, and wikis. (Source)

- **October 3:** Esmail Ahmadi Moghadam, Head of Iran’s Police, said he has nothing against social networks so long as they do not breach security and ethical lines. He did not elaborate. (Source)
  - **October 6:** Hojatoleslam Mohammad Reza Miri, a member of the Commission to Determine the Instances of Criminal Content (CDICC), said a workgroup was created by the CDICC 3 years ago to regulate VPNs in Iran, however, some ambiguities regarding encryption prevented the workgroup from assuming its responsibilities. These ambiguities have since been clarified and the workgroup has started its job. According to Miri, current regulations do not make clear when the use of VPNs is legal. In addition, Miri said ‘legal VPNs’ means Iran can offer VPNs only to banks, ministries and businesses, whereas the general public cannot use them. (Source)
  - **October 6:** Vaezi held a press conference at the [15th International Exhibition of Telecommunications, Information Technology & Solutions](#). The highlighted points are listed below:
    - Vaezi denied that his ministry has throttled the speed of Viber, noting that so long as Iranians aren’t using social networks for criminal activities, they shouldn’t have any problems.
    - The satellite jamming report has been sent to President Rouhani and the amount of radiation has decreased since the report was published.
    - There will be not any monopoly on for the Internet Protocol television (IPTV) licensing and all companies working in the field can apply for a license.
    - The quality of the Internet is not equal to the price that people pay for it and the ICT Ministry offers a 35% discount to ISPs for the Internet bandwidth for this purpose. (Source)
  - **October 6:** MP Mohamad Hassan Nejad said mobile applications such as Viber and WhatsApp present a good opportunity for people to connect with each other, and Iran should not prevent their use. Hassan Nejad believes Iran must educate people instead of blocking apps. (Source)
- October 7: Vaezi said blocking social networks is not a solution, and it is generally people who do not have technical knowledge about social networks who think blocking two or three of them will protect people from “criminal” content. According to Vaezi, the solution is educate people about these platforms. In addition, he said the ICT Ministry offers to host Iranian mobile apps and social networks. (Source)
- **October 7:** Hossein Mehri, Director of Iran’s Post, announced 20 million Iranians aged 15 and over will join the national email by end of March 2016 and this number will increase to 57 million by end of March 2018. (Source)
  - **October 9:** Alireza Seyedi, Director of the Telecommunication Company of Tehran (TCT), announced the cost of a call via landlines has been decreased due to the popularity of social networks. In addition, he said the average cost of each landline for the TCT is around 7,000,000 IRR (~262 USD) while the TCT must sell them for 500,000 IRR (~19 USD). (Source)
  - **October 10:** Vaezi announced that two quality mobile apps, [BisPhone](#) and [Syna](#), have been created by Iranian developers. According to Vaezi, these two apps are good alternatives for Viber and Tango and people can trust them because their data is stored inside the country. Vaezi claimed these two app are completely domestic, but [Rasad](#) published a report that shows BisPhone is owned by [Bistalk Telecom](#), which is headquartered in Switzerland. There are also doubts about the source of Syna, as it looks as though it was developed by another non-Iranian company. (Source I, Source II, Source III)



- **October 12:** Hassan Gharavi, Director of Info Gostar predicted that 900,000 notebooks will be imported into Iran this year. Around 20% of these devices will be sold without any formal guarantee. [\(Source\)](#)
- **October 12:** Hojatoleslam Mousa Ghorbani, Judicial Deputy at the Government Administrative Tribunal (GAT) said the GAT overruled the Ministry of Culture and Islamic Guidance's (MCIG) order to block news websites. According to Ghorbani, the MCIG does not have any right to block websites. [\(Source\)](#)
- **October 14:** The TCT announced it needs 3,620 Gbps bandwidth for SHOMA by the end of 1397 (20 March 2019). [\(Source\)](#)
- **October 17:** The 19th meeting of the SCC has been postponed because several members were not available to attend. According to the Public Relationship (PR) of the National Center of Cyberspace (NCC), the agenda for the meeting was very important and couldn't proceed without a majority of members present. The 19th meeting was supposed to have been held on 18 October 2014. [\(Source\)](#)
- **October 17:** Mohammad Reza Kaman, Secretary of National Document of Marriage announced the launch of a regulatory scheme named 'Choosing a Spouse,' which aims to crack down on dating websites. According to Kaman, people who would like to find their partner through the Internet should pass a series of examinations. This is the first official document that Iran has compiled on the subject of online dating. [\(Source\)](#)
- **October 18:** Seyyed Morteza Hosseini, a member of Cultural Committee at Iran's Parliament said Iran must jam satellite channels at the right time and place. In addition, he said if jamming is dangerous for public health, the Telecommunication Company of Iran (TCI) and other organisations must stop it. On 20 November 2012, Small Media published a report on satellite jamming in Iran that is available [here](#). [\(Source\)](#)
- **October 19:** Communications Regulatory Authority of Iran (CRA) passed the IPTV regulation. According to this regulation:
  - Organisations that would like to apply for IPTV must get permission from CRA, Islamic Republic of Iran Broadcasting (IRIB) and the MCIG.
  - The organisations that would like to apply must host all content inside the country.
  - The organisations must be a non-governmental organisations (NGO) and register in Iran. licenses are valid for 10 Iranian years and organisations must start its services a year after getting permission.
  - The organisations must pay 10 billion IRR (374,100 USD) per year to the CRA after the first year.
  - The maximum monthly charge for using IPTV is 200,000 IRR (~7.5 USD). [\(Source\)](#)
- **October 19:** Kamal Hadianfar, Head of FATA announced that more than 40% of cyber crimes in Iran are 'transnational' and FATA can identify 90% of cybercrimes committed inside the country. [\(Source\)](#)
- **October 19:** Hassan Nosh Abadi, the Parliamentary Representative of the MCIG said it is his ministry's right to decide whether or not to block unlicensed news websites. According to Abadi, the CDICC can decide about news websites with licenses but all decisions relating to unlicensed news websites falls under the remit of the MCIG and all websites that have been blocked for failure to obtain a license must remain blocked. [\(Source\)](#)
- **October 21:** The deadline for the ICT Minister to block Viber, WhatsApp and Tango passed, but all three platforms remain accessible. The deadline announced by Iran's General Prosecutor Gholam Hossein Mohseni-Ejei was 20 October 2014.
- **October 22:** An agreement to launch the 1st phase of 'intelligent filtering' by the end of March 2016 has been signed by the ICT Minister, the Infrastructure Telecommunication Company and Research Institute for ICT. According to the agreement, the intelligent filtering system will help Iran block specific content on social networks and websites without blocking the whole platform. According to reports from [Mehr News Agency](#), details of the project are not clear and it remains to be seen what will happen next. [\(Source\)](#)

- **October 23:** According to FATA, there has been an 8% increase in the number of cyber crime arrests since last year. They also provided a demographic breakdown of offenders:
  - 5% are under 17 years old.
  - 40% are between 18-25 years old.
  - 55% are over 25 years old. ([Source](#))
- **October 25:** Ramezan Sharif, Director of PR at Iranian Revolutionary Guard Corps (IRGC) said Twitter and Facebook are tools that have produced 'terror' in society. ([Source](#))
- **October 28:** Mohammad Javad Larijani, Head of the Human Rights Council in IJS and the Director of Institute for Studies in Theoretical Physics and Mathematics in Tehran had an interview with Tashim News Agency. The highlighted points are listed below:
  - He strongly believes in SHOMA, and in the need for Iran to educate people about using the Internet.
  - Internet censorship is like the door of a house. You have to lock the doors to protect your home from burglars, although there are some professional thieves who can break the lock and enter the house. Filtering is the same: just because someone can bypass filters, does not mean they should be eliminated.
  - Islam does not fear technology, and is happy to use it for its own benefits. Iran will be modern when it can control and dominate technology. ([Source](#))
- **October 29:** Gholamreza Dadash Zadeh, Deputy of Supervision at the CRA announced 12% of 6.5 million Internet ports had problems, prompting people to file complaints with the authorities. 60% of these issues have since been resolved. ([Source](#))
- **October 31:** Vaezi announced that Rouhani's government fully supports all Iranian developers and programmers in their attempts to develop social networks, mobile applications and hardware. According to Vaezi, the government is ready to offer funding and logistical support. ([Source](#))
- **October 31:** Mahmood Bahmani, former head of the Central Bank of Iran said more than 70% of bank transactions have been carried out via the Internet. In addition, he said:
  - 60 million debit cards were issued in 2008/09 while the number reached 225 million by end of 2012/13.
  - There are 30,173 active cash machines in the country, up from 12,959 in 2008/09.
  - There are more than 689,000 Points Of Sale (POS) that have done more than 6 billion transactions in 2008/09. ([Source](#))

## CIVIL SOCIETY, PROFESSIONAL ORGANIZATION STATEMENTS

- **October 19:** Seyyed Teymour Hosseini, an IT expert announced that the ICT Ministry, the SCC and the Supreme National Defence University are reviewing a proposal for creating the National Cyber Security Center (NCSC). According to Hosseini, this center will monitor the security of sensitive data that is transferred between governmental organisations. ([Source](#))