IN THE NAME OF GOD

INTERNATIONAL COURT OF JUSTICE

CASE CONCERNING ALLEGED VIOLATIONS OF THE 1955 TREATY OF AMITY, ECONOMIC RELATIONS, AND CONSULAR RIGHTS

(ISLAMIC REPUBLIC OF IRAN V. UNITED STATES OF AMERICA)

ANNEXES TO THE MEMORIAL OF THE ISLAMIC REPUBLIC OF IRAN

VOLUME VI

24 May 2019

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Annex 292

Witness statement by Mr A. Saman Torabizadeh, Technical and Commercial Director of IRISL, 10 March 2019

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IRISL's Witness Statement

BY AMIRSAMAN TORABIZADEH

Preamble

I, Amir Saman Torabizadeh, 55 years old with Iranian nationality, Technical and Commercial Director of the Islamic Republic of Iran Shipping Lines hereinafter "IRISL" with registered office at No. 523 Asseman Tower, Pasdaran & Shahid Lavasani Junction, Tehran, Iran, and

- Authorized by IRISL to demonstrate the impacts of the re- imposition of the US sanctions on IRISL activities along the followings; (References to "Company" or "we" in this report backs to IRISL)
- It would be safe to say that the subjects set out or information and belief based on the source or sources stated herein are true within best of my knowledge, unless otherwise is corroborated by other evidences.
- My mother tongue is Persian (Farsi) but I understand English language relatively fluently so I prefer to provide this report in English.

Employment History

- I joined IRISL in 1983 as an apprentice deck cadet and I have been continuously employed by the Company since then. Now, I am responsible for overall supervision of Technical & Commercial affairs of the Company since I was appointed as Director on 21st January 2016
- My duties comprise, inter alia, planning of the fleet expansion, overall
 supervising of management of technical and commercial fleet's vessels, bunkering
 activities and the agency network as well as overseeing the trade patterns in the
 bulk and container sectors.

Role of IRISL in international transportation and the impacts of the re-imposition of the US sanctions

- 1. IRISL, in its holding structure, with its affiliated companies, is engaged in maritime transportation sector and related industries. IRISL is the owner of its fleet and operates the vessels technically and commercially. With the re- imposition of the US sanctions, the name and IMO No. of as many as 113 vessels were included in the OFAC list. There is a wide diversity in type and size of the vessels and IRISL fleet is capable to ship most of the goods needed by the country. With impose of sanctions, calling of foreign lines to Iranian ports is limited to a great extent and IRISL's role is in higher contrast, now than ever before, in import and export of the country.
- 2. This is to address the effects of US re-imposition of sanctions on IRISL activities. In short, we can confirm that this decision has negatively impacted on various aspects of IRISL business as the main shipping company for Iran's international non- oil trade. To the best of my knowledge before re-imposition of sanctions, as many as 16 foreign liners used to call major Southern Iranian ports on regular basis and the volume of commodities shipped by these vessels was of considerable importance in maritime transportation of the country, whereas, following re-imposition of sanctions, this level of their activities is diminished.
- 3. The international shipping industry is responsible for the carriage of around 90% of world trade. Shipping is the life blood and backbone of the global economy. Without shipping, intercontinental trade, the bulk transport of raw materials, and the import/export of affordable food and manufactured goods would simply not be possible. Seaborne trade continues to expand, bringing benefits for consumers across the world through competitive freight costs¹.

^{1 (}http://www.ics-shipping.org/shipping-facts/shipping-and-world-trade)

Reference is made to the above official statistics of International Chamber of Shipping (ICS) and Annex 1 of this witness statement, there is inevitable connection between Iran's economic and trade affairs with the world trade. As it is shown in Annex 1, more than 80% of the international transportation of goods to Iran during recent years has been made through shipping transportation.

The unilateral re-imposition of sanctions by United States of America (US) and the imposition of extra-territorial embargoes against Iran that are applicable to all countries in the world have affected Iranian people and companies immediately.

As regard to the Islamic Republic of Iran Shipping Lines (IRISL), the various areas which have been affected by the US sanctions are summarized under the following headings:

A-Commercial aspects

A.1. Refusal of clients, shippers and charterers to ship their commodities with fleet vessels. (Annex.2)

Obviously, with fear of our clients to ship their commodities with IRISL fleet vessels, or equip the Company for the same purpose as the direct or indirect consequences of sanctions, the Company loses its share of transportation from domestic and international market and hence the loss of income in the form of earnable freight remuneration.

- 1.1. Bunge
- 1.2. Brampton Shipping S.A. Panama (Hulbund)
- 1.3. Eurasian Maritime Ltd
- 1.4. Evergreen
- 1.5. Volvo
- 1.6. UPM Co & Kotkamills
- 1.7. Blue Sky Intermodal (BSIU)
- 1.8. Table of the impacts of above, on bulk food activities.

A.2. Refusal of agency networks to render services to IRISL fleet vessels (Annex.3)

Agency networks are playing an important role in business enhancement of shipping lines in view of cargo booking, cargo forwarding, cargo documents and other shipping related business. Obviously, in absence of their cooperation, shipping activities in a particular port or country would become rather impossible.

- 2.1. Spain- Marmedsa
- 2.2. Greece- Kostas Dovelopoulos
- 2.3. United Shipping Services- ASECO Finland
- 2.4. ASECO- Sweden
- 2.5. Worms Service Maritime- France
- 2.6. Cosulich- Italy
- 2.7. China Ocean Shipping Agency

A.3. Refusal of bunker companies to supply bunker to IRISL vessels. (Annex.4)

As a common practice, the vessels on departure from their loading / discharging ports, take sufficient bunker to ensure safe arrival to next calling port. Refusal of bunkering companies to supply required bunker to vessels for their return leg of voyage, causes considerable loss to the Company as they should put extra bunker for return voyage that it reduces the loadable cargo quantity and the freight remuneration of the vessel accordingly or consequential delays imposed.

- 3.1. Sinopec
- 3.2. Chimbusco

A.4. Refusal of Hull and Machinery insurers (H&M) and Protection and Indemnity clubs (P&I clubs) to provide coverage for the IRISL vessels with a deleterious effect in Company's relation with its clients. (Annex.5)

- It is very clear that the cargo owners like to ensure their commodities are shipped and carried in appropriate vessels with reliable and well known P&I coverage and ship owners/commercial operators being ensured that have such capability to compensate for any claim in respect to third party liabilities. The benchmark to ensure this requirement is coverage under an International Group (IG) member. Lack of such a cover is enough to create a great inconvenience and problem in relation to Company's clients who choose us for their maritime transportation services.
- Since 8th may 2018 no foreign H&M insurers accepts to negotiate or communicate with IRISL to provide coverage for vessels due to including sanction clause in Insurance Policy or their General Terms & Conditions- i.e. protection against physical loss of or damage to the vessel and its machinery onboard to IRISL's vessels or related vessels. Although this insurance is optional but no credible or prudent shipping company would let it's vessels without such insurance.
 - 4.1. Skuld (P&I Club)
 - 4.2. West of England(westpandi) (P&I Club)

A.5. Refusal of port authorities and port service companies and terminals to provide required services. (Annex.6)

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Refusal of Terminals and port authorities to accept berthing and other shipping services causes the commercial operators of the vessels to choose other alternatives and consider loading/discharging in other ports in vicinity and then the cargo is carried to its main destination by feedering, which in turn causes extra cost and seriously affects compatibility of the Company with its rivals offering the similar services with lower rate.

- 5.1. APM Terminals stated in Gutenberg
- 5.2. Gdynia Terminal- Poland
- 5.3. Mardas-Turkey
- 5.4. OCIDENAVE Terminal- Portugal
- 5.5. Spinelli- south of the Italy
- 5.6. Eurogate-Homburg
- 5.7. HHLA Container Terminal- Odessa, Ukraine
- 5.8. APM Terminal-Barcelona
- 5.9. Best Terminal-Barcelona

A.6. Refusal of international shipping companies in feedering and slot sharing. (Annex.7)

As explained above, by refusal of shipping companies in feedering operation, the cargo remains in the hub port and cannot reach its destination as stipulated in the contracts. By slot sharing, the Company could accept cargo to certain destinations that its vessels are not calling and arrange transportation by other companies, and similarly carry the cargo of other shipping companies to destinations they were not calling.

Additionally by slot sharing, container liners share space on their vessels and as a result reduce their costs enabling them to competitively operate in the market. By refusal of companies in slot sharing, the Company loses its commercial presence and share in the international market.

- 6.1. EMES Feedering Co- Italy
- 6.2. UNIFEEDER- Hamburg
- 6.3. Progeco CMA- CGM

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B-Financial aspects

B.1. Refusal of foreign companies to do business cooperation due to banking and international monetary system restrictions to engage into the Company's financial transaction, problems or prohibitions of opening bank account, L/C or obtaining B/G to enhance our business in different countries. (Annex.8)

In absence of banking transactions, the Company cannot open bank accounts and transfer the collected freight from various locations. Furthermore L/C cannot be opened for the operations related to ships which their IMO No. is included in the sanction list and it makes acceptance of cargo practically impossible.

- 1.1. National Bank of Ukraine
- 1.2. Noor Trade Bank of UAE
- 1.3. METRANS Company
- 1.4. T.T.S Company

B.2. Refusal of banks and financiers to finance the Company's strategic plans

IRISL in its holding structure, has established over 20 affiliated companies to drive ahead its shipping related activities and each company has set up its strategic plan for a period of 5 years for necessary expansion in compliance with need of market and the clients.

In absence of negotiating banks to finance the projects, initiation or continuation of the planned developments of the operations has become impossible and Company loses its market shares.

In respect to fleet expansion, in compliance with the need of market and the clients, absence of financiers to support purchasing/ordering new vessels causes increase in the age of fleet and access of the Company to new technology and eco/economic vessels is practically limited.

C-Technical aspects

C.1. Refusal of suppliers, service providers and manufacturers of equipment and machineries to render service to vessels. (Annex.9)

By including the name and IMO No. of the fleet vessels in sanction list, the manufacturers of spare parts fear or refuse to supply parts for the vessels and hence the Company has no options but to purchase those spares from alternative markets with considerable high prices.

- 1.1. T.T.S company
- 1.2. Wartsila
- 1.3. MacGregor
- 1.4. MPI (Marine Power International Fzc)
- 1.5. Marlink

C.2. Refusal of Classification Societies particularly members of International Association Classification Society (IACS) to class the vessels. (Annex.10)

This would adversely affect the shippers/ charterers to accept IRISL's vessels for carriage of their cargo.

- 2.1.LR (Lloyd's Register)
- 2.2.DNV GL
- 2.3.BV (Bureau Veritas)

C.3. Refusal of Inmarsat Company to provide telecommunication and satellite services for fleet vessels which will encounter problems with the strict and effective implementation of the requirements of the conventions as below:

- 3.1. Maritime Labor Convention (MLC): is an international agreement of the International Labor Organization ('ILO') which sets out seafarers' rights to decent conditions of work. It is sometimes called the seafarers' Bill of Rights. It applies to all scafarers, including those with jobs in hotel and other passenger services on cruise ships and commercial yachts.
- 3.2. Safety of Life at Sea Convention (SOLAS): is an international maritime treaty which sets minimum safety standards in the construction, equipment and operation of merchant

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ships. The convention requires signatory flag states to ensure that ships flagged by them comply

with at least these standards.

3.3. Marine Pollution Convention (MARPOL): is one of the most important

international marine environmental conventions. It was developed by the International

Maritime Organization in an effort to minimize pollution of the oceans and seas,

including dumping, oil and air pollution. The objective of this convention is to preserve the

marine environment in an attempt to completely eliminate pollution by oil and other harmful

substances and to minimize accidental spillage of such substances.

3.4. Facilitation of International Maritime Traffic Convention. (FAL): The

Convention's main objectives are to prevent unnecessary delays in maritime traffic, to aid co-

operation between Governments, and to secure the highest practicable degree of uniformity in

formalities and other procedures. In particular, the Convention reduces the number of

declarations which can be required by public authorities.

D-Industrial aspects

The business projects that IRISL was planning prior to the US decision of 8 may 2018 to re-

impose nuclear related sanctions consisted in the renovation and expansion, in the medium term

(3 to 5 years) of its fleet and in the opening of new shipping routes. Re-imposition of sanctions

has limited and adversely affected such plans by:

1- Hindering sale & purchase of vessels in order to renew its fleet,

2- Limiting and hampering expansion of its Shipping Routes and Services,

3- Imposing uncustomary higher costs for operation of its fleet,

4- Seriously discouraging shippers/ charterers or industrial partners and parties to freely

approach IRISL to cooperate and work with the Company.

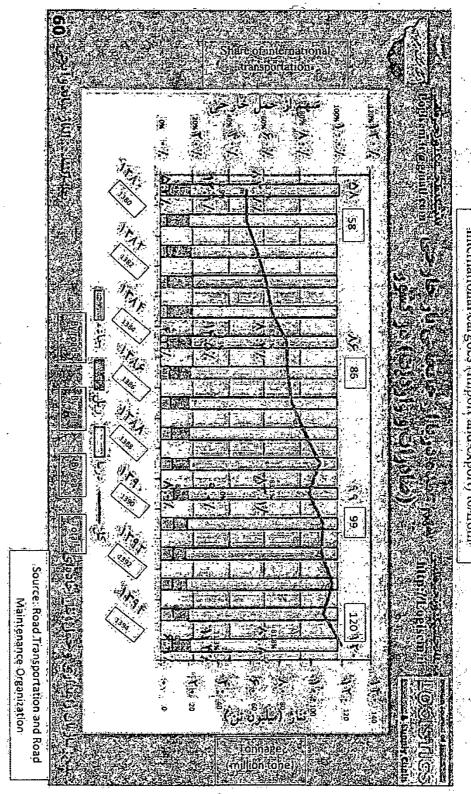
I believe the facts stated in this expert report are true.

AMIRSAMAN TORABIZADEH

Date: 10. March. 2019

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ANNEX 1



The major contribution of sea transportation of international cargoes (import and export) to/from

ANNEX 2

From:

Vishvendra Kumar Chakravarthy <vishvendra-kumar.chakravarthy@bunge.com>

Sent:

To: Cc: Monday, September 03, 2018 6:22 PM

Emiliano Tissera; BEU-GVATrading-MidEast

Subject:

Sapid vsls open in ECSA 10-20 Oct 2018

De De

We are not aware of the extent of sanctions and what if any channels that would be available. We will have to wait and see how the situation develops.

There is absolutely no visibility for the time being.

Thanks and regards

BŮNGE

V.K.Chakravarthy (Chucky) Director Middle East Markets

Route de Florissant 13 - CP 518 CH - 1211 Genève 12

Mob: +41 79 8171430 Dir Tel: +41 22 5929673 Off Tel: +41 22 5929100 Off Fax: +41 22 5929984

(for all business emails please send to mideast.trading@bunge.com
If for any reason it has to remain personal please email to vishvendra-kumar.chakravarthy@bunge.com

From

Sent: Monday, September 03, 2018 12:39 PM

To: Vishvendra Kumar Chakravarthy < vishvendra-kumar.chakravarthy@bunge.com>

Cc: Emiliano, Tissera < Emiliano, Tissera @bunge.com>;

BEU-GVATrading-MidEast <mideast.trading@bunge.com>
Subject: RE: Sapid vsls open in ECSA 10-20 Oct 2018

Dear Mr. Chucky/

Good Day

If we may pls let us know about ur future plan towards receiving payments in respect of Cargoes with Iranian Nexus inter alia agricultural products which are excluded from US sanctions and at the same time need to be imported post re imposition of US sanctions on 4th Nov.2018.

1

1.1

Best Regards, (Mr.) SAPID Shipping Co. STORY TEAT Tel: 0098 21

From: Vishvendra Kumar Chakravarthy [mailto:vishvendra-kumar.chakravarthy@bunge.com]

Sent: 03/09/2018 11:49 AM. To:

Cc: ; Emiliano Tissera ; Emiliano Tissera ; Subject: RE: Sapid vsls open in ECSA 10-20 Oct 2018

Dear Mr. Comments

Although we would love to work with you, due to the uncertainty of the payment channels available from Iran, and the risk of having to wait at disport to collect payments before 4th November, prohibits us from chartering any further vessels.

Hope you understand the situation.

Thanks and regards

BUNGE V.K.Chakravarthy (Chucky)

Director Middle East Markets

Route de Florissant 13 - CP 518 CH - 1211 Genève 12

Mob: +41 79 8171430 Dir Tel: + 41 22 5929673 Off Tel: + 41 22 5929100 Off Fax: + 41 22 5929984

(for all business emails please send to mideast trading@bunge.com If for any reason it has to remain personal please email to vishvendra-kumar.chakravarthy@bunge.com

GFI Group Dry Cargo < DryCargo.Incoming@gfigroup.co.uk> From: Tuesday, December 18, 2018 2:52 PM Sent: To: Subject: brampton update qfi ldn dear mr /ian thank you for your email regret this is not currently possible. Lets hope the situ changes in the mear future. best wishes rgds ian rogers 0207 8778151 mob 07855430970 skype ian.rogers1403 From: sapidshpg.com> Sent: 18/12/2018 11:19:08 To: 'GFI Group Dry Cargo! < DryCargo. Incoming@gfigroup.co.uk> @sapidshpg.com> Subject: RE: rampton update Dear Ian Good day Thanks for your offer. Pls advise if Iranian flag vsl is workable for Paranagua/Bik shipment. Kind Regards (Mr.) Sapid Shipping Co. (Tel: +98 21 2 Fax:+98 21 *Email: bsapidshpg.com pplease consider the environment before printing this email. From: GFI Group Dry Cargo [mailto:DryCargo.Incoming@gfigroup.co.uk] Sent: 18/12/2018 2:00 PM Subject: brampton update gfi ldn brampton shipping - 18dec 60,000/10 corn paranagua/bik 26/29dec 8000satpmsx/10,000 thurs12-sat8 eiu amended 35/40000 10pc wht riga-klaipeda-ventspils/2-3 Mombasa-des-beira-Maputo (10.5m sw first disport) 24/31dec try later 8000sc/4000sc

1

remain

From: Sent: To: Subject:	@sapidshpg:com Sunday, January 20, 2019 9:46 AM rsch2@mdslines.com FW: 30,000 mt Rice Thailand to 8 Abbas
Sent: Saturday, January 1 To: Street Fish, net	com [mailtd] @sapīdshīpg.com] 19, 2019 2:36 PM 30,000 mt Rice Thailand to B Abbas
From [mailto.] Sent: Saturday, January To: @sapidshpd.co. Subject: FW:	
Sent: Tuesday, January O To: 'Deputy GM Cc: 'Euroasian Maritime' Subject: RE:	
Dear Mr	
Gdays	
Sorry for late reply as the	mail came into junk mails
Chrs advd'us tht no Irania	n flagged vsl will be required for this order
Regards / Capt Ersin Euroasian Maritime Ltd Tel:+902163097197 Fax:+ Mobile:+90 532 660 45 06 E-Mail:chartering@euroa Website;www.euroasiann Skype:capitan119	ilanmaritime.com.
From: Deputy GM- Sent: Tuesday, January 8,	@sapidshpg.com> 2019 8:32 AM

dancelled Booking by Evergreen

From: Sent:

Wednesday, December 26, 2018 3:05 PM

To:

Cc: Subject: Attachments: Cancelled Booking by EVERGREEN Line of SOC containers booz of sanctions UANI_Ltr_Uni_Orient_RE HDASCO_12142018.pdf

Dear Mr.

G'Day I

High Cube

Please be informed that one of our Booking 2 x40HC with cargo rods of other alloy steel, which we planed to load to Jebel Ali of 27/12 has been cancelled by EVERGREEN Line due to units (HDXU4984265, HDXU4893273) in sanctions list and referred on attached document.

Best Regards

Liner Manager Assistant

Uni-Orient Shipping Agency Ltd.

From:

Subject:

Johan Lundblad (Aseco) < Johan Jundblad@aseco.se> Monday, July 16, 2018 3:15 PM

Sent:

To: Cc;

Re: VOLVO Batches

Dear

Last batch planned for Golbon

After that no more bookings expected from Volvo due to US problems.

Anna Maria can you confirm that 171 was the last batch sent

Skickat från min iPhone

16 juli 2018 kl. 12:11 skrev

Dear Mr. Johan,

Pls advise if no more batches is available after 8-171 and you haven't received any from VOLVO side?

Best regards,

THE PARTY OF THE P

Europe Section HDASCo. Head Office

Tel: 0098 21 Fax: 0098 21

General email:

FOR CARGO TRACKING PLS VISIT OUR WEBSITE WWW.HDASCO.COM

From:

Satu Kangas (Aseco) <satu.kangas@aseco.fi>

Sent:

Thursday, July 19, 2018 11:10 AM

To:

Jörn Scheffler

Cc: Subject: Arita Nieminen (Aseco);
RE: [opr.cs] 120x40HC to Kotka urgent

Categories:

oatcyonto.

Yellow Category

That was cargo provider UPM. They will stop 01.08.

This is Kotkamills and below will be their last shipments to Iran. The reason they can still load in August is that the Iranian customer paid all the cargo now, in July already.

The reason behind both UPM and Kotkamills stopping business to Iran is that banks have refused to handle any money transactions related to Iran.

h going on vacation now for 3 weeks so therefore I kindly ask you to arrange these empties to Kotka already, Forder toavoid any delays as these must sail within August ex Kotka.

Yst. Terv. / Brgds,

Satu Kangas Operations & Sales Mariager Oy Aseco Finland Ltd.

Sent: Thursday, July 19, 2018 9:38 AM

To: Satu Kangas (Aseco) <satu.kangas@aseco.fi>

Cc: Arita Nieminen (Aseco) <ani@aseco.fi>

Subject: RE: [opr.cs] 120x40HC to Kotka urgent

ar Satu,

So you mean they ignored their previous announcement of 'stop providing cargo for Iran from beginning of Aug"?

Best regards;

Tel: 009

Fax: 009

General email:

FOR CARGO TRACKING PLS VISIT OUR WEBSITE WWW.HDASCO.COM

المستكرة

Blue Sky Intermodal

www.bsiu.com

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From: 1500 Fift and the contract to

Sent: 19 July 2018 05:10

To: Anthony Hutchins <a.hutchins@bsiu.com>

CC: CONTRACT STATE OF THE PARTY OF THE PARTY

Subject: FW: Blue Sky / HDASCO / Termination of lease agreements

Importance: High

Dear Mr. Anthony Good Day

regret to hear below termination notice from your side, as you mentioned there was very close coordination during best 2-3 years between us and we always counted on BlueSky as a reliable and professional partner. I believe our reliable was very brilliant and unique from the beginning. Frankly we did not expected to face such situation with you and terminate all cooperation, however we have no choice but to abide with. Although we still have little hope to find an alternative solution in order to continue our cooperation which we shall discuss later on.

But as you are well experienced in this business, practically it is not possible to re-deliver such big quantity of containers within 4 months. Therefore, based on our lease contract there is 12 month limit as Builddown period + 5 month as post Builddown period which we'll manage to redeliver boxes during this time limit.

B.Řegards

From: Anthony Hutchins [mailto:a,hutchins@bsiu.com]

nt: Tuesday, July 17, 2018 3:00 PM

Cc: Geoff Mornard; Anthony Hutchins

Subject: Blue Sky / HDASCO / Termination of lease agreements

Importance: High

Dear Captain

It is with deep regret that I must advise that per advice from our lawyer Clyde & Co., (both London and NYC offices) yesterday, Blue Sky Intermodal (UK) Ltd must immediately cease the supply of containers to HDASCO and in accordance with lease agreement BSIO0482 with W. Lampke GmbH and lease agreement BSIO0483 Clause 11 with Hafez Darya Shipping Company, terminate both lease agreements and request immediate redelivery or declaration of total loss of all containers on lease. The current fleet on hire is as follows and is as attached:

HDASCO MLA 483

- 20' dv 874
- 40' dv 21

3

• 40° HC – 5391 WLG Short Term Lease

- 20' dv 18
- 40 HC 7

We have been advised by Clyde & Co. that effective November 5th 2018, the sanctions that will be imposed on fran by the USA will-include sanctions on all IRISL companies previously sanctioned in 2008 (IRISL companies will-be each named as a Special Designated National) and whilst as a UK limited company operating within the EU we currently remain outside of the US sanctions, our existing receiving bank, and indeed any other bank that we could receive EURO payments from, will not be able to receive any funds traceable to fran from this date, thus ceasing our ability to receive any rental payments from HDASCO. In addition to this, as a company affiliated with trade to fran we also face the possibility of being nominated as an SDN by the USA government and the subsequent freezing of all USD funds being paid to Blue Sky by other lessees via US banks, which in the bigger picture, could potentially halt the ability of Blue Sky to trade as a company.

As you can see the bigger picture presents a potentially drastic situation for us and so in light of this we have, and as I say it is with deep regret, no choice but to immediately terminate our business activities with HDASCO to ensure we are parating within the legal guidelines advised to us. These measures are purely driven by the USA's decision and the situations of re-imposing sanctions on Iran and in no way reflective of Blue Sky's own intentions.

November 5th 2018 is a critical date upon which we are expected to show cessation of all trade with Iran and whilst less than 4 months away, we have no option but to request your immediate action towards this as advised above.

I have to express my deep sadness at this on behalf of myself, Geoff Mornard and the Blue Sky team as we have grown a strong relationship with IRISL in the last 2.5 years and we had hoped to continue our growth. We very much hope that this situation changes in the future in order we can re-commence our business activities with HDASCO, however as I am sure you can understand the immediate priority to us is to ensure that Blue Sky Intermodal (UK) Ltd. operate strictly within the legal guidelines advised to us to ensure safe and future operation of our company.

outstanding bookings but appreciate that there are some containers that may have been collected in recent days that may be awaiting Gate Out moves and so there will be some slight change to these figures.

I must thus leave this with you for your review and internal discussion in order we can then work together to meet the pie, but must I am afraid remind that November 5th 2018 is the critical date upon which we have to work towards.

I will thus look forward to hearing forward from you and once again I am very sorry to have had to send this email.

Best regards

Anthony

Anthony Hutchins a.hutchins@bsiu.com

D: +44 1628 362 460 T: +44 1628 891 543 M: +44 7824 663 133

www.bsiu.com

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FOOD BULK DEPARTMENT

(March 2018-March 2019)		Charterer	Number of Voyages	Total Quantity
157	1	BUNGE SA	6	398,364
-Ma	2	OLAM INTERNATIONAL LIMITE	8	525,859
)18-	.3	BRAMPTON SHIPPING SA PANA	3	185,898
h 20	4	COFCO SA	5	306,761
arc	5 .	ADM INTERNATIONAL SARL, S	3	182,674
	6	VA INTER TRADING AG LINZ	3	197,600
1397	7	AMAGGI SA.	1	66,000
	8	Total	29	1,863,155

ch		Charterer	Number of Voyages	Total Quantity
2018-March 18)	1	BUNGE SA	17	1,107,730
1-81	2	OLAM INTERNATIONAL LIMITE	12	760,803
	3	BRAMPTON SHIPPING SA PANA	4	236,897
201	4	COFCO SA	2	133,250
Mai	5	ADM INTERNATIONAL SARL, S	4	254,118
1) 9	6	VA INTER TRADING AG LINZ	4	40,250
1396 (March	7	AMAGGI SA.	1	65,999
	8	Total	44	2,599,047

Food Bulk trade variation	Number of Voyages	Total Quantity
Percentage of total variation in 1397- (March 2018- March 2019) in comparison with1396 (March 2018-March 2018)	-34.09%	-28.31%
variation in 1397- (March 2018-March 2019) in comparison with1396 (March 2018-March 2018)	-15	-735,892

ANNEX 3

P*de 15 Zoná-Frenck, 111: T + 34 932 98 7777 Torre Auditori F + 34 932 98 77 17 9803 B davicelona (Spáin) www.nostummätion



Att. Managing Director HAFEZ DĂRYA ARYA SHIPPING CO Tehran Iran Email: CC: Att. Managing Director

Barcelona, 20% June 2018.

Dear Sirs,

Re: Termination of agency agreement for Spain '

Reference is made to the container non-exclusive agency agreement entered into between Hafez Darya Arya Shipping Co. and Maritima del Mediterraneo, S.A. on 25th July 2016 (hereinafter the "Agreement").

Pursuant to clause 7 of the Agreement, we hereby serve formal termination notice for the Agreement, to be effective as of 31st August 2018, last date of our services.

Until termination is effective, we shall be performing the services in accordance with the terms of the agreement.

While thanking you for entrusting us with the services so far, we remain at your disposal to collaborate in handing over the service to your new agent, and we ask you to start discussing the schedule for the return of the good performance guarantee following to the termination of the Agreement.

be grateful if you could confirm reception of this email by way of return.

Antonio Gampoy resident

RECEIVED:

Name:

Title:

Signaturé:

Date:

(I) INTERTANKO







From:

R.J. Davelopoulos Co Skg / Kostas Davelopoulos «k.davelopoulos@davelopoulos.gr>

Sent:

Monday, August 20, 2018 9:22 PM

To:

'Agency Irisl'

Cc:

Toannis Davelopoulos; R.J.,

Dayelopoulos Co. Piraeus / Romilos Davelopoulos

Subject:

HDASCO AGENCY AGREEMENT/GREECE

Dear Sirs good day,

as you are aware on May 8th 2018. President Trump announced US withdrawal from JCPOA and phased reintroduction of the US nuclear-related sanctions removed by that agreement.

The sanctions apply as from November 4th 2018 also to Tran's port operations and shipping and shipbuilding sectors including as to IRISE.

Considering the above we are in the very unpleasant situation, basis Clause 7. "Term of the agreement and Termination" article 1.(ii) of the Agency Agreement, to submit by the present our written notice of termination of the Agreement.

We want to assure you that we have been very happy by our cooperation during this period and hope that this applies to your side as well. However reasons beyond our will force us to reach to this unpleasant decision. Furthermore we want to ensure you that we remain always at your disposal and once sanctions are lifted/situation returns back to normality we would be very glad continue our mutually fruitful cooperation.

Best regards



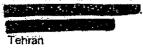
Kostas Davelopoulos:
General Manager Thessaloniki Office
ROMILOS J. DAVELOPOULOS MARITIME & COMMERCIAL Co.
19, N. Kountouriotou Str., \$4625 Thessaloniki - Greece
T: +30 2310530050-4 1 F: +30 2310540096
E: k.davelopoulos@davelopoulos.gr 1 W: www.davelopoulos.gr

1. B. B.



2.3

Hafez Darya Arya Shipping Co.



Iran

Sub.: OY ASECO FINLAND LTD

To Whom It May Concern

We herewith revoke our given unconditional commitment dated 27th of January 2017 on our subsidiary company OY ASECO FINLAND LTD (company ID 1734608-3) regarding the financing of their obligations towards Hafez Daiya Arya Shipping Co. and SAPID Shipping Co. Tehran - Iran with effect from 20th of October 2018.

Hamburg, the 20th of September 2018

Stefan J. Hascher

Board Member of USS United Shipping Services AB

Hertzia House Pockhusplatsen 2 P.O. Box 11455 5-494 30 Gothenburg Sweden Phone +46 31 743 77 40-Fax +46 31 711 76 15 Areach Office Denomers
Dokkeri
BellScogaide 15
P.O. Box 51 62
OK-8100 Aprilus C
Denmerk
Phone +45:35:44 15 87
Fax +45 88 19 47 71

Branch Office Norwey
Fridition Namens. Plass 4
M-0160 Osto
Norwey
Phonic +47.23.10.79.50
Fax +47.23.10.79.51

Fruch Office Sections
Haus der Sectatirt
Hohe Brücke 1
20.459 Hamburg
Germany
Phone +49 40 369 054 80
Fax +49 40 369 054 829

From:

Harald Bye < hby@uss.se>

Sent:

Monday, August 20, 2018 8:31 PM

To:

PENSOR)

Cc: Subject: CMT; Stefan J. Hascher Letter of termination



To whom it may concern,

Due to circumstances beyond our control we unfortunately have to send notice of termination and call clause 7 (Sweden) and 11 (Finland) in the respective agency agreements between SAPID Shipping / HDasco and:

Aseco Container Service AB, Hertzia House, Packhusplatsen 2, P.P. Box 11455; SE:404 30 Gothenburg, Sweden, company reg no: SE556161211901, dated 16th November 2017. Oy Aseco Finland Ltd, Työpajankatu S, FI-00580 Helsinki, Finland, dated 07th July 2017.

We shall honour our good relationship and the agency agreements in best possible way, including the termination period, and our performance will be in line with the obligations agreed in respective agency contracts.

We suggest to proceed with the practicalities in separate correspondence.

Oslo, 20.08.2018

Mvh/Best regards Harald Bye Group Management,

Aseco Container Services AS, Bryggegata 9 0250 Oslo, Norway Telephone: +47 22 00 70 00

Aseco, with own offices in:

AT-CZ-DK-EE-FI-HU-LT-LV-NL-NO-PL-RU-SE-51-South Africa

18 " 4

From: Sent: Nicolas Barnaud <n.barnaud@worms-sm.fr>

Wednesday, May 16, 2018 6:21 PM

To:

Michele Lemasson: Pascal Magnant; Philippe Nemery, Jean-Marc Pettler

Cc: Subject:

RE: A036 - Sapid agreement - France - termination

Dear all,

これのからないのからのないというからなったいないのできないなっていま

Much to our regret, due to the growing pressure of the international financial system which place all our other business at risk, we have no other choice but to terminate our contractual relationship in France.

Although we never had the pleasure of handling any of your good ships in France since the signature of our contract, we urge you to nominate another agent in France.

Could you please acknowledge receipt of this message and let us have your instruction as soon as possible for smooth handling of your potential business in our country

Thanks in advance for your understanding

Nicolas BARNAUD C.E.O. Worms Services maritimes

n.barnaud@worms-am.fr

WORMS SERVICES MARITIMES 35 Avenue de l'Opéra 75002 PARIS +33 (0)1 53 40 12 03 www.worms.sm.com

1

From: Sent: To: Nicolas Barnaud <n.barnaud@worms-sm.fr>

Wednesday, May 16, 2018 5:51 PM

Cc: Jean-Marc Peltier, Tan Aktuna
Subject: Termination of Agency in France

Dear all, much to our regret, due to the growing pressure of the international financialisystem which place all our remaining business at risk, we have no other choice but to terminate our representation of your good company in France.

Could you please take necessary step to nominate another agent as soon as possible in France, and we will immediately hand over to them all necessary document and information that they/you may require for a smooth transition of your interests.

Could you please acknowledge receipt of this message and let us have your instruction as soon as possible!

Thanks in advance for your understanding

n.barnaud@worms-sm.fr

WORMS SERVICES MARITIMES **
35 Avenue de l'Opéra
75002 PARIS
+33 (0)1 53 40 12 03
www.worms-sm.chm

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- 32 -

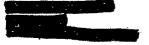
2-6



Ponte Morosini, 41 - 15126 Genova - Italy - Tel. +39 010 27151 - Fax +39 010 271500 - www.cosulich.it

Genoa, 23 October 2018

To Messis. Hafez Darya Arya Shipping Co.



and to Messis. Sapid Shipping Co.



Subject: termination of agency agreement

By this letter we hereby inform you with much regret that we have no alternatives but to terminate the contractual relationship with your company because of economic reasons. We had a very good partnership with your company but unfortunately costs and revenues of the agency activity do not match with our expectations and hence we decided to end up the agency agreement.

We hereby therefore tender termination notice of the agency agreement we entered with your Company, with effect from the 31 October 2018.

Best regards,

Yours sincerely,

F.lli Cosulich Spa.

Dott, Augusto Cosulich

Signed for acceptance

Hamburg,, October 2018

Fratelii Cosulidi SpA - Capitale Sociale & 2.001.000,00 - Sede Legale in Trieste - Reg, Impr n. 2553 - Codice Fiscale e Partita IVA 00051020329

ANNEX 4

E-SAIL Shipping Co., Ltd.

Ref 1803 DATE: 9-7-2018



Shanghai

Subject: Refuse of SINOPEC to supply fuel to Iranian vessels.

Dear Sir,

Following to my last letter dated 4/6/2018, Please be noticed SINOPEC refused to supply bunker to our vessels again due to associated problems of SANCTION. Although Iranian flagged vessels are not in any of the sanctioned lists, still SINOPEC refuse to supply bunker to our vessels. Attached is small exchange of our colleagues with SINOPEC

We hereby request your kind support to follow up the case with concerned departments to rectify this short come as soon as possible.

Best regards

■伊航船務有限公司

上海清京南岛1088数上海中級大厦15度1507全 200120

なは: (86 21) 51336821-28 体具: (86 21) 51336820

E-SAIL Shipping Co., Ltd.

Suize 1501, Sharighal Zhongrong Plaza, 1088, Pudong (5) Rd., Sharighal, 200120, China Tël: (86 21) 51336821--28 Fax: (86 21) 51336820



Shipping Co., Ltd.



Shanghai

Subject: Refuse of SINOPEC and CHIMBUSCO to supply fuel to Iranian vesse

Dear Sir,

Please be noticed today 4th June 2018 received information from Sinopec that they cannot supply bunker to our vessels for the order which we had put 4 days earlier and signed purchase agreement and paid the total costs as per attached documents.

Now our vessel is reaching to shanghai and we don't really know how we shall deal with this situation.

Please be noted-same respond to refuse our request received from CHIMBUSCO; other major bunker supplier in China.

Best regards



上海滿床內格 1088 號上海中歐大廈 15 榜 1501 全 200120 電話: (86 21) 51336821-28 傳真: (86 21) 51336820

Suite 1501, Shanghai Zhongronip Plazza, 1088, Pudong (5) Rd., Shanghai, 200120, Chiea Tol.: (86 21) 51336621-28 Fax: (86 21) 51336820

Bunker

From:

Sent:

Friday, August 03, 2018 7:37 AM

To:

Cc:

Subject:

The second of the second of the second

答复: M/V ELYANA S4-2417 DIS NANJING.- INQUIRY OF HSHFO 350MT & HSMGO 30MT & ULSMGO (0.1%) 60MT

Importance:

High

发送时间: 2018年7月6日 9:47

收件人:

抄送:

主题: 转发: M/V ELYANA S4-2417 DIS NANJING - INQUIRY OF HSHFO 350MT & HSMGO 30MT & ULSMGO (0.1%) 60MT

THE TANK OF THE PARTY OF THE PA

Good day!

Below reply from Sinopeć is fyki. Thank you.

Best Regards

Mobile E-mail:

发件人: jshongkai [mailto:jshongkai@163.com];

发送时间: 2018年7月5日 20:56

收件人:

主题: Re:M/V ELYANA S4-2417 DIS NANJING - INQUIRY OF HSHFO 350MT & HSMGO 30MT & ULSMGO (0.1%) 60MT

- 37 -

sorry because of Global sanctions, our company can not support until the sanctions cancelled.

At 2018-07-03,10:32:09,

Dear Mr. Hong,

(Göod.daỳ l

We have below bunker inquiry from our h/o. Because our vessel was already there and due to lack of fuel; please kindly consider our vessel's bad situation and supply below requested bunker and give us your best offer. Thank you for your kind support and co-op!

Vsl Name: MV. ELYANA

Voy no : \$4-2417

HSHFO 380 CST (RMG 380): 350 MTS

HSMGO:

30 MTS

ULSMGO/ULSMDO (0.1%):

60 MTS

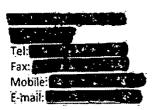
IMO: 9165827

Port: NANJING:- CHINA

ÉTA : ALROY ARRIVED

ETD: AFTER BUNKERING

Best Regards,





• :2.

ANNEX 5

From:

Ståle Hansen «stale hansen@skuld.com» Wednesday; June 27, 2018 12:05 PM

Sent: To:

Cc JCPOA - IRISL

Fabbri Filippö; Làrs Dueled; Jonathan Hare

}

Subject:

Dear : 15 g

I hope you are keeping well through these challenging times:

I wanted to send you a personal message to explain the unfortunate situation regarding the effects of the 8 May announcement by the Trump administration. Since the announcement my colleagues have investigated the consequences thoroughly and been in close dialogue with PL Ferrari and IRISL. broker

We have unfortunately come to the conclusion that we need to terminate the entry of the IRISt, vessels with Skuld by thirty days' notice which will be given at the end of this week. We do so with the greatest regret: Skuld, PL Ferrari and IRISL have all invested a great deal of time and effort into building what we expected to be a close long term relationship. It is only after a great deal of careful thought we have had to face the fact that continuing to insure franian owned ships will expose Skuld to secondary sanctions which would be a serious threat to our survival. Our Board has concluded that we simply cannot take that risk.

As you will know, the EU is responding by an amendment to the Blocking Regulation which is likely to take effect in early August. This will not protect us from the effects of US sanctions. The EU itself has referred the Blocking Regulation as a bargaining chip which it will use in its efforts to persuade the Trump administration to provide exemptions. If the EU does manage to obtain concrete concessions from the US which remove the risk to us of secondary sanction we would of course be open to the idea of reinstating cover. However as matters stand there is no sign that the US is about to modify

We are now severely limited in the assistance which we can provide to Iranian members. Restrictions in the banking system make it practically impossible to make any payments to claimants or to lawyers, correspondents surveyors and other service providers in cases involving IRISL ships. Claims which reach the pooling and reinsurance layers will also encounter a combination of delays and shortfalls in recoveries. The result is that if we face a claim with an IRISL vessel, the assistance and support which we are able to provide will be minimal for reasons over which we have no control. Maintaining cover for a longer period would be of limited value to IRISL in the light of these challenges.

This situation is deeply frustrating and I regret the position which IRISL, PL Ferrari and Skuld have been placed in I do realise that IRISL will now face obstacles in trading internationally but I really hope that you are able to find a way of continuing to operate the fleet. It also hope that we can maintain our personal contact and that we can continue building a strong business relationship in the future.

I wish you all the best and hope to stay in touch.

With personal regards Ståle

Stale Hansen President and CEO SKULD)

Tel +47 22 00 22 00 \ Tel dir +47 22 00 23 84 \ Mobile +47 952 92 384 P.O.Box 1376 Vika, N-0114 Oslo, Visiting address: Radhusgaten 27, N-0158 Oslo stale.hansen@skuld.com

WWW.SKULD.COM

west of England PBI Glub a.l

TOTAL TOTAL

From:

Burridge Nigel < Nigel. Burridge@westpandi.com>

Sent:

Wednesday, May 09, 2018 4:03 PM

To:

THE WAY THE THE THE THE

Cc:

Paulson Tony

Subject:

US Sanctions - Initial Legal Advice

Dear Wallet ...

As promised, please find below (confidentially) the initial legal advice received last hight from our US attorney (who is also the attorney for the IG). We will obviously need to await for the US Administration to set out details of the re-imposition of the sanctions against Iran for us to have a more comprehensive picture of the future legal position.

QUOTE:

I obviously need to analyze the re-imposition of U.S. secondary sanctions carefully before I can issue a clear Client Alert. The matter is also complicated by the fact that at this point the Presidential Memorandum on the withdrawal of the U.S. from the JCPOA directs the Secretaries of State and Treasury to take the necessary steps to re-impose sanctions, but the full specifics of how and when those sanctions will be re-imposed has not yet been set forth. In addition, OFAC has advised in new FAQs that it is anticipated that prior Executive Orders will be reinstated at some time prior to November 5, 2018, but there are no specific dates for when orders, and which orders, may be reinstated.

What is clear is that there is no immediate re-imposition of secondary sanctions. For certain secondary sanctions there is a wind-down period until August 6, 2018 and for others a wind-down period until November 4, 2018. OFAC has issued relatively helpful FAQs which indicate that the wind-down period regarding the provision of underwriting services and insurance will extend until November 4, 2018.

The FAQs state that no later than November 5, 2018

"...the U.S. government will re-impose, as appropriate, the sanctions that applied to persons removed from the list of Specially Designated Nationals and blocked persons (SDN List) and/or other list maintained by the U.S. government on January 16, 2016."

What is not entirely clear is whether, if an entity is restored to the SDN List before the wind-down period has expired, a non-US entity would still be permitted to wind down its activities with that person, if those activities were entered into before May 8, 2018. One portion of the FAQs seems to suggest that persons will not be restored to the SDN List prior to November 5, 2018. However, in another section the FAQ reads as follows:

"OFAC recommends that a person conducting activities in Iran or with Iranian persons during the wind-down periods exercise due diligence sufficient to ensure that it is not knowingly engaging in transactions with persons on the SDN list or in activities that would be sanctionable under authorities targeting and Iran's malign activities."

This language certainly suggests that if a P&I Club were engaged in winding down its insurance activities with an Iranian Member, but the said Iranian Member were then restored to the SDN List before the end of the wind-down period, the Club could be in violation of U.S. sanctions for dealing with an entity on the SDN List if it did not immediately terminate. Insurance. Lastly, the FAQs indicate that if, at the end of the wind-down period, a non-US entity is still owed payment for goods or services under a written agreement that was entered into prior to May 8, 2018, payment for those agoods or services will be permitted after the wind down.

While I certainly need to study all of the available material much more carefully, at this point there does not appear to be a certain date when the West of England would need to terminate its insurance relationships with tranian Members. I will make every effort to supply a more definitive response to this question as soon as possible.

UNQUOTE.

1

Insurance.

Insurers (Pel clubs)

4.2

From: Sent: Burridge Nigel < Nigel.Burridge@westpandi.com>

Thursday, July 05, 2018 1:14 AM

To: Cc:

Filippo Fabbri; Paulson Tony, Bowsher Tom

Subject: IRISL P&I and FD&D Cover-

Importance:

High

Good afternoon.

We would like to update you on the position the Club currently finds itself in regarding our continued insurance of Iranian Members in light of the very regrettable decision by the United States to withdraw from the JCPOA.

We should firstly be clear that we consider that decision to be wrong and inequitable on the people of Iran. The Club has been wholly supportive of the IG's engagement with the UK Government and the EU in trying to persuade the US firstly of the folly of their decision and thereafter to exempt EU entities from the impact of secondary sanctions. We will continue to do so and have been in continual contact with the foreign ministry of Luxembourg, where the Club is domiciled.

However, clearly we must also respond to the threat posed by the sanctions. As before, these sanctions will apply extraterritorially to non-US persons like the Club and the Club is at risk of incurring severe penalties if we do not comply. These penalties will most likely include threats to our operations in the US (including the underwriting of US Members and Members trading to the US) and, more crucially, the potential loss of our ability to trade in US Dollars. The latter would obviously be catastrophic for the Club. So, as very regrettable as it is, we must consider the underwriting position with our tranian Members in the face of that threat.

US OFAC:

The guidance materials published by OFAC at the time of the announcement in May were very limited and both the Club – via our US attorneys Freehill's – and the IG have been trying to obtain further clarification from OFAC, though so far with limited results. Furthermore, the IG have been invited to meet with OFAC at the end of next week to discuss the scope and details of the new sanctions legislation, including the previous NDAA waivers on Iran oil imports for China, India, Turkey, etc. Despite the hope that such a meeting request from OFAC may generate, it sadly does not appear likely that any new major exemptions for the shipping community and P&I Clubs will be forthcoming from the US administration, although we are silently hopeful that the NDAA waivers may again be granted at sometime in the future.

So, as things stand the Club will, unfortunately, be unable to provide cover to its Iranian Members post the 4th November deadline, or beforehand if a Member is placed back on the US SDN list at an earlier date. The US administration has made it very clear that the period running up to 4th November is solely for the purpose of winding down existing contracts with Iran and insurances will be unable to be provided for any voyages which are performed against a post-8 May contract. Clearly, therefore, there will be a diminishing benefit of the P&I cover provided to our Iranian Members as we get nearer to the 4th November because there will be fewer remaining contracts of affreightment or sale contracts which pre-date 8th May.

Pool & Reinsurance: .

There are also other factors which will affect the ability to provide full P&I cover to our Iranian Members. Firstly, about one third of the reinsurance capacity on the IG's GXL programme, which sits above the Pool, is US-based or controlled and currently participates under General Licence H (GLH). OFAC have said that GLH will be withdrawn, probably on 4 November and that will prevent these underwriters from participating in any tranian business. We are advised that even for a liability which arose before 4 November, OFAC are very likely to require these reinsurers to apply for a special licence to pay their share and it is far from certain that OFAC will grant one. Secondly, here would also be problems with the American Club paying their share of any Pool claims involving Iran. Thirdly, it is very likely that both reinsurers and

other Clubs in the Pool will find it very difficult, even now, to make any claim payment on an Iranian related claim through their available banking channels.

All of these issues could result in a reduction of the limit of cover available to our transan Members, as, like all Clubs, our Rules state we cannot relimburse Members for any liability which we cannot recover from the Pool or reinsurers because of sanctions. Thus there is now a real risk that you might have to bear some part of a very large liability in the event of a serious accident involving one of your vessels. We do feel that it would be unconscionable for us, as a Mutual insurer, to continue to collect premiums where the actual cover provided has been severally limited.

EU Blocking Legislation:

Lastly, matters have been complicated further by the announcement of the details of the EU sanctions blocking regulation. As we said to you'in our message of 8 June, as it stands we saidly do not believe that this regulation would provide a solution that will allow the Club to continue insuring you and avoid the wrath of the US sanctions regime. Moreover, what is more troubling is the provision within the EU blocking legislation that would make compliance with the US sanctions by any EU entity illegal, thereby opening up Clubs to legal penalties should they terminate cover of Iranian Members once the EU legislation has been introduced. The Club would, therefore, be placed in an impossible position of having to comply with two directly opposing pieces of legislation; comply with the blocking regulation and be in breach of US sanctions and therefore unable to trade in US Dollars, or comply with US sanctions and be in breach of EU law. It has been announced that the EU blocking legislation is now expected to come into force on 7 August, and this has had the unfortunate unintended effect of accelerating the time-frame in which Clubs will need to cease providing cover to their Iranian Members.

Notice:

For all these reasons, it is with very great regret that the Club is left with no option other than to give 30 days' notice of termination of cover under Class 1 Rule 34(3) and Class 2 Rule 27(3), expiring at midnight GMT Friday 3rd August 2018.

We earnestly hope that the EU action will eventually result in a negotiated solution with the US which, in effect, will either insulate the Clubs from the impact of US sanctions or provide an exemption under US sanctions for the P&I Clubs providing cover to IRISL and were this to come about then the Notice can be withdrawn prior to 3rd August; or cover reinstated if post 3rd August. The Club will, of course, not levy the release calls upon termination of your entry, as clearly the entry has not ceased through the desire of either IRISL or the Club. We further confirm that we will continue to provide the training to your two colleagues who will shortly be visiting the Club.

This decision is deeply regrettable. We are proud to have you as Members and to have served the Iranian shipping market for many years, and it is also of great sadness for me personally as I have enjoyed visiting Iran and its people for over 25 years. It is all the more unfortunate because we had begun discussing you MD joining our Advisory Committee and we were greatly looking forward to having the benefit of his expertise and experience in the Committee's deliberations. To have to contemplate taking such action based on one person's decision is, frankly, appalling but we are sadly left with little choice. Needless to say, as and when these latest sanctions are lifted we look forward to continuing our friendship and cooperation.

Please feel free to contact us at any time should you have any questions or comments on the above.

With kind regards;-

Nigel

Nigel Burridge

Underwriter

West of England Insurance Services (Luxembourg) S.A.

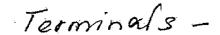
T: +44 (0) 207 716 6054 M:+44 (0) 7818 433 431

E: Nigel.Burridge@Westpandi.com

2

ANNEX 6

6,1



casgm@mdslines.com

From:

Bruhl, Morten <morten bruhl@apmterminals.com>

Sent:

Monday, July 16, 2018 11:39 AM

To:

johan.lundblad; martin;magnusson@aseco.se

Ćc:

Wahlen, Marina; Duro, Miguel Angel

Subject:

Sanctions Iran

To IRISL Europe GmbH
To ASECO as agents to IRISL Line

Dear Sirs.

With reference to the announced sanctions against Iran taking effect 4th November 2018, we have been informed by our principle that we cannot continue doing business with IRISL or it's agent after this date. This mean that the depot needs to be empty latest 31st October 2018, and that we as of that date will block IRISK as line operator in our system and we will unfortunately not be able to handle your business after this date.

Should we receive new instructions from our principle that changes the satiation we shall inform you immediately.

Please confirm receipt of this message.

Med vänliga hälsningar/Best regards

Morten Brühl CCO APM Terminals Gothenburg, Sweden Office +46-10-1222610 Mobile +46-730-669326 morten.bruhl@apmterminals.com

Lifting Global Trade

www.apmterminals.com

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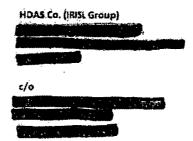
5,2



Gdynia Container Terminal S.A. (+48) 58 78 55 332 (+48) 58 78 55 338 mocrol

Gdynia, 10 December 2018

GCT/DN/. DD/2018



Dear Sirs,

Acting on behalf of Gdynla Container Terminal S.A. with its registered seat in Gdynla (hereinafter as: "GCT" or "Company") in relation to Agreement No. 39/IRISL/2018 concluded on January 23, 2018 in Gdynia between Gdynia Container Terminal Spółka Akcyjna with its seat in Gdynia and HOAS Co. (IRISL Group) with its seat in Teherar p. 2 o.o. with its seat in Gdynla (hereinafter: "HOA5"), due to the re-imposition of the sanctions on Iran (Executive Order 13846 of August 6, 2018 of President of the United States of America "Reimposing Certain Sanctions With Respect to Iran", hereinafter: "E.O. 13846") which imposes - among others - sanctions on Iran's part operators, and shipping and shippuilding sectors, including on the Islamic Republic of Iran Shipping Lines (IRISL), South Shipping tine Iran, or their affiliates (e.g., subsection 1(a)(iv) and section 5 of E.Q. 13846), we inform that GCT will not renew the current contract with HDAS expiring 31 December 2018 and the Company will not sign a new contract for 2019.

Crionek Zarządu / Member of the Management: Crionek Zarządu / Member of the Management Board

Gdynia Container. Terminal Spółka Akcyjna

8oard

Gdynia Container Terminal Spólka Akcyjna

From: Sent: Tarik Kir <tarikk@mardas.com.tr> Wednesday, August 08, 2018 6:00 PM

To: Cc: Subject:

ABD yaptırımları

Erdem Bey iyi günler,

Öncelikle bügün yapılan toplantı için teşekkür ederiz.

Bilindiği üzere konu ABD yaptırımlarının ilk fazı 07 Ağustos itibariyle uygulanmaya başlanmıştır.

İkinci fazın ise O5 Kasım itibariyle başlaması planlanmaktadır.

Firmamızın HDSLINE ve nezdinde çalıştığımız acentelerle çok değerli bir iş ortaklığı yaptığını ve bundan oldukça memnuniyet duyduğunu belirtmek isteriz.

s ortaklığımız süresince elimizden gelen tüm desteği ve imkanları seferber ettiğimizi ayrıca belirtmek isteriz.

İş hacminin daha da yükselmesi için gerek tarife ve gerekse operasyon bazlı en iyi imkanları sunulması yönünde gerekli hassasiyeti göstermeye çalıştık.

Yalnız yukanda belirttiğimiz yaptırım kararı ne yazık ki birtakım önlemler almamıza sebep olmuştur.

Bu önlemler asla iş birliğimizden kaynaklı gelişen bir sonuç değildir.

Yaptırımlar nedeniyle grup firmalarımızın iş potansiyelini ciddi derecede etkileyecek bir durum söz konusudur.

Bu durum özellikle Hukuk departmanımızca da hassasiyetle Incelenmiştir.

Bu çerçevede sizlerden;

- Bu ay sonu gelecek geminizin servisiniz kapsamında yanaşacak son gemi olarak planlaması,
- Limanımızda ki lokal yüklerin bu ay (Ağustos-2018) sonu gelecek gemiye yüklenmesi,
- Liman ve depo sahamızda bulunan hattın tüm konteynerlerinin Ağustos-2018 sonu itibariyle çıkışlarının yapılması,
- Hizmet faturalarının ödemelerinin en geç Eylül-2018 içinde yapılarak hesapların kapatılması.

Hususlarında gerekli hassasiyetin gösterilmesi ve tedbirlerin alınmasını rica ederiz.

NOT:

Yukarıda belirtilen operasyonlar kapsamında elimizden geldiği kadarıyla gerekli destek verilecektir. Tabil ki bu durum mevcut yaptırımlar kapsamında alınan bir önlem olup aksi bir durumda firmamız dalma hattınıza hizmet verecektir.

Saygılarımızla,

Tarık Kır Liman Hiz.Paz.Satış Şefi MARDAŞ MARMARA DENIZ İŞLETMECİLİĞİ A.Ş. From:

Sara Silva <Sara Silva@ocidenave.com>

Sent:

Friday, October 19, 2018 1:08 PM

To:

Mark Dawson - OCIDENAVE; Carlos Fortuna;

Cc:

Portugal Terminal's

Subject: Attachments:

ViewManifest ecl1057w.pdf; PORTUGAL 19.10.2018.xls

Dear All, Good Morning,

We have been informed by Yilport that they will not handle IRISL vessels or any Iranian containers from the 4th of November.

Unfortunately they have the concession at 4 of the 5 Portuguese container ports. Lisbon (both terminals), Leixoes, Figueira da Foz and Setubal.

The only other container port is Sines but the terminal concessionaire is PSA, who work almost exclusively with MSC and they are the only ones who operate there.

ing this into account it will be almost impossible to move containers through Portuguese ports.

Figure 3 advise if we should be taking some measures to move out all empty containers. We currently have 10x20'+ 6x40 in Lisbon and 77x40 in Leixoes.

Kindly find attached our stock of empty units and with the full units that have discharge today at Terminal.

One of main importers have several units on board of the Vessel Arzin ECL 1057W and they are expected to discharge on Antwerp on the 25/10 but if the units are load on the Feeder to Leixões we are afraid that won't discharge at Portugal before 4th Of November.

We might need to disconsolate the cargo at Antwerp in order to load on Truck's so the cargo can be deliver at Portugal or if in case of the vessel call Portugal in order to collect the empties, the full units can be discharge.

We would appreciate if you could give us instructions urgently.

Best Regards,

Sora Šilva .) MANAGER Jenave Navegação, Lda



Tel: (+351) 21 3211321 Email: <u>sara:sliva@ocidenave.com</u> Site: <u>www.ocidenave.com</u>

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Spine li

5.9

Registred Mail Protocol Num. DI 01



Genoa, 11th December 2018

SUBJECT: Notice of Termination - HDAS Co. Contract

Dear Mr.

With extreme regret we are hereby to communicate formal notice of termination of the terminal contract between Hafez Darya Arya Shipping Co. and Spinelli srl with effect from next June 11th 2019 as per clause 10.2 of the terminal contract signed on March 1th 2016.

You are kindly requested to pick up the equipment still stocked in our areas no later than June 15th, 2019.

We would like to thank you and all your staff for the great cooperation of the past years and we wish all of you good luck for the years to come.

Thank you, with put best regards,

Aldo Spinell

SPINEULI STI

Comm. Aldo Spinelli

RI H

BPINELLI &

Via Sciniellini, 371 - 16149 Genova - Haly - Tal. +39 616 65761 -- Fax. +39 616 6576 316 Capitale sociale Euro 11,764,116,49 i.v. C.C.J.A.A. Senova n° 291785 - Codice Fiscale e Partita IVÁ -02716640103

Yrb.GE 44581 - Fasc, 52778 Iscrizione Albo Autotrasportatori GE T 3405504 F

From:

Henneberg, Frauke < Frauke. Henneberg@eurogate.eu> on behalf of Meyer, Torsten

<Torsten.Meyer@eurogate.eu>

Sent:

Wednesday, November 21, 2018 3:23 PM

To:

Čer

Subject:

'GCS Director', 'GCS Legal', Blach, Michael, md@hdasco.com; Meyer, Torsten Operation of IRISL vessels at EUROGATE Container, Terminal Hamburg.

Deal

Reference is made to our telcon. Unfortunately we have to inform you that we are not in the position to handle your good vessels at the EUROGATE CT Hamburg until further notice.

We regret these news, but please rest assured that we are working very hard with our operational team to find a solution.

Kind regards,

Torsten Meyer

rieb Leitung Director Sales



EUROGATE GmbH & Co. KGaA, KG Präsident-Kennedy-Platz 1 A 28203 Bremen

+49 421 1425-4971 Tel. +49 421 1425-4984 Mobil +49 171 7363933

torsten.meyer@eurogate.eu www.eurogate.eu



EUROGATE GmbH & Co. KGaA, KG

vertreten durch die EUROGATE Geschäftsführungs-GmbH & Co. KGAA (HRB 18878), vertreten durch die EUROGATE Beteiligungs-GmbH (HRB 18742), vertreten durch die Geschäftsführer Thomas Eckelmann (Vorsitzender), Michael Blach (Vorsitzender), Marcel Egger, Ulrike Riedel, Sitz Bremen. Es gilt deutsches Recht.

Stragen im Handelsregister: Amtsgericht Bremen Nr. A 21968
 Chäftsführer: Thomas Eckelmann (Vorsitzender), Michael Blach (Vorsitzender), Marcel Egger, Uirike Riedel
 Etzender des Aufsichtsrats: Max M. Wärburg

Sitz der Gesellschaft: Präsident-Kennedy-Platz 1A, D-28203 Bremen

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Blite denken Slè an die Umwelt. Müssiglese Nachricht ausgedruckt werden?



Исх. № 941 от 22.11.2018

No. 941 dd. 22.11.2018

000 «ЮНИ-ОРИЕНТ шишинг эйдженси» Военный спуск, 12, г. Одесса

Украина, 65082

UNI-ORIENT SHIPPING AGENCY LTD Voenny sp. str., 12, Odessa Ukraine, 65082

Относительно Договора No 151291/A om 02,11.2015

Re: Contract No. 151291/A dd. 02.11.2015

ENGRAPHIC PLANTS OF THE PROPERTY OF THE PROPER

Уважаемые господа,

Dear Sirs,

Данным уведомлением отзываем и просим Вас не принимать во внимание электронное сообщение и приложенные проскты документов, направленные 14.11.2018 в Ваш апрес на

By this notice we revoke and kindly ask you to disregard the e-mail and the attached draft documents sent to you on 14.11.2018 to

Таким образом, Договор № 151291/А от 02.11.2015, который прекращает свое действие 31.12.2018, продлеваться не будет.

Thus, Contract No. 151291/A dd. 02.11.2015, which expires on 31.12.2018, will not be prolonged.

Кроме того, в срочном порядке ставим Вас в известность, что наступление форс-мажорных обстоятельств в отношении HDASCO, в санкций, о частности, междупародных которых Оператору стало известно и срок действия которых не определен, подпадает под п. 7 Договора и является причиной невозможности выполнения Оператором обязательств по Договору в отношении контейнеров/грузов HDASCO И незамедлительного приостановления предоставления услуг в адрес HDASCO по Договору № 151291/A от 02.11.2015.

In addition, we hereby urgently advise you that the occurrence of force majeure in relation to HDASCO, in particular, imposed international sanctions, which the Operator has become aware of and the duration of which is not determined, falls under cl. 7 of the Contract and causes Operator's inability to fulfill contractual obligations in relation **HDASCO** containers/cargoes and thus immediate suspension of services to HDASCO under the Contract No. 151291/A dd. 02,11.2015.

ОРИЕНТ ШИППИНГ ЭЙДЖЕНСИ»:

В связи с указапиым, просим ООО «ЮНИ» Considering the above, UNI-ORIENT SHIPPING AGENCY LTD is kindly requested:

1. Незамедлительно вывезти контейнеры/ 1. То remove immediately from the terminal грузы, заявленные от HDASCO, с территории premises the containers/cargoes declared on терминала. При этом, ДП «КТО» готово behalf of HDASCO. Therefore, SC "СТО" is

- 51 -

¹ Mytha Square, 65025 Odessa Ukraine Phone: +35 048 7294550 Pax: +38 048 7294550 Internst: www.co.co.ux R-Mail: cto-menagement@port.odessa.ux Reg.Code 31506252 ID No. 315062515019 1. Nerma morous, 65026 Oscar Yapahia, Tari: +38 046 729 45 50 фавт: +38 048 729 45 50 Cafri: www.co.cd.ux E-Mail: cto-management@port.odessa.ux Rox CQPTICY -31506026 INH 31000515019

осуществить передачу таких контейнеров в ready to handover such containers at any time. любое время.

- контейнеры не будут ни приниматься, ни handled by SC "CTO". обрабатываться терминалом ДП «КТО».
- 2. He mpouseogart/octahobath ormpasky kakux- 2. Not to conduct/stop sending any containers of либо контейнеров линии HDASCO (порожиме/ HDASCO line (empty/loaded, import/export/ груженные, импорт/экспорт/гранзит и прочие) transit or others) to the terminal of SC "СТО", на терминал ДП «КТО», поскольку такие since such containers will be neither accepted nor
- контейнеров линии HDASCO.
- 3. Не производить на счета ДП «КТО» какие- 3. Not to conduct any payments to bank accounts либо платежи в рамках Договора № 151291/A of SC "CTO" within the framework of the от 02.11.2015 в отношении любых Contract No. 151291/A. dd. 02.11.2015 with respect to any containers of HDASCO line.
- 4. Cuttart. Horosop Ne 151291/A or 02.11.2015 4. To consider the Contract No. 151291/A dd. прекращенным.

97

02:11.2015 to be ferminated.

Суважением, Yours sincerely, Генеральный директор General Director of ДП «КТО» SC "CTO"

A.A. Kokkin A. Kokkin

§ ...

From:

Duro, Miguel Angel <miguelangel.duro@apmterminals.com>

Sent: To: Tuesday, August 14, 2018 2:05 PM Esteban, Sandra, Barbara

Cc: Subject:

RE: Iran Sanctions

To IRISL

Dear

With reference to our previous email exchange and in absence of Sandra Esteban, Commercial Manager of APM Terminals Barcelona, please be informed that with reference to the announced sanctions against trantaking effect 4th November 2018, we have been informed by our principle that we cannot continue doing business with IRISL or its agent after this date. This mean that IRISL containers must have left our terminal facility in Barcelona latest by 31st October 2018. As from that date APM Terminals Barcelona will block IRISL as line operator in our system and we will unfortunately not be able to handle your business after this date.

In case we would receive new instructions from our principle that changes the situation we shall inform you immediately.

Best regards,

Miguel A. Duro
Global Key Client Director
APM Terminals Management (Barcelona)
Barcelona, Spain
Office ±34 93 441 0066
Mobile +34 650 478 030
Miguelangel.duro@apmterminals.com

APM TERMINALS

VO all

www.apmterminals.com

From: Duro, Miguel Angel

Sent: martes, 24 de julio de 2018 0:49

Cc: Esteban, Sandra <SANDRA.ESTEBAN@APMTERMINALS.COM>

Subject: RE: Iran Sanctions

Dear

Sorry for late reply but am presently out on vacation and read your message only now. I am copying in Ms Sandra Esteban who is Commercial Manager for Barcelona. She will inform you accordingly but am afraid that this will also affect your Barcelona operations.

1

Termina ()

A pity I was not able to meet you during your recent stay in Barcelona. Shall be in contract with you upon my return.

Brgds

Miguel A. Durb
Global Key Client Director
APM Terminals Management (Barcelona)
Barcelona, Spain
Office +34 93 441 0066
Mobile +34 650 478 030
Miguelangel.duro@apmterminals.com

APM TERMINALS

OD am

www.apmterminals.com

From: Operation & Cargo Planner

Sent: miércoles, 18 de julio de 2018 22:09

To: Duro, Miguel Angel <miguelangel.duro@aprnterminals.com

Subject: Iran Sanctions

Dear Mr. Duro, Good evening,

As you are aware we have received the information from APMT in Gothenburg that due to forthcoming sanctions against Iran, the terminal cannot longer provide its excellent service to IRISL.

When calling Barcelona, our vessels are also operating at APMT. May we assume that same will be put in place in Barcelona, too?

Kindly ask you to inform accordingly.

Many thanks in advance.

Ifyl, am actually on a business trip in Barcelona. Perhaps we can meet on short notice

Mit freundlichen Grüßen / Yours Sincerely

Operation & Cargo Planning

Tel.:

:

Best terminal

From: Sent:

Iratxe Pérez de Miguel <iratxe.perez@best.com.es>

Monday, October 29, 2018 3:14 PM

To: Cc:

'Operation & Cargo Planner'

Josep Olles; 'Laura Rayas'; 'Andreu Gomez'; Jorge Moreno

Subject:

RE: Barcelona - Terminal Agreement

Dear St.

Unfortunately, due to an internal discussion within our group, we are unable to sign the agreement now and therefore BEST cannot accept the IRISL empty boxes.

The Group is re-analyzing the situation again and although a priori there did not seem to be any inconvenience; from our headquarters we are asked to be prudent, we are awaiting Indications from our legal department.

We regret this inconvenience that has arisen and we hope to be able to come back to you with a positive response shortly.

L. tregards,

Iratxe Pérez de Miguel Commercial Manager

Barcelona Europe South Terminal - BEST T (+34) 93 508 44 40 F (+34) 93 508 44 41 iratxe.perez@best.com.es

best.com.es



Please consider the environment before printing this e-mail

i (ji)

De: Operation & Cargo Planner Enviado el: lunes, 29 de octubre de 2018 9:40

Para: Iratxe Pérez de Miguel; Jorge Moreno CC; Josep Olles; 'Laura Rayas'; 'Andreu Gomez' . Into: RE: Barcelona - Terminal Agreement

Dear Ms. Pérez de Miguel.

Good morning,

Since we have received the authorization from our Head Office may we kindly ask you to forward the updated version of the agreement, considering timewise limited increase of the free pool for empty containers (250 TEU/day until March 31st 2019).

Tariffs to remain unchanged.

Please be so kind and advise whether we may commence today already with the transfer of our empty equipment from APMT to your good terminal.

Many thanks in advance.

Mit freundlichen Grüßen / Yours Sincerely

ANNEX 7

From: Sent: Alessandro REBORA <ARebora@emesteedering.com>

Monday, July 02, 2018 8:37 PM

To: Subject:

W: International Sanctions cargo acceptance deadline



after long internal meeting with legal department, we have been forced to send out below notice:

I'll keep you informed in case of positive developments allowing us to reopen the business with your good company:

I'm at your disposal for any further info.

All the best

Alessandro Rebora

ES Feedering] -

e-mail: Arebora@emesfeedering.com

#39 010 83,900,13 mobile: +39 335.7651079

From: Alessandro REBORA, Sent: Juneal 2 Juglio 2018, 18:03

To:

Cc:

Maurizio CRESTA < <u>MCresta@emesfeedering.com</u>>; Maria Teresa ZAPPIA

<MZappia@emesfeedering.com>; Antonio ESPOSITO < AEsposito@emesfeedering.com>

Subject: International Sanctions cargo acceptance deadline

tried to contact you.

th much regret I have to inform that, due to the expected sanctions implementation to all companies carrying cargote/from Iran or having business linked with an Iranian company,— Fare forced to stop loading any of your cntrs on our services as from end of July

The decision has been taken, as group level, due to the international severe repercussions involving economic and political interests,

Putting in risk possibility to keep business alive.

As you know, we kept our service network, available for your good cargo regardless the general situation and despite the pressure received from our MLO partners already months ago.

As mentioned in past messages, we have always considered the partnership with your Company a strategic tool for us, having in mind the general investments, but the international worsening scenario imposed our legal department to put a limit

í.

For accepting your cargo in order to avoid being blacklisted from the international economic community.

Based on the international sanctions, we are forced to refuse Iranian cargo to be discharged after the 30th of July, effective date of Emes/Arkas vessels.

My ops. Colleagues Maria Teresa and Antonio will inform about service vessel/voyage depending on last booking. received.

We will monitor the situation in accordance with our legal dept, in order to resume business immediately in case of any possibility should arise:

We are at your disposal for any further info.

Thanks, Best regards

1

Alessandro Rebora

EMES Feedering

e-mail: Arebora@emesfeedering.com

F

ph office: +39 010 83,900.13 bile: +39 335 7651079

From:

Jens Zeitner <jze@unifeeder.com> Tuesday, November 06, 2018 12:21 PM

Sent: To:

Subject:

RE: IRISL Group - Agency Change in Germany, Belgium, the Netherlands, Italy

Acc to our BOD we are not allowed to carry any more containers and regret to say that I can't assist any longer.

Best regards, Unifeeder Germany

Jens Zeitner Corporate Sales Manager



Unifeeder A/S – Neuer Dovenhof, Brandstwiete 1 – 20457 Hamburg – Germany Mob + 491715022618
Direct + 4940808031650

Email <u>ize@unifeeder.com</u>

From: Company of the

Sent: Montag, 5. November 2018 15:53

To: Jens Zeitner < jze@unifeeder.com>;

Subject: RE: IRISL Group - Agency Change in Germany, Belgium, the Netherlands, Italy

Dear Mr. Zeidner.

It's impossible. We have hundreds of empties, stacked at Baltic. Based on good relation between companies, my expectation from you personally is to negotiate with your HO, and convince them to extend this time for 2 weeks, mable us to collect our equipment.

Best Regards

Managing Director
IRISL Europe

From: Jens Zeitner < ize@unifeeder.com>
Sent: Monday, November 5, 2018 3:12 PM

To:

Subject: RE: IRISL Group - Agency Change in

Belgium, the Netherlands, Italy

dermany.

Dear

1 8 × 3

Sorry to say but we are not allowed to load on board of our vessels with immediate effect.

Best regards, Unifeeder Germany

Jens Zeitner Corporate Sales Manager

L Unifeeder

Unifeeder A/S - Neuer Dovenhof, Brandstwiete 1 - 20457 Hamburg - Germany Mob + 491715022618

Direct + 4940808031650

Email <u>ize@unifeeder.com</u>

John: Montag, 5. November 2018 15:06

To lens Zeitner < ze@unifeeder.com>;

Subject: RE: IRISL Group - Agency Change in Germany, Belgium, the Netherlands, Italy

Dear Mr. Zeitner

We are on Deep regret to receive below message. Please advise effective date, enable us to have a plan to evacuate our empty boxes, spread in area based on trust to your service.

Best Regards

evect tel:

From: Jens Zeitner < <u>|ze@unifeeder.com</u>>

Sent: Monday, November 5, 2018 10:57 AM

Subject: RE: IRISL Group - Agency Change in Germany, Belgium, the Netherlands, Italy

Dear

Due to the US secondary sanctions related to Iran taking effect as of the 5th of November 2018, Unifeeder will not be able to engage in business transactions with any entities; persons or cargo directly or indirectly related to Iran.

Unifeeder continues to monitor the sanctions regimes closely and any change in application will of course trigger a re-evaluation.

Ż.

From: 3

Monday, July 02, 2018 3:08 PM

To:

Georg, Christian

Subject:

AW: Collocate All Depot Latest Condition(in PWL regional)

Importance:

High

Please be informed that we have been informed on Wednesday 27.06.2018 from Messrs, Progeco that they could not sign a contract with IRSIL in Teheran nor with IRISL North in Hamburg. This is based on the legal advice from their mother company CMA-CGM that this might harm the operational business of CMA-CGM due to secondary sanctions. Messrs. Progeco have checked the possibility to continue our co-operation just based on the agreed rates without a signed contract, but also this has been denied by CMA-CGM.

resers. Progeco Mr. Mark Wilkinson is now checking how we shall proceed in the near future. We vertheless recommend to stop as of today all redeliveries at depot Progeco.

PS: Please be informed that Mr. Mark Wilkinson is very upset that he has to follow this advice and apologizes that most properly our co-operation has to be stopped until further positive developments on the sanctions are available. Also from my side please take my apologize for this un-satisfying obstacle.

Mit freundlichen Grüßen
With Best Regards
i. A. Kristian Meyer-Morgenstern
Equipment Control

≅Peter W. Lampke GmbH & Co. KG as agents for the carrier only

Am Sandtorkai 60 - 20457 Hamburg

Fmail: kristian.meyer-morgenstern@pwl.de

Frione: +49 (0)40 36152-118 Fri:: +49 (0)40 36152-133

Handelsregister / commercial register: Bremen HRA 10939 Komplementarin / general partner: PWL Shipping Verwaltungs GmbH Handelsregister / commercial register: Bremen HRB 4223 Geschäftsführer / Managing directors: Christian Koopmann, Christian von Georg

Allgemeine Geschäftsbedingungen / General business terms:
Wir arbeiten ausschließlich nach den "Allgemeinen Geschäftsbedingungen für
Schiffsmakler und Schiffsagenten in der Bundesrepublik Deutschland". Diese
Bedingungen können von unserer Homepage www.pwl.de heruntergeladen werden.

We work exclusively in accordance with the "General Business Conditions for Shipbrokers and Shipping Agents in The Federal Republic of Germany: These conditions may be downloaded from our homepage www.pwl.de.

ISO 9001:2015 certified / AEO accreditation number DE AEOF 107343 Member of Multiport Ship Agencies Network

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ANNEX 8

From:

Sent:

Wednesday, January 23, 2019 1:58 PM

AND THE PROPERTY OF THE PARTY O

Subject:

FW: export loading possibility from Ukraine

Sent: Monday, October 29, 2018 5:27 PM

To:

Cct

Subject: RE: export loading possibility from Ukraine

ar and a second

problem with the banks is not for Shippers but with trasfering money on port accounts for vessel's calls under Iranian flag. The problem is that National Bank of Ukraine advised to all of the Ukranian banks to avoid working with Iranian affiliated Companies. We are preparing translation to you of official text of this order from National Bank for your kind reference. As your official legal agent we immediately checked with 4 main banks of Ukraine (among them officially nominated by Odessa port governmental bank) and some others as well and got rejected on bases of advised notification of National Bank. Meanwhile please be reminded that Ukraine is, unfortunetely for us, not part of Europe Union, that is why we have other rules to follow than European ports.

As for BL we have no problems with BL issuance, we have problems with service available, which is still not confirmed in written by EMES. So in order to get soonest agreement with them, kindly ask you to confirm feedering charges, local charges in Istanbul, below advised handling charges, and that there is no objections from your side we are going to use other Company as IRISL problems for this operations in so we could get at last EMES final decision.

We also would like to assure you that we do our best in order to supervise HDASCO interest and struggle and in order to get through obstacles occured, will keep you well informed on the situation.

time for your understanding, please let me know if there are still any information is needed from our side,

Thank you and Best Regards,

mob.:
e-mail:

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НАЦІОНАЛЬНИЙ БАНК УКРАЇНИ

куп. Incrittyteika, 9, м. Квів, 01601, ўкраїна. телефон: 0-800-505-240 факс +380 (44) 230-20-33, 253-77-50 е-тай: atu @bank.rov.ua Кол СДРПОУ (10052106

NATIONAL BANK OF UKRAINE

9, Institutska St., Kylv. 91601, Ukrains phone: 0-800-505-240 fax +380 (44) 230-20-33, 253-77-50, e-mail: nbu@bank.psy.op

Банки України
Асоціація «Незалежна асоціація банків України»
Асоціація українських банків

Про ризики для вітчизняних суб'єктів господарювання у зв'язку з посиленням санкцій з боку США до Ірану

Національний банк України (далі - Національний банк) відповідно до пункту 2 частини другої статті 14 Закону України «Про запобігання та протидію легалізації (відмиванню), доходів, одержаних злочинним шляхом, фінансуванню тероризму та фінансуванню розповсюдження эброї масового знищення» (далі - Закон) повідомляє таке.

Відповідно до листа Посольства України у Сполучених Штатах Америкні від 11.05.2018 №6147/6-200-902 Управління з контролю за іноземними активами (OFAC) Міністерства фінансів США, в рамких практичної імплементації Меморандуму Президента США: від 8 травня 2018 року «Припинення участі США в СВПД та вжиття додаткових заходів для протидії деструктивному впливу Ірану та блокування всіх пляхів Ірану до ядерної зброї» («Ceasing U.S. Participation in the JCPOA and Taking Additional Action to Counter Iran's Malign Influence and Deny Iran All Paths to a Nuclear Weapon» і найближчим часом оприлюднить відповідне регулювання, яким надаватиметься дозвіл на здійснення транзакцій, що є необхідними для лоступового згортання операцій, що підпадатимуть під дію антиіранських американських санкцій, які будуть відновлені відповідно до рішення Президента США про припинення унасті Сполучених Штатів у Спільному всеосяжному плані дій (далі — СВГІД) Ісанкції, пов'язані з програмою створення Іраном ядерної зброї].

Американською стороною наголошується, що буде відновлена дія всіх санкцій (у т.ч. вторинних), що були скасовані чи призупинені у зв'язку з СВПД. Державним департаментом та Міністерством фінансів США будуть вжиті

https://wwww.whilehouse.gov/presidential-actions/ceasing-u-s-participation-jcpoa-taking-additional-action-counterirans-malign-influence-deny-iran-paths-nuclear-weapon/



ДОКУМЕНТ СЕД НЕУ АСКОЙ

Піўнисувач <u>Березі Ігор Волюнунировіч</u> Сертифікат <u>3122842E6867ь6540460600FF02C0005C09060</u>0

Дійснійі ло:31.05.2020 12:24:49

Національний банк Україні •

25-0008/30160 sin 31-05,2018

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заходи у напрямку запроваджения 90-то та 180-ти денного періодів «поступового згортання операцій». Відповідно, американською стороною звертається увага на необхідності для всіх фізичних / юридичних осіб. залучених до діяльності, виведеній з-під дії американських санкцій у зв'язку з СВПД, вжити заходів з поступового припинення такої діяльності до 6 серпня або 4 листопада 2018 року з метою уникнення в подальшому потрапляння під дію вторійних американських санкцій, або настання інших наслідків, передбачених законодавством США за порушення дії санкційного режиму (останнє стосується насамперед фізичних / юридичних осіб — резидентів США).

За наявними у Посольства України у Сполучених штатах Америки даними, з 6 серпня 2018 року буде відновлёна дія наступних американських санкцій:

- санкції щодо придбання чи отримання урядом Ірану американських банкнот;
- санкції на торгівлю з Іраном у золоті чи дорогоцінних металах:
- санкції на прямі чи непрямі продаж, постачання чи передачу Ірану чи від Ірану графіту, сировинних чи напівоброблених металів таких як алюміній та сталь, вугілля, а також програмного забезнечення для інтегрування виробничих процесів;
- санкції на «значні» транзакції, пов'язані з придбанням чи процежем іранських ріалів, утримання / обслуговування «значних» фондів чи рахунків поза межами Ірану, деномінованих у іранських ріалах:
- санкції на придбання, підписку на, чи надання сприяння випуску іранських суверенних боргових інструментів:
- санкції на іранську автомобілебудівну галузь.

Крім того, з 6 серпня 2018 року Сполучені Штати скасують дію наступних послаблень до антиіранського санкційного режиму:

- дозвіл на імпортування на територію США килимів походженням з Ірану, продуктів харчування, а також проведення певних пов'язаних фінансових транзакцій;
- дозвіл на здійснення діяльності відповідно до наданих лішензій у прив'язці до Політики ліцензування діяльності, пов'язаної з експортом та реекспортом до Ірану комерційних пасажирських літаків, пов'язаних запчастин та послуг;
- дозвіл на здійснення діяльності відповідно до Генеральної ліцензії
- 3 4 листопада 2018 року буде відновлена дія наступних американських санкцій:
 - санкції проти операторів іранських портів, іранської мореплавної галузі та суднобудівельної галузі, включаючи санкції проти «Islamic Republic of Iran Shipping Lines», «South Shipping Line Iran» на афілійованих з ними структур;

санкції на трайзакції, пов'язані з нафтопродуктаки з низкою компаній, включаючи «National Iranian Oil Company» (NIOC), «Naftiran Intertrade Company» (NICO) та «National Iranian Tanker Company» (NITC); санкції на придбання з Ірану вафти, нафтопродуктів та продукції нафтохімічної промисловості;

санкції на транзакції іноземних фінансових інституцій з Центральним банком Ірану, а також іранськими фінансовими інституціями, визначеними статтею 1245 Закону США про повноваження в галузі національної оборони у 2012 фіскальному році («National Defense Authorization Act for Fiscal Year 2012»);

- санкції на надання послуг з пересилання спеціалізованих фінансових повідомлень Центральному банку Ірану та іранським фінансовим інституціям, визначеним американською санкційною політикою;
- санкції на надання послуг зі страхування, перестрахування та андеррайтингу;
- санкції проти іранського енергетичного сектору. . .

В подальшому, не пізніше 5 вистопада 2018 року, США відновлять шю всіх персональних санкцій проти фізичних / юридичних осіб, що буди видалені з санкційного списку SDN List 16 січня 2016 року.

Виходячи з вишезазначеного, Національний банк звертає увагу на ризнки, пов'язані із здійсненням операцій з особами та фінансовими установами, що є або можуть бути об'єктами санкцій з боку Уряду США, та рекомендує банкам вжити належних заходів з метою управління такими ризиками й ознайомитись з санкційною програмою США щодо Ірану за інтернет-адресою: https://www.treasury.gov/resource-center/sanctions/Programs/pages/iran.aspx.

Директор Департаменту фінансового моніторангу

I. В. Береза

Корженко К.А. (044) 5273858

• •

About Risks for domestic business entities due to increased USA sanctions to Iran.

National bank of Ukraine (further- the National bank) in accordance with paragraph two of the second of Article 14- of the Law of Ukraine "On prevention and counteraction to legalization (laundering) of incomes, of the Proceeds from Crime, Terrorist Financing and the Financing of the Proliferation of Weapons of Mass Destruction" (further - the Law) reports this:

In accordance with the letter from the Embassy of Ukraine in the United States dated May 11, 2018 Ne6147/6-200-902 Office Foreign Assets Control (OFAC) Ministry of Finance of the USA within of the practical implementation the President's Memorandum of the United States from the 8th of may 2018-years "Termination of USA engagement in the Joint Comprehensive Plan of Action and the adoption of additional measures to counteract the destructive effects of Iran and to block all Iran's nuclear weapons" (Ceasing U.S. Participation in the JCPOA and Taking Additional Action to Counter Iran's Malign Influence and Deny Iran All Paths to a Nuclear Weapon"), soon to make an appropriate response, which will be given permission to execute transactions that are necessary for the gradual closing of operations, which will be subject to American's anti-Iranian sanctions, which will be restored in accordance with the decision of the President of the United States on the termination of participation USA involvement in the Joint Comprehensive Plan of Action (further-CPOA) [sanctions related to Iran's nuclear weapons program].

The American side notes that the resumption of all sanctions (including secondary ones), which has been canceled or suspended due to CPOA. The State Department and the Ministry of Finance of the United States will be take action in the direction of suppressing the 90th and 180th day periods "gradual collapse of operations". Accordingly, the American side draws attention to the need for all physical / legal entities, involved in activities withdrawn from under the American sanctions in connection with CPOA, take steps to phase out such activities until 6th of August or 4th of November 2018 years, in order to avoid further admission to secondary USA sanctions or offensive of other consequences foreseen by USA's law for violation of the sanction regime [the last one applies to first of all individuals/legal entities - US residents].

According to data available from the Embassy of Ukraine in the USA from 6th of August 2018, the following -American sanctions will be resumed:

- sanctions for the purchase or receipt by the Iranian government of American banknotes;
- sanctions on trade with Iran in gold or precious metals;
- sanctions for direct or indirect sales, supply or transfer to Iran or from Iran graphite of raw or semi-processed metals such as aluminum and steel and steel coal, as well as software for integrating production processes;
- sanctions on "significant" transactions related to the purchase or sale of Iranian rials, maintenance / servicing of "significant" funds or accounts outside of Iran, denominated in Iranian rials;
- sanctions for the purchase, subscription or promotion of the issuance of Iranian souvenir debt instruments:
- sanctions on Iran's automotive industry.
 In addition, from 6th of August 2018 USA, will to abolish the subsequent relaxation of the anti-Iranian sanction regime:
- permission to export carpets originating in Iran to the territory of the USA, foodstuffs, as well as certain related financial transactions;
- permission to operate in accordance with the licenses issued in connection with the Licensing Policy related to the export and re-export to Iran of commercial passenger aircraft, related spare parts and services;

- permission to operate in accordance with the General License.
 From or 4th of November 2018 years will be resumed the following American sanctions:
- sanctions against operators of Iranian ports, the Iranian shipping industry and the shipbuilding industry, including sanctions against "Islamic Republic of Iran Shipping Lines", "South Shipping Line Iran" and affiliated structures;
- sanctions on transactions involving petroleum products with a number of companies including "
 National Iranian Oil Company "(NICC), " Naftiran Intertrade Company" (NICO) and "National Iranian Tanker Company" (NITC); sanctions for the purchase of oil, petroleum products and products from the petrochemical industry from Iran;
- sanctions on transactions of foreign financial institutions with the Central Bank of Iran, as well as Iran's financial institutions, as defined by Article 1245 of the US Law about national defense authorization act for fiscal year 2012 ("National Defense Authorization Act for Fiscal Year 2012");
- sanctions for the provision of specialized financial messaging services to the Central Bank of Iran
 and Iranian financial institutions defined by the US sanctioning policy;
- sanctions for the provision of services from insurance, reinsurance and underwriting;
- sanctions against fran's energy sector.
 In the future, no later than 4th of November 2018, will to reinstate all personal sanctions against individuals / entities that were removed from the sanction list on 16th of January 2016.
- 8ased on the above, the National Bank draws attention to the risks, associated with the conduct of transactions with individuals and financial institutions that are or may be subject to sanctions by the Government of the United States of America, and recommends that banks take appropriate measures to manage such risks and become aware of the US sanctions program with regard to Iran for the Internet address:

https://www.treasury.gov/resource-center/sanctions/Programs/pages/iran.aspx.

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Date: 30-Mar-2017

1061307

HIGH OCEAN GENERAL TRADING LLC

PO BOX 120392

DUBAL

UAE .

OFC 235 SULTAN BUSINESS CENTRE OUD

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Dear Customer,

We regret to Inform you that the Bank will close the above mentioned account(s) within 1 week from the date of this letter without any ilability on the part of Noor Bank.

Please visit any of our branches to withdraw the balance available in the account(s) prior to the closure date. Please return all unused cheques and debit eard (if any) linked to the account(s) to us as soon as possible. Please make alternative arrangements for any cheques which are in circulation to avoid any future detriment.

If, on the date of closure, there is a positive balance in the account(s) after all outstanding transactions have been cleared, we will send you a manager's cheque for the balance (less any outstanding fees and service charges) to the above address.

If you have any queries, please contact your Relationship Manager, visit any of our branches or call us on 800-8687.

Sincerely,

Noor Bank

This is a system generated letter and does not require any signature

nace trade is a division of woor bank, woor stank to a company existing under the laws of the UAE and its click association or easigne. The Bank means New Park Noor Bank No.
P.O. Box 6822, Dubat tasked Arab Emirates

noortrade.com

73 M. W. W. W. S.

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METRANS; 4.6., Podleská bžilo, 104 og Praha 10-Uhitnévos



Prague 16/11/2018

SUBJECT: TERMINATION OF THE BUSINESS COOPERATION

Dear business partner,

due to different factors, amongst them being the recent political developments, the political and economic, developments in Iran (e.g. tack of transperency, see Delegated Regulation (EU) 2016/1875 of 14th July 2016), the refusal of financial institutions to support business transactions with transan persons and overall compliance reasons, our company has decided, to terminate with immediate effect our business cooperation with Islamic Republic of Iran Shipping Lines (IRISL) and/or any legal person, entity or body owned or controlled by IRISL, or a natural or legal person, entity or body acting on its behalf.

With respect to abovementioned all'icontracts, agreements and/or all non-contractual arrangements concluded between our companies are terminated with immediate effect.

Together with our parent company we are checking whether we will have a chance for cooperation on specific issues, nevertheless till further notice our depot and intermodal service will be not available any more.

Thank you for your understanding,

Yours sincerely.

Martin HORINEK

METRANS, a.s.

Member of the Board

and Chief Operations Officer

METRANS, a.s.

Ing. Pavel POKORNÝ

Member of the Board and Chief Financial Officer

METRANS, a.a. I HHLA Group Member

Podestá 9285; CZ 104 00 Preha 10 Prone: +920 267 393 102 (atempt: www.meterm.cu Email: info@meterns to Register; Registered with the Commercial Register text by the Municipal Court in Pregue, Section 6, Insert 640 'Chairman of the board: Peter Kits (Chairman of the Supervisory Board Angels United Throatin 0n ac. 4078311 'VAT 10 Not.; CZ40753811 Bank: Ceshosloversta obchodní banks, a.s. Praha Swift: CEKOCZPP ISAN CZ30 000 1712 5000 0078 0560 Date Box 10: Signicials



Dear

CEO & MÖB ROD Ship Management Co.

US Sanctions impacting TTS ability to operate in Iran

TTS Group would like to inform you of the recent market development and changes particularly involving our banks.

All payments from Iranian customers have to be processed through our bank DNB. DNB is a high rated bank operating internationally and word wide, and will have to be in compliance with the US economic sanctions laws towards Iran. More specifically The President of USA made a decision May 8th 2018 to re-impose U.S sanctions against Iran. The suspensions under JCPOA (Joint Comprehensive Plan of Action) will be re-imposed after a wind-down period taking effect on August 6th 2018.

Regrettably, we have been advised by our bank that they will not process and accept any new orders after 06.08.2018; therefore, no transactions can be processed. This is in order to comply with bank's strict procedures in handling any transaction with all transaction customers in light of the recent market development and changes.

Moreover, due to unreasonable delay in your outstanding payment ROD S.M account is put on hold and changed to prepayment.

We kindly request that you to advise your technical and purchasing team to pay in advance for all the spare parts orders, which are ready for collection against our proforma invoices before 06.08.2018, which is the deadline set by our bank.

Please also arrange that all current outstanding invoices are paid no later than October 31st 2018.

Due to the re-imposed sanctions and the fact that ROD will be reintroduced on the SDN (Designated Nationals And Blocked Persons List) list on November 4th, TTS will have to send a termination notice to ROD within August 4th due to the 3 months mutual termination notice period in the written Agreement between TTS and ROD.

We apologize for the inconvenience this new development puts your company in, but this situation is beyond TTS Group's control and we have to adjust our operation to comply with guidance from our lawyers and our bank.

TTS Group wants to be a partner for you also in the future, so we will continue to monitor the Iranian market closely and hope to be able to continue our business relations as soon as the banks can allow us to operate in Iran.

We would like to assure you our best services and attention at all times.

Bergen 19th July 2018

Best Regards (

Toril Eidesvik CEO & President Subject:

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utstanding Payment -Statement of Account (S.O.A)

From: Behruz Buráng [mailto:Behruz.Buráng@ttsgroup.com]

Sent: Sunday, October 28, 2018 8:58-AM

To: PIROUZ

Cc: Theode

Subject: RE: standing Pa

standing Payment -Statement of Account (S.O.A)

Dear sir.

Good day,

Please note that TTS bank (.DNB) is now not accepting any payment from Iran.

Regretfully due to recent development with bank issues, TTS group management is requesting to keep all TTS payable on hold until further instructions.

TTS management are not happy at all with this current situation, but have to comply with international rules which is beyond their control.

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Thank you & Best Regards

Behruz Burang

Regional Sales Manager, Middle East Region

Direct: +971-4-4474239 Mabile: +971-50-6510371

E-mail: behruz.burang@ttsgroup.com

TTS

TTS Group ASA

P.O. Box 36031 Dubai, U.A.E Web: www.ttsgroup.com

From:

Sent: 14 October 2018 10:37

To: Behruz Burang < Behruz. Burang@ttsgroup.com>

Subject: RE:

standing Payment -Statement of Account (S.O.A)

Dear Mr Burang

Kindly, we are checking with bank mellat for this new route

Best regards

Financial dept

ship management

Tel:

ANNEX 9

spare Parts





US Sanctions impacting TTS ability to operate in Iran

TTS Group would like to inform you of the recent market development and changes particularly involving our banks.

All payments from Iranian customers have to be processed through our bank DNB. DNB is a high rated bank operating internationally and word wide, and will have to be in compliance with the US economic sanctions laws towards Iran. More specifically The President of USA made a decision May 8th 2018 to re-impose U.S sanctions against Iran. The suspensions under JCPOA (Joint Comprehensive Plan of Action) will be re-imposed after a wind-down period taking effect on August 6th 2018.

Regrettably, we have been advised by our bank that they will not process and accept any new orders after 06.08.2018; therefore, no transactions can be processed. This is in order to comply with bank's strict procedures in handling any transaction with all Iranian customers in light of the recent market development and changes.

Moreover, due to unreasonable delay in your outstanding payment ROD S.M account is put on hold and changed to prepayment.

We kindly request that you to advise your technical and purchasing team to pay in advance for all the spare parts orders, which are ready for collection against our proforma invoices before 06.08.2018, which is the deadline set by our bank.

Please also arrange that all current outstanding invoices are paid no later than October 31st 2018.

Due to the re-imposed sanctions and the fact that ROD will be reintroduced on the SDN (Designated Nationals And Blocked Persons List) list on November 4th, TTS will have to send a termination notice to ROD within August 4th due to the 3 months mutual termination notice period in the written Agreement between TTS and ROD.

We apologize for the inconvenience this new development puts your company in, but this situation is beyond TTS Group's control and we have to adjust our operation to comply with guidance from our lawyers and our bank.

TTS Group wants to be a partner for you also in the future, so we will continue to monitor the Iranian market closely and hope to be able to continue our business relations as soon as the banks can allow us to operate in fran.

We would like to assure you our best services and attention at all times.

Bergen 19th July 2018

Best Regards (TTS Group ASA

Toril Eidesvik

CEO & President

Space Parts





Date: 1st November 2018



Tehran, IRAN

From: Wartsile Gulf FZE, UAE

Subject: Termination Notice for Wartsila Support for your installations

Dear Sir(s).

On May 8, 2018, the United States announced its withdrawal from the Joint Comprehensive Plan of Action and the re-imposition of sanctions lifted or waived under the JCPOA. The sanctions that will be re-Imposed are largely secondary sanctions targeting activities of non-US persons with no connection to the US. The so-called winding down period for Various business sectors will become effective 4 November 2018. As a result, Wartsita will discontinue all dealings, transactions or business with any transan involvement or connection on 4th of November 2018.

The Contract referenced above was entered into on the condition that the lifting of the international sanctions against Iran would persist. The lifted sanctions were a fundamental prerequisite and precondition to the contractual relationship between the Buyer and Wartsia as reflected by Article 8 Export Controls and Trade Sanctions of the General Terms and Conditions ~ Parts (2016("GTC")) and the following statement, which included in the Contract together with the GTC: We reserve the right to cancel any offer or order for goods that are or may become subject to international trade senction restrictions. Such cancellation shall not give rise to any damages, costs, expenses or other compensation by Wartslia to the buyer or any other party.

Due to the above, we hereby terminate the Contract and any purchase orders issued under it, including all ongoing Wartsila's obligations in connection therewith, with effect as of 4 November 2018.

The Supplier expressly reserves the right to make use of all its other rights, including other termination rights, under the Contract. Further, the Supplier reserves the right to introduce other grounds for the termination and the termination grounds stated in this notice are not exclusive.

Despite this termination/cancellation due to reasons beyond Wartsila's control, we do hope that you understand our position and we do hope to be able to resume a good business relationship in the future.

We remain.

Yours sincerely.

Rejenkhanna General Manager - Service Sales SUMESA & WAE Wärtsitä Gulf FZE,

Ptot no 597-572, Dubai Investment park 2

P.O. Box 61494

Dubai , UAE

Wartsill Gulf FZE

P.O. Box: 61494 Jobel Ali. Didson of A.F.

Telephone: +971 4 885 72 22 Fax: +971 4 885 70 28 E-mill; wertake@emilates.not as Webbite, www.wartsila.com

SYANDARD CHARTENED BANK P.O. Box: 999, Dubai - U.A.E. SWIFT CODE: SCRLAEADXXX

USD IBAN NO: AE42 0440 0001 0170 0016 001 AED IBAN NO: AE80 0440 0000 0170 0016 001 EUR IBAN NO: AE51 0440 0018 0170 0016 001

میں ب 48 365 بیبل علی دمرس آخ ہے طیفی: ۲۰ ۲۰ ۸۵ ۸۸ کا ۲۰۱ و فاکس پروکز ۲۰۰ ۸۸ کا ۲۰۶ و تدب الإلكتريز antsila@omirales العربة مراتع الإنشرنت: www.westifia.com

ان مستسولية محسودة تساسيت يتموذ بي القيانيون رقيم 1 ليستسة 1997 FORMED PURSUANT TO LAW NO. 9 OF 1992 WITH LIMITED LIABILITY

Spare parts

MACGREGOR 13

To GM of ROD Tehran/IRAN 04:11.2018

Service and sales of MacGregor equipment in Iran

Dear Mr. W. Comments of the Co

Following the United States withdrawal from the Iran Nuclear Deal (JCPOA); with the re-imposition of the secondary sanctions related to Iran, MacGregor must advise that we will be unable to continue the sale and support of equipment installed on vessels owned or operated by ROD group.

As per our common knowledge, the outstanding amount, which is still due by your good company to MacGregor, will be considered as an outstanding and pending amount until MacGregor advise otherwise. Our teams are working on the appropriate solution to receive the payments through the SEB bank or any approved alternatives.

We will continue to monitor US sanctions developments and their effects on our trade. Should the sanctions be removed, we will remain ready to serve your equipment supply and support requirements once again.

We would like to thank you one more time for the good cooperation we have had in the past years. Having in mind mutual respect between our companies, please accept our apologies for any inconvenience these sanctions may cause.

Yours sincerely,

Steinar Eliassen Director, Region Middle East

spare parts

Sent:	Tuesday, December 04, 2018 3:17 PM
To:	
Subject:	FW: Order V-18-138-079-E/03/01 for SHIBA
Dear Sir,	
Good day	
FYKİ.	
ROD Ship Management Co. Dept. Tel. No.: Dept. Fax No.: Direct Tel. No. Please reply to:	RAHBARAN OMID DARYA BUPMAUMERON (AL
From: Rakesh Anand [mailto:rak Sent: Saturday, November 10, 20 To: Cc: Subject: RE: Order V-18-138-07	018 10:26 AM uaesales@mpifzc.com;
Dear Market State (
Good Day!	
With the US sanctions coming int	to force from 4th Nov. it is NOT possible to deliver the parts to any Iranian company.
We have requested proceed further.	to give us any other options to supply the parts. We are awaiting his confirmation to
Thanks & Regards,	
•	1

From:

Rakesh ANAND



Sr. Technical Manager Sales
Marine Power International Fix

Q4/070, S.A.I.F. Zone, P.O.Box:9309, Sharjah, U.A.E. Phone: +971 6 557 9130 I.Fax: +971.6 557 9137

Extn: 1091 Mobile: +971 52 641 3866 | Skype: MPI RakeshAnand

E:Mail: rakesh@mpifzc.com | Website: www.mpifzc.com

Find us on ShipServ TradeNet 234803

NOTICE: The information contained in this e-mail, and attachment(s) thereto, is confidential and contain proprietary information some or all of which may be legally privileged. If you are not the intended recipient, you are not hereby notified that any dissemination, distribution, copying or printing of this communication is strictly prohibited. If an addressing or transmission error has misdirected this e-mail please notify the sender by replying to this e-mail immediately and delete the e-mail from your computer system. When directed to our customers all the contents of this e-mail are subject to our standard terms and conditions of business. Thank you

From:

Sent: Saturday, November 10, 2018 10:52 AM

To: waesales@mpifzc.com

Gc:

Subject: RE: Order V-18-138-079-E/03/01 for SHIBA

Dear Sir/Madam Good Day,

Please acknowledge the safe receipt of our following firm order.

Best Regards





Consider the environment. Please don't print this e-mail unless you really need.

----Original Message----

Sent: Sunday, November 04, 2018 10:27 AM

To: <u>uaesales@mpifzc.com</u>

2





Rahbaran Omid Dayra (ROD) Ship Management Company

No. 523 1st Floor Asseman Tower, Pasderan St.

Tehran Islamic Republic of tran

24 September 2018

Dear Customer,

This letter is to inform you that on the 11th of September 2018, Inmarsal advised the Marlink Group to remove commercial communications to any vessel with an Iranian nexus.

Mariink's communication services as provided towards translar vessels of vessels operated by transan entities or by end-users of transan entities are affected.

In order to comply with the Inmarsat Distribution Agreement and in accordance with Marlink's MSS Airtime Terms and Conditions, we hereby inform you of the termination of those respective MSS contracts.

Marlink will proceed with barring of all subject terminals within a timeframe of six (6) weeks after receipt of this letter, i.e. on the 3rd of November 2018. Such barring will concern all immassat terminals and related equipment onboard the subject vessels (f.e. Inmarsat C, Fleet, Fleetbroadband, Fleet 77, Fleet One and Fleet Phone, Fleet Xpress, BGAN and IsatPhone etc.).

In case of any remaining minimum term of an MSS subscription, the early termination charges shall be applied in accordance with the agreed terms and conditions.

Immarsat C is included in the scope of this message, however Mariink is currently clarifying how to ensure safety at sea in relation to compliance with the above.

In case of any question, please contact your account representative. We trust to have informed you sufficiently and await your response.

Best regards,

Paulins Ruitenberg Head of Legal

Copy to: Tore Morten Olsen, President of Martink Maritime Division Rodger Harfouch, Sales Director MEA

www.marlink.com

ANNEX 10

From

Tue 07 Aug 2018 12:23:35 PM IRDT

1

Page 1 of 2



Mr. Director General of Maritime Affairs, Ports & Maritime Organisation, No. 1 Shahidi St., Haghani Expressway, Vansk Sq., Tehran, Irea.

Middle East & Africa Area Office Festival Office Tower, Suite 200' Dubal Festival Cay Al Rebait Street, Ras Al Khor. Deira, United Arab Emirates

P.O. Box 29677, Dubar, U.A.L.

Telephone, +971 4 7014100: Direct line: +971 4 7014114

Email

long fieldfahr ord

Date

29 July 2018

Your,rid

Our rail MEANANTHZOI

Dear Mr.

Further to our recent discussions you will be aware that we are encountering commercial difficu in the provision of services to our clients. Notably, our insurers have declined to provide cover to for such work which creates a serious risk to LR, our employees and to our clients. From a perspective, we do not feel this is acceptable to our clients or to LR.

As there does not seem to be any feasible solution to these commercial difficulties, consequently, as mutually agreed with our clients, our contracts are being terminated.

We are informing our clients that if they wish to transfer their vessels to an alternative classifica society, we will fulfil our obligations under the IACS Transfer of Class Agreement

Yours sincerely,

Capt. Tony Field

Marine & Offshore Manager

Middle East & Africa Lloyds Register EMEA



DNVGL

Rahbaran Omid Darya Ship Management Co.(ROD)

Iran (Islamic Republic of)

DNV GL AS Ship Classification : Veritasvélén 1 1322 Høvik Norway

fiste.

Our reference:

M-S/GDUG/

Z018-09-21 M

18165-J-165

KHURAN, Id. No. 18165 Call sign. SVDL7 RAHBARAN OMID DARVA SHIP MANAGEMENT CO.(ROD), Termination notice, classification and all other services provided by DNV GL AS

Cear Sirs,

We refer to Periodical Service Agreement between Rahbaran Ornid Darya Ship Management Co and DNV GLAS (hereinafter 'Contract').

Your reference:

On the 4th of November 2018, the US government will reimpose sanctions on trans shipping and shipbuilding sectors and port operators, including sanctions on the provision of classification services and transactions with entities determined to be part of the shipping or shipbuilding sectors of Iran.

International financial transactions involving Iran have become impossible and the impending US sanctions are negatively influencing the business climate and opportunities. Against this background and to comply with the sanctions imposed by the US government we are unable to provide services under the Contract.

We hereby give your notice of our intention to terminate the Contract and the effective date of termination shall be the 4th of November 2018.

From the effective date of termination, DNV GL AS shall:

- withdraw class in respect of the captioned vessel
- terminate all statutory services provided by DNV Gb for the captioned vessel.
- terminate the ERS service for the captioned vessel***

Emergency Residense Service.

DNV GL Headquarters, Veritasvelen 1, P.O.Box 300, 1322 Hoyik, Norway. Tel: #47 67 57 99 00. www.dnvgl.com

RCD - Tood

Page 2.6f 3:

E ITA

For the avoidance of coubly, all services provided by DNV. GL to Ranbaran Omic Darva Ship Management (Co. shall terminate on the 4% of November 2018 Whether of mot the contracts services to the relevant avessels have been specified in this letter.

We would like to take this opportunity to thank you for the privilege in providing you world class services. over the course of the duration of the Contract and we look forward to being of service to you in the future.

Yours faithfully, for DNV GLAS

Gelr Dugstad Senlor Vice President Director of Ship Classification & Fechnical Director

Copy To: : DNV GL Dubai, Flag Administration of Togo (via DNV GL Tema, Ghana)

ROD - Topo



RAHBARAN OMID DARYA MANAGEMENT COMPANY TEHERAN IRAN

Attention of:

ACEO & MOR

Paris, 10 July 2018

Subject: Bureau Veritas wind down process following the United States' decision to withdraw from the Joint Comprehensive Plan of Action (JCPOA)

Dear Sirs,

Following the USA decision, on 8th of May 2018, to withdraw from the Joint Comprehensive Plan of Action ("JCPOA") signed on July 14, 2015 which had allowed the lifting of part of the Sanctions against Iran, Bureau Ventas evaluated the implications for our business in Iran which we eagerly developed these past two years.

While we truly regret this decision, we cannot ignore the consequences it will have for a global group such as Bureau Veritas.

The US government announced that between now and November 2018 the sanctions existing prior to October 2015, which were lifted, would be reinstated. Therefore, should your company be impacted by the reintroduction on the US sanctions list, we would have no other choice than to terminate the existing contracts binding our two companies.

These terminations would concern the following contracts:

- Five Year Fees (FYF) agreements related to the following ships:
 - MÍAMI PRIDE (IMO nº9274941).
 - ARDAVAN (IMO nº9465863)
 - AVANG (IMO nº9465748)
 - BATIS (IMO n°9465760)
 - BESHAD (IMO n°9187289)
 - BEHTA (IMO n°9349590)
 - CLAYTON II (IMO n°9020487)
 - JAIRAN (IMO nº9167291)
 - KIAZAND (IMO n°9465758).
 - NESHAT (IMO n°9167277)
 - PARISAN (IMO n°9465851)
 PARNIA (IMO n°9167265)
 - -SHABDIS (IMO n°9349588)

Bureau Veritas Marine & Offshore Head Office Société par Actions Simplifiée 8, Cours du Share capital of 10 001 000 Euros 92937 - Par RCS Nanterre 821 131 844 FRANCE

Head Office 8, Cours du Triangle 92937 – Paris La Délense FRANCE دبیرحانه مرکزی ۱۲۹۱۹۲ / ۴/۱۲۳ نام ۱۲۹۱۹۲۱ سازساره (۱۳۹۵) ۱۲۹۹۵۲

Tel: +33 (0)1 55 24 70 00 Fax: +33 (0)1 55 24 70 01 www.bureauverites.com

·

- SHAHRAZ (IMO n°9349576)
- WARTA (IMO n°9465849)
- Classifications contracts related to the following ships:
 - MIAMI PRIDE (IMO:n°9274941)
 - ARDAVAN (IMQ n°9465863)
 - AVANG (IMO n°9465746) BATIS (IMO n°9465760)

 - BESHAD (IMO n°9167289)
 - BEHTA (IMO n°9349590)
 - CLAYTON II (IMO n°9020467).
 - JAIRAN (IMO nº9167291)
 - KIAZAND (IMO n°9465758)
 - NESHAT (IMO n°9167277)
 - PARISAN (IMO n°9465851)
 - PARNIA (IMO n°9167265)
 - SHABDIS (IMO n°9349588)
 - SHAHRAZ (IMO n°9349576)
 - WARTA (IMO n°9465849)

The relationship between Rahbaran Omid Darya Management Company and Bureau Veritas has always been excellent and this is why we wanted to notify you in advance of such a possibility.

We hope that this unfortunate situation will not adversely affect our relationship and we thank you for your understanding.

Sincerely yours,

Matthieu de Tugny Chief Operations Officer

Bureau Veritas Marine & Offshore

Annex 293

Witness statement of Captain S. Farahbod, Commercial Director of NITC, 17 March 2019

Witness Statement: EFFECTS OF RE-IMPOSED US SANCTION ON IRAN'S SHIPPING

Effects of re-imposed US Sanctions on Iran's Shipping Industry

Witness Statement of

Shahram Farahbod

Commercial Director of NITC

1. Name and Address

Captain Shahram Farahbod

National Iranian Tanker Company, No 35, East Atefi St, Nelson Mandella BLVD, Tehran.

2. Qualifications and Experience

I hold the degree of Bachelor in Marine Science / Engineering from Chabahar University,

Post Graduate in Marine Insurance from World Maritime University of Malmo and a

Master Mariner.

For the past 34 years, I have been involved in a wide range of shipping issues in Iran, such as working at sea for about 19 years on various types of tankers at various deck officer ranks until being a Master.

I have been working in the NITC head office for the past 15 years. About 3 years in Training Department as deputy training manager and about 12 years in Commercial Department. With about 10 years as insurance and claim manager, I have been appointed as Commercial Director since about a year ago.

I have also been a member of the Deck Special Committee of the Port and Maritime Organization of Iran, Chief Examiner and participating in IMO HTW sub-committee as well as the Legal Committee as advisor.

3. Scope

Instruction

I have been requested by the Center for International Legal Affairs (CILA) to prepare this witness statement on Effects of re-imposed US Sanctions on Iran's Shipping Industry.

Process and Methodology

I have prepared this witness statement based on the effects of US sanctions re-imposed after withdrawal of United States from the JCPOA on 8th May and subsequently during the winding up period on 6th August and 4th November 2018 on Iran and Iranian companies such as National Iranian Tanker Company (NITC), by reviewing the documents and emails and discussing with different departments of NITC. I should reiterate that at this stage I can only explain the effects of the re-imposed US sanctions in the initial months after re-imposition. NITC, a privately owned company, is the most effective company in Iran's shipping industry and one of the major oil transportation companies in the world.

4. Findings

4.1. Introduction

Carriage of around 90% of world trade is the most important responsibility of international shipping industry. This means that international shipping industry is the lifeblood of the world's economy and without shipping, intercontinental trade, the import/export of affordable food and manufactured goods and raw materials such as oil and gas would simply not be possible. This is the reason that shipping is one of the most regulated industries internationally regulated by International Maritime Organization (IMO) and locally by countries that accede to maritime conventions or ratify the conventions in their domestic laws. Furthermore, based on strict legal and industrial requirements of shipping, this industry is interrelated with many other industries or non-governmental organization, such as insurance industry, banking industry, manufacturing industry, telecommunication industry and classification societies that establish and maintain technical standards for the construction and operation of ships and offshore structures. Accordingly, causing any

interruption or impediment in access of shipping industry to other related industries, as US re-imposed sanctions have caused, may directly or indirectly affect the performance of shipping industry and its interrelated industries and this may seriously endanger shipping industry and its interrelated industries. That is while, according to the article 1 (b) of IMO Convention the one of the purposes of the IMO is "to encourage the removal of discriminatory action and unnecessary restrictions by Governments affecting shipping engaged in international trade so as to promote the availability of shipping services to the commerce of the world without discrimination; assistance and encouragement given by a Government for the development of its national shipping and for purposes of security does not in itself constitute discrimination, provided that such assistance and encouragement is not based on measures designed to restrict the freedom of shipping of all flags to take part in international trade"

Re-imposed US Sanctions against Iran which came into force on 6th August and 4th November 2018 respectively, has been used as a serious impediment to access of Iran's shipping industry (particularly NITC whose tankers have been mostly employed by Oil Majors and other internationally well-known charterers) to international interrelated industries, since one of the main categories that is subject to US sanctions is maritime transportation activities of shipping companies registered in Iran or owned or controlled by Iranian nationals and all the associated shipping services provided to these companies.

As a result of re-imposing US sanctions against Iran, majority of companies providing shipping/technical services and dealing with NITC have stopped their business relationship with NITC, directly because of re-imposed US sanctions and its effect on

persons categorized as "non-US persons" or indirectly because of their banking system not being able to accept any transaction with Tranian nexus for compliance with US sanctions. NITC, who had dedicated substantial efforts and means in the period preceding the 8th May 2018, to restore its international standing as one of the major tanker companies in the world, have since lost all the benefits of these efforts. From a situation where more than 85% of NITC's shipping services were provided to foreign oil companies and operators before the re-imposition of the US sanctions, this level has now dropped to zero.

These sanctions have caused additional costs in some areas (such as change of classification societies). The main effects of these sanctions on different areas of Iran's shipping industry will be reviewed as follows based on NITC's documents.

4.2. Change of Classification Societies;

A classification society is a non-governmental organization that establishes and maintains technical standards for the construction and operation of ships and offshore structures. Classification societies certify that the construction of a vessel comply with relevant standards and carry out regular surveys to ensure continuing compliance with the standards and legal requirements set out by International Maritime Organization (IMO) or other international regulatory bodies. A classification certificate issued by a classification society recognized by the proposed ship registrar is required for a ship owner to be able to register the ship and to obtain marine insurance on the ship, and may be required to be produced before a ship's entry into some ports or waterways, and may be of interest to charterers.

Tanker vessels are required to be surveyed regularly by classification societies to obtain required certifications for international trade. As a result of re-imposed US sanctions on Iran, some classification societies working with NITC have stopped issuing new certificates for NITC's Vessels (Annexure A: email received from Bureau Veritas (BV) classification society) and they have informed that certificates will be no longer valid after 2nd September 2018. This has forced NITC to approach to new the classification societies and change of vessels classification society. This has caused unnecessary additional costs and huge work load such as new entry survey and certification, underwater inspection costs, tank washing costs, de-slopping costs, cargo tank inspection costs, additional fuel consumption costs, agency fees and vessel stoppage and off-hire costs that may amount to more than USD 200.000 for each vessel.

4.3. Problems in Procuring Spare Parts for Vessels

According to IMO NOx regulation, which aims to reduce the emission of nitrogen oxide (NOx) from ships, original spare parts should be used for vessels. Re-imposed US sanctions has forced companies supplying original spare parts, specially maker companies such as Wärtsilä, to stop their business relationships with NITC (Annexure B: emails received from suppliers and makers) and stopped providing original spare parts to NITC. This has caused tremendous difficulties to NITC for procuring original spare parts to its vessels and has largely increased costs for such procurement.

More generally, re-imposition of US sanctions has put an abrupt halt to NITC's maintenance program of its fleet. Like any other major shipping companies, NITC needs to be able to maintain, upgrade and renew regularly its fleet in order to guarantee that its level of profitability remains in line with that of its competitors. This maintenance program

is now significantly hindered by the US sanctions, which, for instance, prevents NITC from obtaining finance and ordering new-building ships. Hindering NITC's access to some essential services, such as communication through the Inmarsat network is another restriction of this category that can be referred to, (access to Inmarsat network for NITC is only limited to safety communications with is a very restrictive category and it is a conspicuous violation of IMO requirements).

4.4. Cancellation of Vessels Insurance Contracts

According to Article 7 of International Convention on Civil Liability for Oil Pollution Damage, 1992, tanker ship owners should maintain insurance based on limits of their liability to cover their liability for pollution damage under this Convention.

As a result of re-imposed US sanctions, insurance companies that provide insurance coverage for Hull and Machinery and Protection and Indemnity (P&I) Clubs that provide P&I coverage have cancelled their contracts (Annexure C: cancellation emails from insurance companies and P&I Clubs). Consequently, NITC has maintained insurance coverage from the Iran's national insurance market. This has caused a lot of additional costs and work load to NITC. It is also one of the main reasons why major international oil companies have progressively stopped using NITC's tankers between the 8 May and the 4 November 2018, since they only work with shipping companies that have insurance coverage from P&I Clubs members of the 'International Group Association' commonly known as "IGA".

4.5. Seafarers' problems for repatriation and access to shore-based facilities

According to regulation 2.5 of Maritime Labour Convention 2006 (MLC 2006) that is one of the most important conventions in the skeleton of IMO regulatory system, "Seafarers are entitled to repatriation if the seafarers' employment agreement expires while they are abroad" and "Each Member [of the convention] shall facilitate the repatriation of seafarers serving on ships which call at its ports or pass through its territorial or internal waters, as well as their replacement on board." As a result of re-imposed US sanctions, port authorities of in some countries which are a member of MLC 2006, are refraining from complying with regulation 2.5 of MLC, if any Iranian seafarer needs to repatriate.

Furthermore, according to regulation 4.4 of MLC 2006, member states shall "ensure that seafarers working on board a ship have access to shore-based facilities and services to secure their health and well-being" and they "shall require that they [i.e. shore-based facilities] are available for the use of all seafarers, irrespective of nationality, race, color, sex, religion, political opinion or social origin and irrespective of the flag State of the ship on which they are employed or engaged or work". Re-imposed US sanctions has caused some countries to breach this regulation and discriminate based on Iranians' nationality.

4.6. Banking issues

Generally, banking problems that has resulted from re-imposed US sanctions, has been the major obstacle to any transaction between Iranians and their foreign counterparties. Banking problems caused delayed payments and consequently payment of interests for delayed payments. This has increased the costs of banking transactions up to eight percent.

It is worth reiterating that in some cases, the reason that a company stops it business relationship is its bank that cannot make transaction with Iranian companies because of US sanctions.

Furthermore, the banking constrains imposed by US has a direct negative impact on seafarers rights as it causes difficulties in smooth payment of wages and providing provisions to the vessel.

4.7. Loss of Route Optimization

Part of the profitability of a tanker company, such as NITC, is dependent on its capacity to generate revenue not only during its outward journey, but also during its return. Usually, a tanker will manage to do so by conveying other petroleum products on part or whole of the return journey.

Because of the US Sanctions, such a solution is no longer possible for NITC. Since only Iranian customers will call upon NITC to ship their oil and other petroleum products, NITC's tankers have cargo on their outward route from Iran but will have to return to Iran empty.

Not only such situation deprives NITC from part of the revenues that could generate the flow of its ship on international maritime routes, but also compels NITC to load and unload ballast on each of the return journey of its ships to secure their stability, an operation that in duce additional costs and expenses.

4.8. Other General Impacts

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As a result of re-imposed US sanctions, many international companies ceased their business relationship with Iranian companies. Some of important samples of these implications resulted from US sanctions are briefly explained in this section.

International companies like NITC usually work with a credible post companies. After reimposition of US sanctions DHL post has stopped working with Iranian persons and this has caused an increase in posting costs.

Re-imposition of US sanctions has also caused that companies providing different important maritime services such as ship-repair services, ship construction services, vetting services, agency services in foreign ports and bunker suppliers refrain from continuing their business relationship or starting a new business relationship with NITC.

Captain Shahram Farahbod

Commercial Director of NIT&

Dated 17th March 2019

Annexure A- P1

From: behrouz.behnava@ir.bureauveritas.com [mailto:behrouz.behnava@ir.bureauveritas.com]

Sent: Thursday, July 26, 2018 4:02 PM

To: Davoodian@ptsoc.com; jabalameli@ptsoc.com **Subject:** Termination services on 2nd Sep 2018

Dear Sir

Ref your recent inquiry , please be informed that "The certificates will be no longer valid after the 2 Sept 2018".

Best Regards

Behrouz Behnava

Marin & Offshore Chief Executive

BV Iran

Cell Phone: 00989121242999

Sent from IBM Verse This message contains confidential information. To know more, please click

on the following link: http://disclaimer.bureauveritas.com

Annexure B- P1

	_		
	From:	faridani <faridani@ptsoc.com></faridani@ptsoc.com>	
	Sent:	Thursday, October 25, 2:10 2018 PM	
	To:	G1.tec@ptsoc.com; G2.tec@ptsoc.com; G3.tec@ptsoc.com; G4.tec@ptsoc.com;	
		g5.tec@ptsoc.com	
	Cc:	spare@ptsoc.com; Lesan@ptsoc.com	
	Subject:	FW: Indent No : 00056004900118108 (M.T FOREST)	
	Dear Sirs,		
Following for your kind attention & perusal.		& perusal	
		& perusal.	
	OFFT OFF LODG		
	BEST REGARDS		
		-	
	M.B FARIDANI		
	DEPUTY OF PROC MANAGR		
	Tel. (00 21 2200 5254		
	Tel: +98 21 2380 5354		
	From: Pres-vac Engineering [mailto:presvac@pres-vac.com]		
	Sent: Thursday, October 25, 201		
	To: 'M.B.Faridani'		
	Subject: RE: Indent No : 000560	004900118108 (M T FOREST)	
	Subject: NE. Indent No 1 000000	10 1300 TOTO (FR. F. OKEST)	
	Dans Civ		
	Dear Sir,		
	Thank you for your inquiry. As p	er the sanctions from the American president, we are not	
allowed to do business with Iran, wherefore we unfortunately abstain from		•	
	anowed to do pasmess w	ich itan, wherefore we umortunately abstall from quoting.	
	Andrew Matthews Inc. on the		
	Med venlig hilsen / Best Regards		
	Gitte Højsgaard Sørensen		
	Sales Support		
* *****	Direct: (+45) 5373 4045		
		•-	
	PRES-VAC ENGINEERING A	/S	
	Svanevang 3-5 DK-3450 Allerød F	lead office: (+45) 4817 4055 W: www.gomaritimegroup.com	
	×		
		·	
	G&O Maritime Group provide value, safe	ty and reliability to the global maritime industry through green, innovative quality solutions.	
	CONFIDENTIALLITY NOTICE: This amail and an	y included attachment is confidential and solely for the intended recipient. Should you have received it by means	
	of error, please delete it and notify us immedi	y metabed attachment is confidential and solely for the intended recipient. Should you have received it by means ately.	
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
		toc com>	
	From: M.B. Faridani efaridani@nt.		
	From: M.B.Faridani <faridani@pt:< th=""><th>SOCIONIA</th></faridani@pt:<>	SOCIONIA	
	Sent: 25. oktober 2018 08:50		
	Sent: 25. oktober 2018 08:50 To: Pres-vac Engineering <pre>presvac</pre>	c@pres-vac.com>	
	Sent: 25. oktober 2018 08:50 To: Pres-vac Engineering <pre>cres-vac</pre> Cc: Pres-vac Engineering <pre>cres-vac</pre>	c@pres-vac.com> c@pres-vac.com>	
· × according of the	Sent: 25. oktober 2018 08:50 To: Pres-vac Engineering <pre>presvac</pre>	c@pres-vac.com> c@pres-vac.com>	

NOTE: The unit & quantity should be quoted as per indent exactly. For instance set, pcs, number, and etc.

Dear Sir,

Kindly quote and advise your ex work price (Including charges of packing) and shortest delivery time for the attached items latest by Extend to 2018/10/31. as per our internal circular, you are kindly requested to advise the following information in your offer, otherwise we cannot consider it in comparison table.

- 1) Country of origin should be mentioned on your quotation.
- 2) Whether the quoted items are Genuine / OEM parts and etc. or not, Also clearly specify name of Maker / Manufacturer and etc.
- 3) Whether your offer included certificate of origin, manufacturer and DNV or not.
- 4) Whether the quoted items included guarantee or not.

VERY IMPORTANT!

For your kind attention kindly be informed that there isn't any attachment from now and you should use the following our website in order to check enquiry and send your quotation on below link:

http://80.75.9.72/Procurement

To contact with IT Support: scm@ptsoc.com

Best Regards M.B.Faridani Purchasing Officer Tel: 0098-21-23803164

Fax: 0098-21-22046467 E-mail: faridani@ptsoc.com

Annexure B- P3

From: faridani <faridani@ptsoc.com> Monday, December 10, 2:17 2018 PM Sent: To: G1.tec@ptsoc.com; G2.tec@ptsoc.com; G3.tec@ptsoc.com; G4.tec@ptsoc.com; g5.tec@ptsoc.com Cc: spare@ptsoc.com; Lesan@ptsoc.com; davoodian@ptsoc.com Subject: FW: Indent No: 00067204900118214 (M.T HAPPINESS I) Attachments: 00067204900118214.pdf Dear Sirs, Following for your kind info & attention. **BEST REGARDS** M.B FARIDANI **DEPUTY OF PROC MANAGR** Tel: +98 21 2380 5354 From: Rocque, Neeraj [mailto:neeraj.rocque@macgregor.com] Sent: Monday, December 10, 2018 1:39 PM Cc: Iran Imexen Co.; Kamil Piotrowski; (Shared) Hatlapa Service; Soroosh Tajbakhsh Subject: Fwd: Indent No: 00067204900118214 (M.T HAPPINESS I) Dear Sir, Good day. Due to the imposed sanctions on Iran, we are unable to quote for this enquiry. Extremely sorry for any inconvenience this may have caused. Best regards, Neeraj MacGregor, Dubai. ----- Forwarded message -----From: < faridani@ptsoc.com> Date: Mon, 10 Dec 2018 at 13:48 Subject: Indent No: 00067204900118214 (M.T HAPPINESS I) To: <<u>SOROOSH.TAJBAKHSH@macgregor.com</u>> Co: <neeraj.rocque@macgregor.com>, <sales.uae@macgregor.com> NOTE: The unit & quantity should be quoted as per indent exactly. For instance set, pcs, number, and etc.

Dear Sir,

Kindly quote and advise your ex work price (Including charges of packing) and shortest delivery time for the attached items latest by 2018/12/17.

as per our internal circular, you are kindly requested to advise the following information in your offer, otherwise we cannot consider it in comparison table.

- 1) Country of origin should be mentioned on your quotation.
- 2) Whether the quoted items are Genuine / OEM parts and etc. or not, Also clearly specify name of Maker / Manufacturer and etc.
- 3) Whether your offer included certificate of origin, manufacturer and DNV or not.
- 4) Whether the quoted items included guarantee or not.

VERY IMPORTANT!

For your kind attention kindly be informed that there isn't any attachment from now and you should use the following our website in order to check enquiry and send your quotation on below link:

http://80.75.9.72/Procurement

To contact with IT Support: scm@ptsoc.com

Best Regards **M.B.Faridani** Purchasing Officer

Tel: 0098-21-23803164
Fax: 0098-21-22046467
E-mail: faridani@ptsoc.com

From:

faridani <faridani@ptsoc.com>

Sent:

Thursday, November 01, 11:36 2018 AM

To:

G1.tec@ptsoc.com; G2.tec@ptsoc.com; G3.tec@ptsoc.com; G4.tec@ptsoc.com;

g5.tec@ptsoc.com

Cc:

spare@ptsoc.com; Lesan@ptsoc.com; 'bahrami. Mr'; 'Akbar Jabalameli';

davoodian@ptsoc.com

Subject:

FW: M.T SNOW URGENT ORDERS

Dear Sirs,

Following for your kind info & perusal.

BEST REGARDS

M.B FARIDANI

DEPUTY OF PROC MANAGR

Tel: +98 21 2380 5354

From: Telharkar, Chandrakant [mailto:Chandrakant.Telharkar@wartsila.com]

Sent: Thursday, November 01, 2018 8:30 AM

To: faridani

Cc: Amirshaghaghi; Lesan@ptsoc.com; majdabadi@ptsoc.com; m-javadi@ptsoc.com; Mehta, Deepika

Subject: RE: M.T SNOW URGENT ORDERS

Dear Sir,

We are sorry to inform you that due to Sanctions starting from 4th Nov'18 all the Iran companies accounts are blocked in our system by the Finance controller As such we are unable to submit our Quote or deliver any Spare parts or Services to your esteemed company here after until the sanction is lifted.

Sincerely regret for this inconvenience caused in this regard. Hope you understand the situation.

Thanks & Regards



Chandrakant Telharkar

Senior Sales Account Manager

Wärtsilä LLC |P O Box 61494 Plot no 597-572 | Dubai Investment park 2,

Dubai | UAE

Tel. +971 48 85 7222 Direct +971 48 14 9829 Fax +971 48 85 7020

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Mobile +971 56 22 50465 chandrakant.telharkar@wartsila.com

www.wartsila.com

From: faridani <faridani@ptsoc.com>

Sent: 31 October 2018 17:22

To: Mehta, Deepika <deepika.mehta@wartsila.com>

Cc: Telharkar, Chandrakant < Chandrakant. Telharkar@wartsila.com >; Amirshaghaghi < amirshaghaghi@ptsoc.com >;

Lesan@ptsoc.com; majdabadi@ptsoc.com; m-javadi@ptsoc.com

Subject: M.T SNOW URGENT ORDERS

Dear Sir/Madam,

Attached orders / shipment are for d/g overhauling and required urgently.

Please update us.

FYI

Their payments already been paid.

BEST REGARDS

M.B FARIDANI

DEPUTY OF PROC MANAGR

Tel: +98 21 2380 5354

From:

faridani <faridani@ptsoc.com>

Sent:

Sunday, January 13, 2:37 2019 PM

To:

'Bijan Younessi'

Cc:

Lesan@ptsoc.com; spare@ptsoc.com

Subject:

RE: Indent No: 00177204900119005 (M.T DINO I)

Dear Sir,

Noted & thanks.

BEST REGARDS

M.B FARIDANI

DEPUTY OF PROC MANAGR

Tel: +98 21 2380 5354

From: Bijan Younessi [mailto:Bijan.Younessi@alfalaval.com]

Sent: Sunday, January 13, 2019 1:58 PM

To: FARIDANI@PTSOC.COM

Subject: RE: Indent No: 00177204900119005 (M.T DINO I)

Dear sir,

I have noticed that your good department is still sending us the request to quote for spare parts. It is with much regret that till further notice, we would not be able to quote for the sanctioned Marine companies in Iran. However, we are closely monitoring the situation and as soon as there would be a chance, we will resume our support as before.

Best Regards Bijan Younessi



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From: H.Farshid <farshid@ptsoc.com>
Sent: Sunday, January 13, 2019 6:55 AM

To: alme.mnd parts <alme.mnd.parts@alfalaval.com>

Cc: Nikki Siazar <nikki.siazar@alfalaval.com>; Bijan Younessi <Bijan.Younessi@alfalaval.com>

Subject: Indent No: 00177204900119005 (M.T DINO I)

NOTE: The unit & quantity should be quoted as per indent exactly.

For instance set, pcs, number, and etc.

i

Dear Sir,

Kindly quote and advise your ex work price (Including charges of packing) and shortest delivery time for the attached items latest by 2019/01/20. as per our internal circular, you are kindly requested to advise the following information in your offer, otherwise we cannot consider it in comparison table.

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- 3) Whether your offer included certificate of origin, manufacturer, and DNV or not.
- 4) Whether the quoted items included guarantee or not.

VERY IMPORTANT!

For your kind attention kindly be informed that there isn't any attachment from now and you should use the following our website in order to check enquiry and send your quotation on below link:

http://80.75.9.72/Procurement

To contact with IT Support: scm@ptsoc.com

Best Regards
H.Farshid
Purchasing Officer

Tel: 0098-21-23803167 Fax: 0098-21-22046467 E-mail: farshid@ptsoc.com

From: Göran Skuncke [mailto:Goran.Skuncke@skuld.com]

Sent: Friday, June 29, 2018 12:47 PM

To: farahbod@ptsoc.com; a-nozari@ptsoc.com

Cc: Lars Dueled; Kristoffer Kohmann **Subject:** Notice of termination

Dear Capt. Farahbod and Capt. Nozari,

With reference to previous exchanges regarding the unfortunate events leading up to the US withdrawing from the JCPOA, we have regrettably arrived at the junction were we have no other option than to tender a notice of termination of policies in respect of the NITC entries, as per the attached.

Could you please acknowledge safe receipt of this message.

We look forward to staying in contact and to meeting you at an opportune point in time.

Best regards
Göran Skuncke
Vice President, Underwriting
SKULD

Assuranceforeningen Skuld (Gjensidig)

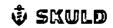
Tel +47 22 00 22 00 \ Tel dir +47 22 00 24 73 \ Mobile +47 468 34 673 P.O.Box 1376 Vika, N-0114 Oslo, Visiting address: Rådhusgaten 27, N-0158 Oslo goran,skuncke@skuld.com

WWW.SKULD.COM

Skulti Charterers and Freders & Stype

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Assuranceforeningen SKULD (Gjensidig) P.O.Box 1376 Vika NO-0114 Oslo, Norway Visiting address: Rådhusgaten 27, 0158 Oslo

> Tel +47 22 00 22 00 Fax: +47 22 42 42 22

> > E-mail osl@skuld.com

Registered No 938 419 531

www.skuld.com

29 June 2018

National Iranian Tanker Company 65, Shahid Atefi St., Africa Ave, Tehran Iran

For the attention of Captain S Farahbod and Captain A Nozari

Dear Sirs,

Notice of Termination

We refer to the various discussions we have had with you ending with the message from our President & CEO Mr. Stale Hansen on 27 June 2018 regarding withdrawal of the US from JCPOA and consequences it has for the entries of your vessels with us.

We hereby advise you that we terminate the entry of the vessels listed below under the policies in the Association on thirty days' notice from today's date pursuant to Skuld Rule 3.3.2 d):

Vessel name	IMO No
ARGO I	9187667
ARK	9187655
BELEMA LIGHT CRUDE	9079066
DEEP SEA	9218492
DIAMOND II	9218478
DINO I	9569671
DOVER	9218466
DREAM II	9356 593
DUNE	9569712
FAXON	9283758
FOREST	9283760
HALTI	9212890
HERO II	9362073
HUMANITY	9180281
FORTUNE	9283746
MARIA III	9615092
NASHA	9079107
NAVARZ	9079078
SANA	9357353
SILVIA	9172052
SONIA I	9357365

OSLO
ABERDEEN
BERGEN
BERGEN
COPENHAGEN
HAMBUNG
HONG KONG
LONDON
NEW YORK
PIRAEUS
SINGAPORE

Page 2



The thirty day notice period commences from today's date with the last day of entry for all vessels under all policies with the Association being 29 July 2018.

Please acknowledge receipt of this message.

On behalf of Assuranceforeningen Skuld (Gjensidig)

Göran Skyricke D Vice President, Underwriting

SKULD

From: Tina Tzortzis [mailto:tina.tzortzis@swedishclub.com]

Sent: Friday, June 29, 2018 11:11 AM

To: 'Farahbod'; Alireza Nozari Amini <a-nozari@ptsoc.com>

Cc: Hans Filipsson

Subject: National Iranian Tanker Co. (NITC)-Cancellation of P&I Insurance

Dear Sirs,

We hereby inform you that the P&I insurance in relation to the below named vessels are terminated on thirty days' notice as of today 29th June 2018 at UTC 12:00 hours in accordance with Rule 26 (e) of our Rules for P&I Insurance 2018/19. All relevant Blue Cards in relation to the below vessels will be cancelled as soon as cover has ceased on 29th July 2018 at UTC 12:00 hours.

VESSELS	IMO
AMBER	9357406
DAN	9357729
DANIEL	9569683
DERYA	9569700
DESTINY	9177155
DEVON	9218454
DORENA	9569669
DOWNY	9218480
FELICITY	9183934
HASNA	9212917
HENNA	9212929
HILDA I	9357389
HORSE	9362061
SERENA	9569645

Kind regards,

Tina Tzortzis Underwriter Team Piraeus

The Swedish Club Greece

Tel: +30 211 120 8400 Mobile: +30 6946 460 174 tina.tzortzis@swedishclub.com www.swedishclub.com

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From: Farahbod [mailto:farahbod@ptsoc.com]

Sent: Friday, July 06, 2018 12:50 AM

To: sardashti@ptsoc.com

Cc: a-nozari@ptsoc.com; Farahbod Subject: Fwd: P&I and FD&D Cover

30 days notice from WOE.

Sent from my iPhone

Begin forwarded message:

From: Burridge Nigel < Nigel. Burridge@westpandi.com >

Date: July 5, 2018 at 00:38:42 GMT+4

To: "Farahbod (farahbod@ptsoc.com)" < farahbod@ptsoc.com>

Cc: Paulson Tony < Tony. Paulson@westpandi.com >, Bowsher Tom < Tom. Bowsher@westpandi.com >

Subject: P&I and FD&D Cover

Dear Captain Farahbod,

Good afternoon.

We would like to update you on the position the Club currently finds itself in regarding our continued insurance of Iranian Members in light of the very regrettable decision by the United States to withdraw from the JCPOA.

We should firstly be clear that we consider that decision to be wrong and inequitable on the people of Iran. The Club has been wholly supportive of the IG's engagement with the UK Government and the EU in trying to persuade the US firstly of the folly of their decision and thereafter to exempt EU entities from the impact of secondary sanctions. We will continue to do so and have been in continual contact with the foreign ministry of Luxembourg, where the Club is domiciled.

However, clearly we must also respond to the threat posed by the sanctions. As before, these sanctions will apply extraterritorially to non-US persons like the Club and the Club is at risk of incurring severe penalties if we do not comply. These penalties will most likely include threats to our operations in the US (including the underwriting of US Members and Members trading to the US) and, more crucially, the potential loss of our ability to trade in US Dollars. The latter would obviously be catastrophic for the Club. So, as very regrettable as it is, we must consider the underwriting position with our Iranian Members in the face of that threat.

US OFAC:

The guidance materials published by OFAC at the time of the announcement in May were very limited and both the Club – via our US attorneys Freehill's – and the IG have been trying to obtain further clarification from OFAC, though so far with limited results. Furthermore, the IG have been invited to meet with OFAC at the end of next week to discuss the scope and details of the new sanctions legislation, including the previous NDAA waivers on Iran oil imports for China, India, Turkey, etc. Despite the hope that such a meeting request from OFAC may generate, it sadly does not appear likely that any new major exemptions for the shipping community and P&I Clubs will be forthcoming from the US administration, although we are silently hopeful that the NDAA waivers may again be granted at sometime in the future.

So, as things stand the Club will, unfortunately, be unable to provide cover to its Iranian Members post the 4th November deadline, or beforehand if a Member is placed back on the US SDN list at an earlier date. The US administration has made it very clear that the period running up to 4th November is solely for the purpose of winding down existing contracts with Iran and insurances will be unable to be provided for any voyages which are performed against a post-8 May contract. Clearly, therefore, there will be a diminishing benefit of the P&I cover provided to our Iranian Members as we get nearer to the 4th November because there will be fewer remaining contracts of affreightment or sale contracts which pre-date 8th May.

Pool & Reinsurance:

There are also other factors which will affect the ability to provide full P&I cover to our Iranian Members. Firstly, about one third of the reinsurance capacity on the IG's GXL programme, which sits above the Pool, is US-based or controlled and currently participates under General Licence H (GLH). OFAC have said that GLH will be withdrawn, probably on 4 November and that will prevent these underwriters from participating in any Iranian business. We are advised that even for a liability which arose before 4 November, OFAC are very likely to require these reinsurers to apply for a special licence to pay their share and it is far from certain that OFAC will grant one. Secondly, here would also be problems with the American Club paying their share of any Pool claims involving Iran. Thirdly, it is very likely that both reinsurers and other Clubs in the Pool will find it very difficult, even now, to make any claim payment on an Iranian related claim through their available banking channels.

All of these issues could result in a reduction of the limit of cover available to our Iranian Members, as, like all Clubs, our Rules state we cannot reimburse Members for any liability which we cannot recover from the Pool or reinsurers because of sanctions. Thus there is now a real risk that you might have to bear some part of a very large liability in the event of a serious accident involving one of your vessels. We do feel that it would be unconscionable for us, as a Mutual insurer, to continue to collect premiums where the actual cover provided has been severally limited.

EU Blocking Legislation:

Lastly, matters have been complicated further by the announcement of the details of the EU sanctions blocking regulation. As we said to you in our message of 8 June, as it stands we sadly do not believe that this regulation would provide a solution that will allow the Club to continue insuring you and avoid the wrath of the US sanctions regime. Moreover, what is more troubling is the provision within the EU blocking legislation that would make compliance with the US sanctions by any EU entity illegal, thereby opening up Clubs to legal penalties should they terminate cover of franian Members once the EU legislation has been introduced. The Club would, therefore, be placed in an impossible position of having to comply with two directly opposing pieces of legislation: comply with the blocking regulation and be in breach of US sanctions and therefore unable to trade in US Dollars, or comply with US sanctions and be in breach of EU law. It has been announced that the EU blocking legislation is now expected to come into force on 7 August, and this has had the unfortunate unintended effect of accelerating the time-frame in which Clubs will need to cease providing cover to their Iranian Members.

Notice:

For all these reasons, it is with very great regret that the Club is left with no option other than to give 30 days' notice of termination of cover under Class 1 Rule 34(3) and Class 2 Rule 27(3), expiring at midnight GMT Friday 3rd August 2018.

We earnestly hope that the EU action will eventually result in a negotiated solution with the US which, in effect, will either insulate the Clubs from the impact of US sanctions or provide an exemption under US sanctions for the P&I Clubs providing cover to NITC and were this to come about then the Notice can be withdrawn prior to 3rd August, or cover re-instated if post 3rd August. The Club will, of course, not levy the release calls upon termination of your entry, as clearly the entry has not ceased through the desire of either IRISL or the Club. We further confirm that we will continue to provide the training to your two colleagues who will shortly be visiting the Club.

This decision is deeply regrettable. We are proud to have you as Members and to have served the Iranian shipping market for many years, and it is also of great sadness for me personally as I have enjoyed visiting Iran and its people for over 25 years. It is all the more unfortunate because you have just joined our Advisory Committee and we were greatly looking forward to having the benefit of your expertise and experience in the Committee's deliberations. To have to contemplate taking such action based on one person's decision is, frankly, appalling but we are sadly left with little choice. Needless to say, as and when these latest sanctions are lifted we look forward to continuing our friendship and cooperation.

Please feel free to contact us at any time should you have any questions or comments on the above.

With kind regards,

Nigel

Nigel Burridge

Underwriter
West of England Insurance Services (Luxembourg) S.A.
T: +44 (0) 207 716 6054
M:+44 (0) 7818 433 431

E: Nigel.Burridge@Westpandi.com

West of England Insurance Services (Luxembourg) S.A., Registered in Luxembourg No: RCB104783 as managers of: The West of England Ship Owners Mutual Insurance Association (Luxembourg), Registered in Luxembourg No: RCB8963, both having their registered office at: 31 Grand-Rue, L-1661 Luxembourg, G.D. Luxembourg and UK and Hong Kong branches at: 226 Tower Bridge Road, London SE1 2UP and 1302 China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong, respectively and both being authorised and regulated by the Commissariat aux Assurances, Luxembourg.

www.westpandi.com
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----Original Message-----

From: Ross, Matthias [mailto:Matthias.Ross@Georg-Duncker.com] Sent: Tuesday, May 22, 2018 12:40 PM

Cc: ins@ptsoc.com; 'Farahbod'; Sandkuehler, Moritz Subject: AW: NITC H&M RENEWAL 2018/2019 -- GD --

Dear Capt. Nozari,

Many thanks for your email in respect of your H&M / IV / War Risks insurances.

Of course we would like to continue our fruitful business relationship with your good company, but unfortunately due to the reintroduction of the US sanctions it will for us as insurance broker not be possible to arrange an international placement for your fleet. As of to date there are no global insurance markets available willing to write a share in NITC unless there is any significant change in respect of the US sanctions regime.

Nevertheless please note and as you are already familiar our reference clients in the tanker segment such as Torm, Stena, J. Lauritzen, Clipper Group, DFDS, DS Tankers, Schulte Group, Offen Group, Neste Oil Corp, Spliethoff, Thorco, Aegean Oil, Ernst Jacob, ABC Shipping etc.

Our annual turnover (premium volume) amounts to approx. EUR 200 million and please note that GD Marine Insurance Brokers GmbH do not possess any S&P Rating or equivalent rating.

Sorry for not having better news at the moment in respect of the H&M underwriters and in case you require any additional information please do not hesitate to contact us.

BR

Matthias

Annex 294

Witness statement by Mr M. Rastad, Managing Director of the Ports and Maritime Organization, 17 March 2019



No.: 55981
Date: 17.03.2019
Ref.:

Ports and Maritime Organization

I, Mohammad Rastad, Managing Director of Ports and Maritime Organization(PMO) of Iran, with registered office at Ports and Maritime Organization –PMO, No.1, Shahidi Street., Shahid Haghani Exp'way, Vanak Sq., Tehran, Iran, Postal Code: 1518663111, P.O.Box:15875/6377 & 15875/6316, Fax:+982188651191, Email: info@pmo.ir, being Deputy Minister of Road and Urban Development and responsible for organizing the affairs related to Iranian sea ports and commercial shipping since September 2018, testify that I have personal and direct knowledge of the facts hereinafter stated except where it is indicated that matters are based on information or belief, in which case I believe the relevant matters to be true.

I. Ports and Maritime Organization

- 1. The Ports and Maritime Organization ('PMO') is an affiliate organization of Iran's Ministry of Roads and Urban Development. On behalf of the government of Iran, it manages all the issues related to sea ports and commercial and coastal shipping activities in Iran.
- 2. In particular, PMO organizes and exerts full supervision on all Iran's sea ports, whatever the owner of these ports. The PMO itself owns the major commercial ports in Iran and usually delegates part or all of their development and operation to a private entity for a long term period such as 20 or 25 years for instance, it conceded the operation of container terminals in Bandar Khorramshahr and Bandar Iman Khomeini ports to IRISL Port, a subsidiary of the Islamic Republic of Iran Shipping Lines (IRISL); other Iranian governmental entities own some ports for instance the Ministry of Petroleum owns the port of Kharg island; and private entities owns minor ports handling international trade.
- 3. The PMO is also responsible for registering vessels under the flag of Iran and for maintaining them in compliance with the relevant domestic and international requirements. And it manages the use and the access to Iran's coastal waters.

II. Impact on the traffic in the Iranian ports

4. Its network of sea ports allows Iran to receive all kinds of ships, the major ports being designed to meet the international standards. Notably, Chabahar port (also known as Shahid Beheshti) is conceived to receive very large ships. These port capacities are now underused: since the 8 May 2018, the value of the traffic (loading/unloading) in dry cargo – i.e., non-oil – decreased by 15 % since the 8 May 2018: -10 % in exports, - 19 % in imports. Other relevant statistics shows that re-imposition of the U.S. sanction has an important impact on container throughput in the Iranian ports, as the imports and exports volume of container cargos respectively have declined by 80% and 6% on September 2018 compared to September 2017. The decrease in container international transit and transshipment procedures were also equal to 74% and 58%. On the other hand, the available statistics



IN THE NAME OF GOD Minis

stry of Road & Urban Development	Date.:
and Maritima Organization	Ref.:

Ports and Maritim

indicates that the maritime traffic in the Iranian ports has declined by 10% in the period preceding the 8 May 2018 compare to the similar period of previous year.

- 5. Prior to the re-imposition of US sanctions, the 16 largest liners used to regularly serve the Iranian ports (Annex A – list of the 16 liners that served Iranian ports before 8 May 2018). The PMO follows a non-discriminatory policy, any foreign shipping company being allowed to access the Iranian ports. After the 8 May 2018, these 16 liners all stopped to serve these ports.
- 6. Moreover, because since the re-imposition of the U.S. sanctions, the major foreign shipping companies refuse to carry cargo to or from Iranian ports. Any operator wishing to trade with Iran by sea has no choice but to seek shipping services from companies whose fleets are less up to date and meet lower standards than those of the major foreign shipping companies. Consequently, and although the PMO maintains strict regulations regarding the access to Iranian ports by vessels - notably with respect to environmental and safety standards -, it is obliged, for economic reasons, to authorize aging, badly insured, less safe vessels to enter its ports. This situation puts the marine environment, the safety of the other vessels and people using Iranian ports, and ultimately the smooth operation of these ports at risk.
- 7. Finally, IG P&I clubs i.e., the 13 most important P&I clubs in the world, grouped within the IG group¹ - do not cover foreign vessels in Iranian coastal waters and ports. As a consequence, a non-Iranian vessel wishing to operate shipping services between a third country and Iran is covered by an IG P&I club for the route from the third country to the limits of Iran's territorial sea and, from this point to the Iranian port, has to be covered by an Iranian P&I club, two of which are usually proposed to such non-Iranian vessel (Kish P&I club and ITA P&I club) - however this P&I clubs obviously cannot offer the same coverage and financial support than that of the IG P&I clubs.

III. Impact of the sanctions on the PMO's development plans

- 8. Prior to 8 May 2018, the PMO had a main development plan, turned towards investment in port infrastructures, whether by foreign investors or by the PMO itself. After the JCPOA was implemented, the PMO had signed investment contracts, as part of Iran's 2025 strategic economic plan.
- 9. However, due to the re-imposition of the US sanctions, foreign investors international major shipping companies or States such as India, for instance - expected to invest into the operation of Iranian sea ports and into the expansion of the infrastructures of the said ports have cut ties with the PMO. The PMO cannot find any foreign investors for the operation of

¹ P&I clubs are the financial backbone of the shipping activity.



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Ports and Maritime Organization

its ports since 8 May 2018. This re-imposition, in particular to the extent that sanctions targets the banking and insurance sectors, also caused the soaring of the costs of investing, leading the PMO itself, as well as private Iranian companies, to cancel their investment projects with respect to Iranian sea ports.

10. The divestment is not the only cause of the failure of this port development plan. This plan could not be implemented also because of a lack of critical equipment – radio devices, supply vessels, loading/unloading engines and infrastructures – that could only be supplied by foreign companies which eventually renounced to deal with the PMO, for fear of US sanctions (either direct sanctions or against their banks handling the transactions) or issues regarding payment because of banking and financing restriction.

IV. Impact related to marine classification and thus insurance

- 11. There are twelve major classification companies in the world, grouped in the International Association of Classification Societies ("IACS"). The main design of the marine classification is to rank a vessel not only the ship itself but any of its components by reference to a regulatory framework for the construction and operation of ships, which includes the International Maritime Organization conventions and regulations and which is specific to each classification company. The class of the vessel is the result of tests and risk assessments regarding safety for the vessel, the crew as well as the environment. The classification certificate attests that the vessel is in compliance with the standards of the classification society, so the access of a vessel and her cargo to an effective insurance coverage depends on such classification by a major society.
- 12. After 8 May 2018, Lloyd's London and Bureau Veritas, two of the most important classification society, terminated their agreements (i) with the PMO on the certification, through classification, of the compliance of vessels with Iran flag State rules and (ii) with IRISL and National Iranian Tanker Company (NITC) concerning the classification of the vessels owned and operated by these two shipping companies (Annex B letters/emails of termination by Lloyd's London and Bureau Veritas).
- 13. The vessels of IRISL and NITC, the two actors of the Iranian shipping sector, cannot obtain classification from renowned classification society anymore and therefore have important difficulties to obtain an insurance coverage, both for the ships and the cargo, which in turn leads to a loss of clients.

Mohammad Rastad
Deputy Minister of Road and Urban Development
Managing Director of Ports and Maritage Property Constitution (I.R.Iran

No.1, Shahidi St., Shahid Haghani Exp'way, Vanak Sq., Tehran, Iran, Postal Code: 1518663111, Tel: (+98 21) 84931 Fax: (+98 21) 88651191, P.O.Box: 15875-6377 & 15875-6316, Website: www.pmo.ir, Email: info@pmo.ir



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Ports and Maritime Organization

Annex A: list of the 16 liners that served Iranian ports before 8 May 2018

- 1. HAPAG LLOYD
- 2. COSCO
- 3. WanHai
- 4. MOL
- 5. PIL
- 6. YML
- 7. RCL
- 8. TS
- 9. KMTC
- 10. EMIRATES
- 11. OOCL
- 12. CMA CGM
- 13. SAMATECH
- 14. EVER GREEN
- 15. OEL
- 16. HYUNDAI



No.:	
Date.:	
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Ports and Maritime Organization

Annex B: letters/emails of termination by Lloyd's London and Bureau Veritas

5



Mr. Nader Pasandeh,
Director General of Maritime Affairs,
Ports & Maritime Organisation,
No. 1 Shahidi St.,
Haghani Expressway,
Vanak Sq.,
Tehran, Iran.

Middle East & Africa Area Office Festival Office Tower, Suite 2001 Dubai Festival City Al Rebat Street, Ras Al Khor Delra, United Arab Emirates

P.O. Box 29677, Dubai, U.A.E.

Telephone +971 4 7014100 Direct line +971 4 7014114 Facsimile

Facsimile Email

tony.field@lr.org

www.lr.org

Date

29 July 2018

Your ref

Gur ref

MEA/IRAN/TF/2018

Annex B: Letters/emails of termination by Lioyd's London and Bureau Veritas.)

Dear Mr. Pasandeh,

Further to our recent discussions you will be aware that we are encountering commercial difficulties in the provision of services to our clients. Notably, our insurers have declined to provide cover to LR for such work which creates a serious risk to LR, our employees and to our clients. From a risk perspective, we do not feel this is acceptable to our clients or to LR.

As there does not seem to be any feasible solution to these commercial difficulties, consequently, and as mutually agreed with our clients, our contracts are being terminated.

We are informing our clients that if they wish to transfer their vessels to an alternative classification society, we will fulfil our obligations under the IACS Transfer of Class Agreement.

Yours sincerely,

Capt. Tony Field

Marine & Offshore Manager

Middle East & Africa Lloyds Register EMEA

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Ports & Meritime Organization
Africa Blvd
Tehran
IRAN

Annex B: Letters/emails of termination by Lioyd's London and Bureau Veritas.

Attention of: Mr. M. RASTAD, Member of the Board of Directors and Deputy Managing Directorate, Marine Affairs.

Date: 2 August 2018

<u>Subject</u>: Termination of Bureau Veritas contracts following the United States' decision to withdraw from the Joint Comprehensive Plan Of Action ("JCPOA")

Dear Sirs,

We inform you that we intend to terminate the following contract binding our two companies as soon as possible:

Agreement for the delegation of statutory certification dated 17 May 2016 between Bureau Veritas Marine & Offshore SAS and Ports & Maritime Organization.

The present letter shall serve as the official termination notice. In any case there shall not be any activity under this Agreement after the 4 September 2018 until further notice.

We would like to thank you for our long-standing collaboration. We hope this situation will not adversely affect our relationship and we thank you for your understanding.

Sincerely Yours,

Matthieu de Tugny Chief Operations Officer

Bureau Veritas Marino & Offshore

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Annex 295

"Re-imposition of U.S. sanctions on Iran", *Mediterranean Shipping Company (MSC)*, 16 May 2018

RE-IMPOSITION OF U.S. SANCTIONS ON IRAN



16/05/2018, Notices

MSC Mediterranean Shipping Company S.A., like other major container shipping lines, has been taking bookings for Iran-related trade after the 2015 JCPOA (Iran nuclear deal) effectively lifted certain sanctions on Iran in exchange for limits to its nuclear program.

In consideration of the impending U.S. withdrawal from the JCPOA, and corresponding re-enlargement of its sanctions program, we regret to inform you that MSC is ceasing to provide access to services to and from Iran.

The U.S. government has outlined a wind-down period in the coming months and we will do our utmost to collaborate with you to conclude this period with the minimum disruption to your business and to avoid any unnecessary inconvenience.

While MSC is not accepting bookings for shipments originating from Iran, or destined to Iran, we will continue to carry certain legally acceptable cargoes during the wind-down period, notably for importation of foodstuffs.

For further information, please contact your local MSC office.

MSC Mediterranean Shipping Myanmar Company Limited, #09-04, Junction City Tower, 3A, Bogyoke Aung San Road, Pabedan Township, Yangon

as agent only for MSC Mediterranean Shipping Company S.A.

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Annex 296

UK Government, Webpage "Doing business in Iran: trade and export guide", updated 5 November 2018

Last consulted on: 1 April 2019

Doing business in Iran: trade and export guide

gov.uk/government/publications/doing-business-with-iran/frequently-asked-questions-on-doing-business-with-iran

1. Iran export overview

As of 5 November 2018, US nuclear-related sanctions have been re-imposed on Iran following the US withdrawal from the Joint Comprehensive Plan of Action (otherwise known as the Iran Nuclear Deal) on 8 May 2018.

On 16 January 2016, Iran received extensive economic and financial sanctions relief following confirmation from the International Atomic Energy Agency (IAEA) that Iran had met its obligations under the nuclear deal agreed on 14 July 2015, meaning the country is now able to trade more freely globally.

The UK government supports expanding our trade relationship with Iran and we encourage UK businesses to take advantage of the commercial opportunities arising from the lifting of sanctions.

The Department for International Trade (<u>DIT (Department for International Trade)</u>) – based both in the UK and in the British Embassy in Tehran – is on hand to support trade and investment between our 2 countries.

Re-opening of the British Embassy in Tehran in 2015, the upgrade in diplomatic relations and the appointment of Nicholas Hopton as British Ambassador to Iran on 5 September 2016, marked an important step forward in diplomatic relations between the two countries.

There is a positive outlook for UK-Iran trade relations. Iran is the biggest new market to enter the global economy in over a decade, offering significant opportunities in most sectors, with potential to grow as the market in Iran expands.

Iran's significant oil and gas reserves will be an important driver of economic growth. Other sectors in this diversified economy with the potential to contribute to the country's Gross Domestic Product (GDP (Gross Domestic Product)) growth and employment and where UK business has particular strengths include:

- infrastructure
- healthcare
- retail
- airports and aviation
- mining
- water

The Iranian government is keen to attract foreign investment and technology transfer across all sectors.

Contact a <u>DIT (Department for International Trade)</u> Iran export adviser for a free consultation if you are interested in exporting to Iran.

Contact UK Export Finance (<u>UKEF (UK Export Finance</u>)) about trade finance and insurance cover for UK companies. You can also check the current <u>UKEF (UK Export Finance</u>) cover position for Iran.

1.1 Trade and sanctions - summary

Read about embargoes and sanctions on Iran.

Most financial and economic sanctions against Iran were lifted following the International Atomic Energy Agency's verification that Iran had completed all necessary steps to reach Implementation Day (16 January 2016).

Read the full text of the agreement and annexes.

Some sanctions remain in place, however, including sanctions related to human rights, proliferation of restricted goods and technology and Iran's support for terrorism.

Some ongoing sanctions mean you need to consider whether the product or material you want to trade is restricted, and how payments will be made.

UK companies must also consider whether their proposed activity is subject to US sanctions. If in any doubt you should seek legal advice. It is important to ensure appropriate due diligence measures take place before engaging in any business activity.

An information note on EU sanctions to be lifted under the <u>JCPoA</u> (<u>Joint Comprehensive Plan of Action</u>) can be found on the Europa website.

Guidance issued by the US Office of Foreign Assets Control (<u>OFAC (Office of Foreign Assets Control)</u>) with further information on US sanctions can be found on the US Department of the Treasury website.

1.2 Benefits of doing business in Iran - summary

Benefits of trading in Iran for UK businesses include:

- attractive projected growth prospects
- the Iranian government's encouragement for foreign investment

Strengths of the Iranian market include:

- a population of around 80 million (the second largest in the Middle East after Egypt)
- a young population (60% are estimated to be under 30 years old)
- a highly educated workforce

- plentiful natural resources
- its strategic location

EU trade with Iran in 2016 stands at around USD 8 billion and is expected to quadruple by 2018.

Iran's main imports are:

- iron and steel
- chemicals and related products
- machinery
- transport vehicles

2. Preparing to do business in Iran

To do business in Iran, UK businesses first need to be aware of:

- national economic issues in Iran
- information specific to the sectors they want to invest or operate in
- relevant sanctions and possible political risk
- practical and legal considerations specific to Iran
- the need to ensure that a bank has been identified willing to facilitate payments and that British businesses wishing to conduct business with Iran have access to adequate financial channels in place

This will help them to best:

- take advantage of opportunities
- avoid foreseeable market risk
- make sure they don't violate sanctions or other legal prohibitions on business
- · avoid unnecessary legal costs or delay

Businesses preparing to do business in Iran should familiarise themselves with the relevant sections of this guidance. They may also want to seek legal or business advice where they aren't confident of their understanding of any relevant legal or market-related issues.

3. The Iranian economy and doing business in Iran

3.1 Economic growth in Iran

Iran has the second largest economy in the Middle East after Saudi Arabia. It's estimated nominal <u>GDP (Gross Domestic Product)</u> was USD 397 billion in 2015.

Iran's economic performance is expected to improve following the recent lifting of some sanctions.

The Iranian government is taking steps to reduce inflation, which stood at 14% in 2015. Iran grew by 4.3% in 2014 according to the World Bank.

Iran is aiming for 8% annual <u>GDP (Gross Domestic Product)</u> growth up to 2020. Non-Iranian estimates forecast growth of around 5% a year.

3.2 Structure of Iran's economy

The Iranian state acts as both the regulator of, and an important player in, the country's economy. Regulations

can be complex, and consumer and employee protection is often given preference over ease of doing business.

The government creates regular economic plans and these have a significant impact on the direction of the country.

The Iranian government owns the largest companies which are typically in the extraction and manufacturing industries. These include:

- National Iranian Oil Company
- Iranian Mining Industries Development and Renovation Organisation
- Industrial Development and Renovation Organisation
- Social Security Investment Company

Iran's economy is also home to a large number of entities that are owned by organisations that are related to the state. True private sector companies (with no links to the state) are estimated to account for only 20% of economic activity.

Iran's economy is relatively diversified. However, the oil and gas sector still dominates. Iran has:

- the world's seventh largest mineral reserves
- a large consumer market
- a strong industrial manufacturing base
- significant agricultural and service sectors

3.3 Iran's labour market

Iran's labour market is characterised by:

- a young, growing, highly educated workforce
- high unemployment, at 11.7% in April 2016 (Source: World Bank)
- low female labour force participation, with 12% of women active
- low minimum wages by international standards (USD 216 per month in 2014)

Investors may need to commit significant resources to training local staff. Economic isolation in recent years has meant that international best practice is not always followed and international standards have not been met, especially in technology-dependent industries such as oil and gas. However, this is an area that the government of Iran is trying to address.

4. Opportunities for UK businesses in Iran

<u>DIT (Department for International Trade)</u> provides free international export sales leads from its worldwide network. Search for export opportunities.

4.1 Oil and gas sector in Iran

Iran's oil and gas sector is the largest sector in the Iranian economy, comprising 23% of <u>GDP</u> (<u>Gross Domestic Product</u>) in 2014.

The sector is mature but with huge potential for expansion. Iran has the world's largest gas reserves and wants to double gas production to 1.3 billion cubic metres per day by 2020, particularly through further development of the South Pars gas field.

Iran has the world's fourth largest oil reserves (158 billion barrels), equivalent to more than 150 years of production at 2014 extraction rates according to the 2015 BP Statistical Review of World Energy.

It has raised oil production from below 3 million barrels of oil per day prior to the Joint Comprehensive Plan of Action (JCPOA) to around 3.6 million barrels per day by mid-2016, and aims to produce 5 million barrels of oil per day by 2020 To achieve this, the Iranian Ministry of Petroleum will require an estimated USD 105 billion of capital investment to replace old technology.

The lifting of sanctions means Iran is looking to regain market share by increasing exports. Iran's oil exports doubled in the period between January 2016 when sanctions were lifted and May 2016 (Source: Opec).

Industry analysts have predicted that Iran will achieve sizeable increases in both oil and gas production, but that its targets will be easier to reach in a timely and efficient manner with foreign investment and the latest technology.

The Iranian government is seeking foreign partners by using a new contract structure offering foreign partners more favourable terms. However, Iran's oil and gas sector will remain largely in the hands of the state, with constitutional limits on levels of foreign participation in the upstream sector.

Opportunities for UK companies include:

upgrading Iran's oil and gas technology

- enhanced oil recovery (EOR) projects
- construction of liquefied natural gas (LNG) export facilities

Certain goods, software and technology require a licence for export outside the EU. Check whether you require an export licence.

4.2 Petrochemicals in Iran

Iran's petrochemical sector produces around 60 million tons per year generating annual revenue of around USD 20 billion.

The Iranian petrochemical industry covers almost all chemical production processes.

Iran's petrochemicals sector production is mostly in private or semi-private hands. Many of these companies have previously received financing or entered into partnerships with international investors. They are likely to be looking for international partners in the future.

An estimated USD 80 billion will be needed over the next 10 years to expand Iran's petrochemicals sector. Much of this is expected to come from foreign investors.

Some goods, software and technology require a licence for export outside the EU. Check whether you require an export licence.

4.3 Industrial manufacturing in Iran

Iran's main industrial outputs are automobiles, manufactured metals, cement, and processed steel and copper.

Iran's cheap, abundant energy gives it a significant competitive advantage in the production of metals and other industrial goods. As a result, heavy industry is concentrated in Iran's southern provinces close to its energy resources.

The Iranian government is providing around USD 15 billion of funding to increase manufactured metal production.

Many European car makers have also announced an interest in Iran.

Opportunities for UK companies include:

- technology to upgrade Iran's manufacturing plant
- plant maintenance and supply chain
- capital investment and joint ventures

Some goods, software and technology require a licence for export outside the EU. Check whether you require an export licence.

4.4 Infrastructure in Iran

Iran is likely to need more than 1 trillion USD of investment in infrastructure over the next 10 years. This will be necessary to meet the ambitious plans the Iranian government has laid out for transport, power and water.

Airports and aviation in Iran

Iran has 54 airports, including 8 international airports which are managed by Iranian Airports Company.

Iran's aviation infrastructure is in significant need of investment, both in terms of its airports and air fleet (as 300 may be needed in the next 5 years).

An increase in tourist and business visitors has led to plans for investment in airports. These plans include a requirement to increase the capacity of Tehran's main airport 6-fold.

Ports in Iran

Iran's Ports and Maritime Organisation plans around USD 900 million of projects.

Power in Iran

Iran will need additional power generation and infrastructure to meet its projected economic growth, particularly in energy-intensive industries.

The government plans to add more than 5GW of generation capacity a year to reach a total capacity of 96 GW by 2020. It is likely that this will largely be through increased gas-powered generation capacity and the development of renewable sources. Iran's renewable energy plans emphasise in particular wind power, to meet 5GW target by 2020, with wind-power likely to play a major part in this.

Rail in Iran

Iran's rail network is operated by Islamic Republic of Iran Railways (RAI), which is controlled by the Ministry of Roads and Urban Development.

The RAI has plans to at least double the size of the country's rail network with 25,000 km of track by 2025. There are also plans to extend Tehran's metro service to more areas of the city.

Water infrastructure in Iran

Iran faces severe water shortages which threaten food production and other water-intensive industries.

The Iranian government has committed USD 7 billion of annual spending to develop its water infrastructure, including desalination plants in the Persian Gulf region and water distribution pipelines.

4.5 Financial services in Iran

Iran's financial services sector generated 2% of GDP (Gross Domestic Product) in 2014.

The government plays a significant role in the sector, which is regulated by the Central Bank of Iran. There are 8 state-owned banks active in the market. Iran's capital markets are small by international standards but growing rapidly. The Tehran Stock Exchange has a market capitalisation of around USD 100 billion.

Although the financial services sector in Iran is relatively small, and foreign investment faces limitations, there are opportunities for UK businesses.

Foreign capital and expertise will be needed to help the industry as it develops.

4.6 Healthcare and pharmaceuticals in Iran

Iran has one of the most developed healthcare and pharmaceutical sectors in the Middle East.

Healthcare in Iran

Around 90% of the population of Iran is covered by government insurance schemes. Healthcare spending is expected to increase due to:

- population growth
- increased average age
- an increase in long-term and lifestyle-related diseases and disabilities as opposed to infectious diseases

The median age is set to increase by 8 years from 2010 to 2025 and the disease burden is shifting towards chronic, non-communicable conditions.

Government regulation keeps medical costs low, but many healthcare providers face financial problems because insurance firms sometimes fail to pay for care. As a result many hospitals are unable to afford up-to-date medical equipment or the most effective drugs.

Iran's government wants to develop and modernise healthcare by:

- building new hospitals, adding 115,000 extra beds by 2021
- developing up to 50 new medical laboratories
- creating 13 comprehensive cancer centres
- investing USD 280 million in new imaging centres
- investing USD 130 million in new dialysis centres
- developing more dental medical centres

International companies such as Samsung and Daelim are already involved in developing new Iranian hospitals.

Pharmaceutical industry in Iran

The pharmaceutical industry in Iran was worth £1.86 billion in 2015, including £1.24 billion of locally manufactured, mostly low-value, high-volume products.

Imports of pharmaceuticals comprised just 5% of sales volume but 38% of the value.

A lack of modern technology means Iran can't produce the most advanced medicines. Some international pharmaceuticals companies have maintained activity in Iran over the last 5 years, and more are planning on entering the market in the near future.

However, the Iranian government tightly regulates the cost of treatment and has protectionist tariffs defending local manufacturers from foreign competitors. Exceptions are made for advanced technology and drugs that cannot be produced locally.

The Iranian government wants to develop its domestic pharmaceutical capability and is looking for business partners that are able and willing to transfer technology to Iranian organisations.

4.7 Retail in Iran

Iran's retail sector is very traditional for the region, with wholesalers generally supplying independent outlets from central 'bazaars' in the major cities.

Change to the retail sector in Iran will be driven by the lifting of sanctions, and the growth of the middle class, increased access to internet and the relatively young population. With the easing of economic sanctions, interest in the Iran market has developed from UK retailers. Iran is a wealthy market and with many sanctions now lifted, there is an expected appetite for western brands.

These trends are likely to increase demand for premium clothing and consumer product brands, convenience products and services.

Future opportunities look promising in groceries, premium clothing and through online retailers.

5. Challenges and risks of doing business in Iran

5.1 US withdrawal from JCPoA (Joint Comprehensive Plan of Action)

On 8 May 2018, the President of the United States of America announced the withdrawal of the US from the Joint Comprehensive Plan of Action, otherwise known as the Iran Nuclear Deal.

Read the full statement issued by the US government.

In a joint statement, the leaders of the UK, France and Germany emphasised their continued commitment to the <u>JCPoA (Joint Comprehensive Plan of Action)</u>. As such, the UK government continues to fully support expanding our trade relationship with Iran and encourages UK businesses to take advantage of the commercial opportunities that arise.

On 7 August 2018 the existing EU Blocking Regulation was updated to include re-introduced US sanctions on Iran following their withdrawal from the <u>JCPoA (Joint Comprehensive Plan of Action)</u>. This aims to protect EU companies doing legitimate business with Iran from the impact of US extra-territorial sanctions. The EU Commission has issued online guidance relating this regulation.

On 2 November 2018, the Foreign and Finance Ministers of France, Germany and the UK issued a statement reiterating their support for the <u>ICPoA</u> (<u>Joint Comprehensive Plan of Action</u>).

As of 5 November 2018, US nuclear-related sanctions have been re-imposed on Iran.

Consult guidance issued by the US Office of Foreign Assets Control (OFAC (Office of Foreign Assets Control)) on the US Department of the Treasury website if you have any queries relating to US sanctions.

The UK government continues to fully support expanding our trade relationship with Iran and encourages UK businesses to take advantage of the commercial opportunities that arise.

The UK fully implements UN, EU and UK domestic sanctions law. The re-imposition of the US sanctions against Iran may have commercial and legal implications for UK businesses and individuals dealing with Iran. Where necessary, legal advice should be sought.

Certain EU and UN nuclear sanctions continue to be suspended, as detailed in the <u>JCPoA (Joint Comprehensive Plan of Action)</u>.

Read the full text of the agreement and annexes. However, some sanctions remain in place, in particular sanctions related to human rights, proliferation and Iran's support for terrorism.

5.2 Business challenges in Iran

Despite the lifting of many sanctions, Iran can be a difficult place to do business. UK businesses looking to trade or invest in Iran should be aware of:

- sanctions that remain in place, trade regulations and export controls, and ensure all trade activity is sanctions compliant
- political exposure, via connections with current or former government organisations or individuals that remain sanctioned
- terrorist financing or financial crime, such as money-laundering, bribery or fraud
- risk to a company's reputation through work with people or organisations allegedly involved in human rights violations, corruption or litigation

Breaching sanctions is illegal. UK businesses need to carefully determine what risks they might want to take on the less clear-cut issues of political or reputational risk, and ensure that they undertake appropriate and adequate levels of due diligence.

5.3 Bureaucracy in Iran

Iran is a highly centralised country and the government regulates nearly all activities. Basic requests can require complex forms, administrative processes and stamps of approval and these can lead to delays.

5.4 Political risks in Iran

The division between public and private sectors in Iran is often blurred by the presence of a number of semi-autonomous organisations closely aligned to the state.

Most prominent among these are charitable foundations known as bonyads or setads, many of which are now equivalent to large business conglomerates. Some large religious organisations and even branches of the military also function as bonyads. These political and economic links could be of concern to investors.

5.5 Sanctions on Iran

Sanctions that remain in place will continue to limit what UK businesses can legally do in Iran.

Sanctions remaining in place include:

- EU sanctions against a small number of Iranian banks and as well as individuals and other organisations
- arms embargo restricting export of goods, software or technology on the UK military lists
- human rights sanctions
- US sanctions

Read our guidance on embargoes and sanctions on Iran for more detailed information.

Check the HM Treasury Consolidated List of Targets to see which organisations and individuals are subject to an asset freeze. It is worth noting that it is your responsibility to find out whether sanctions still affect you.

You must ensure that any proposed agreements do not deal, either directly or indirectly, with a designated entity either in the supply of material or services or in the payment route used.

You are not allowed to make funds and economic resources available to sanctioned entities, directly or indirectly, without a licence. To deal with an entity subject to financial sanctions you must contact HM Treasury with information about the proposed dealings and the relevant grounds for licensing. HM Treasury would then consider whether a licence can be issued.

Applications for a licence with respect to financial sanctions should be made to the Office of Financial Sanctions Implementation:

Office of Financial Sanctions Implementation

Office of Financial Sanction Implementation HM Treasury

1 Horse Guards Road London SW1A 2HQ

Email ofsi@hmtreasury.gov.uk

General enquiries 020 7270 5454

Sanctions 'snapback'

Businesses should consider seeking legal advice on whether they could be affected in the event some or all sanctions were re-imposed on Iran. This situation has been described as a 'snapback', where some or all sanctions could potentially be re-imposed in the event of significant non-performance by Iran of its JCPOA commitments.

It should be noted that snapback is a measure of last resort. In the event of a significant non-performance and after having exhausted all recourse possibilities under the dispute resolution mechanism, the snapback will be considered by the other <u>JCPoA</u> (Joint Comprehensive Plan of <u>Action</u>) participants.

US sanctions on Iran

Read <u>OFAC (Office of Foreign Assets Control)</u>'s guidance on US sanctions on the US Department of the Treasury website

US primary sanctions on Iran remain in place. This means that British businesses must consider their US connections, including the presence of employees holding US citizenship or green cards, before undertaking Iran-related activity.

British businesses may still be subject to US secondary sanctions relating to individuals or entities remaining on the Special Designated Nations (SDN) list. This includes the Iranian Revolutionary Guard Corps (IRGC).

The sanctions remaining in force also prevent Iran-related transactions from passing through the US financial system. This complicates payments into and out of Iran.

UK export controls on Iran

Read our UK sanctions on Iran page to check whether you need a licence.

When a UK business exports certain goods, services and technology to Iran, strict controls remain in place throughout the entire process. In addition to the items on the UK Military List and EU Dual Use controls, there are a number of national UK controls on the export of some goods software and technology to Iran. These include:

- certain telecommunications equipment
- certain marine vessels
- aircraft
- related technology

It is essential to conduct due diligence on 'end use'.

Items on the UK Military List are covered by the EU Arms Embargo, and none of these listed items can be exported. Items on the dual use list require an export licence. There are also EU and international controls. Remaining sanctions mean that some items are completely prohibited from export. All controls apply to 'intangible' transfers such as technology and software or technical assistance.

Use the Goods Checker Tool to determine whether your goods require a licence to export.

Nuclear-related activities can only be authorised if they have been approved in advance by the UN Security Council through the newly-established procurement channel. A UK business wishing to supply these goods or services to Iran, or to accept an investment by an Iranian person, must seek a licence from the Export Control Organisation (ECO (Export Control Organisation)) in DIT (Department for International Trade).

<u>ECO (Export Control Organisation)</u> will consider the application and where appropriate seek the required authorisation from the UN.

Read ECO (Export Control Organisation)'s detailed guidance on the procurement channel.

Read embargoes and sanctions on Iran for more detailed information on export controls.

5.6 State regulation of Iran's economy

The dominance of the state in Iran's economy means that it has complex regulations, often giving consumer and employee protection precedence over ease of doing business.

Government enforcement can be ineffective, allowing companies to take advantage of informal networks to win business.

Foreign businesses operating in Iran may also find their actions opposed by vested political and economic interests.

5.7 Corruption in Iran

Iran is ranked low in both the Corruption Perceptions Index and the Ease of Doing Business Ranking.

Before you engage in business in Iran ensure you've carried out due diligence measures. Seek legal advice if you have any doubts about whether you're exposed to compliance or reputational risks.

Iran's bribery and corruption regulation is covered in several non-specific laws, but it is drawing up corruption and transparency measures.

You should ensure you take the necessary steps to comply with the requirements of the UK Bribery Act.

5.8 Banking and finance in Iran

On the whole, banks in the UK remain cautious of facilitating Iran-related transactions, due to remaining sanctions on Iran and the cost of fulfilling compliance requirements. As a result, many European banks including those in the UK may judge that re-engaging with Iranian entities falls outside of their risk appetite, except in a few cases for existing customers.

This presents a challenge for UK business seeking banking services to facilitate trade with Iran. This could include services such as processing transactions, trade finance, and lending facilities.

The UK government is working with the US government to address the issues that banks and business have raised. This has already resulted in clearer guidance from <u>OFAC (Office of Foreign Assets Control)</u>, and we are continuing to work with US authorities to get further clear guidance and reassurance for banks and business.

Iran will also need to make progress to meet international regulatory standards and to build confidence with international banks for them to re-engage in Iran-related business.

Following the lifting of many financial and economic sanctions, Iran's financial institutions are starting to work with the international banking system. Banking changes include:

- more than 30 Iranian banks are reconnected to Society for Worldwide Interbank Financial Telecommunication (SWIFT) network
- more than 200 international banks have started correspondent relations with Iranian banks
- Iranian banks have opened more than 400 accounts with non-Iranian banks
- some banks are seeking to either open foreign branches or start relationships with

international banks

• some Asian and Middle Eastern banks are beginning operations within Iran

The Iranian government is reforming its financial system, but banking problems remain due to:

- non-performing loans, which are estimated to make up 15% to 40% of total lending
- low levels of liquidity means banks and businesses find it hard to get credit
- the presence of a large "shadow" banking sector, accounting for as much as 25% of all banking activity
- banking systems, processes and skills do not meet international standards for anti-money laundering and counter terrorist finance nor for "know your customer" standards

5.9 Exchange rates in Iran

Banking and money transfer problems in Iran are exacerbated by the unpredictable exchange rate for the Iranian rial.

The rial (IRR) has been volatile in recent years and has seen marked depreciation due to high inflation and international sanctions. The rate of depreciation is showing signs of slowing down, however.

There are currently 2 foreign exchange rates used in Iran – a market rate and an official rate, set and maintained by the Central Bank of Iran (CBI (Central Bank of Iran)).

<u>CBI (Central Bank of Iran)</u> policy is trying to unify the exchange rates by allowing the official rate to depreciate gradually until it meets the market rate. The annual depreciation of the dollar to rial should not exceed more than 10% per year.

There are indications that a local 'forwards market' may be created to allow businesses to reduce risk in the rial exchange rate.

When large sums of foreign capital are transferred in and out of the country, it is conducted by the <u>CBI (Central Bank of Iran)</u> at the official exchange rate.

Smaller sums of money can be handled in the private exchange market, with transactions conducted at the market rate.

Removing money from Iran through the <u>CBI (Central Bank of Iran)</u> is by the Iranian securities market law. This allows the <u>CBI (Central Bank of Iran)</u> to only transfer foreign capital in 4-monthly instalments over the course of one year, rather than a single lump sum.

Capital invested under Iran's Foreign Investment Protection and Promotion Act can only be removed from the country after a 3-month notice period and only if there are no outstanding fees owed.

Transfer of profits and dividends out of the country are subject to the approval of the Minister of Finance, and only allowed after outstanding fees or taxes are deducted.

5.10 Finance for exporting to Iran

<u>UKEF (UK Export Finance)</u>, the UK's export credit agency, has reintroduced cover to support UK companies seeking to compete for business in Iran.

Cover is now available on a case-by-case basis in Pounds Sterling and Euros for exports in all sectors, including early priority areas such as aerospace, financial and professional advisory services, infrastructure, technology and oil and gas sectors.

<u>UKEF (UK Export Finance)</u> will also consider applications for direct lending to purchasers of British exports to Iran.

<u>UKEF (UK Export Finance)</u> is only prepared to consider sterling or euro denominated contracts to reduce risks due to continuing US sanctions on Iran.

<u>UKEF (UK Export Finance)</u> can support UK firms to win export contracts provided the transaction meets minimum risk standards.

6. Starting up in Iran

The best approach to starting business in Iran will depend on a company's circumstances and activity.

Individuals and companies intending to conduct any economic activity in Iran need a 'commercial card' which is granted after registering with the:

- Ministry of Industry, Mines and Trade
- Iran Chamber of Commerce, Industries, Mines and Agriculture

6.1 Setting up a company in Iran

All commercial entities engaged in activities in Iran must be registered on the commercial register.

Businesses can be established in Iran itself or in one of the many economic free zones.

Non-Iranians can establish:

- a private joint stock company, limited liability company, branch office, or a representative office in Iran.
- joint stock companies (limited by shares) are the most common type of business set up by foreign investors, but company type will depend on the nature and extent of the business

All official company documents must be in Farsi. Any documents that need to be filed with an Iranian court also need to be translated by an official translator and certified by the judiciary, or notarised by the Iranian Embassy in London.

Foreign investors in Iran need to register with the relevant government authorities. These include:

- Iranian Foreign Investment Board
- companies registrar
- Ministry of Cooperatives, Labour and Social Welfare
- local municipality
- Iranian National Tax Administration

You are advised to take legal advice to ensure you've identified all requirements relevant to your business operation and location.

7. Legal system in Iran

Iran is an Islamic Republic and its legal system is based on Sharia principles.

It also borrows much from the French commercial code and company law.

Codified areas of business law in Iran include:

- 1990 labour law
- 1990 copyright law and 2009 intellectual property law
- Foreign Investment Law 1956 (regulations enacted in 1999)

7.1 Labour law in Iran

Employment in Iran is governed by the Labour Code of 1990 which applies to both Iranian and foreign employees. The code is broadly similar to employment laws in other Middle Eastern countries. It differs in that resignation requires a month's notice. However, employees are permitted to change their mind about the resignation within 15 days.

Non-Iranian nationals need immigration permission and work permits to be able to work in Iran. There are strict rules on employment of non-Iranian nationals if Iranian citizens are similarly qualified and able to perform the work in question.

7.2 Foreign investment in Iran

Iran's foreign investment laws:

- allow 100% share ownership except in a number of industries
- enable a free choice of legal form provided under Iranian Commercial Law

Foreign investment is subject to limitations in 3 sectors:

- · nationalised oil and gas sector
- real estate where land ownership is forbidden in certain geographical locations (determined by the Ministry of Interior)
- banking and insurance (unless investment is made offshore)

Foreign Investment Promotion and Protection Act 2002 (FIPPA)

FIPPA protects non-Iranian investors and incentivises foreign investment by:

- protecting the investor throughout their operation in Iran
- guaranteeing privileges to foreign investments, such as an equal treatment standard
- allowing the transfer of capital and dividends out of Iran
- providing for compensation in the case of nationalisation or expropriation
- allowing for easier and faster investment licensing and approvals
- giving access to foreign dispute resolution forums
- assisting foreign investors in their relations with the Iranian authorities
- giving foreign investors the same protections afforded to local investors

Under FIPPA, foreign capital is defined broadly and can be in cash, in kind, or shareholder loans.

FIPPA allows investment across most industries and fields including major infrastructure projects and tends not to restrict:

- the manner, type and volume of investment
- percentage of shareholding or profit
- capital repatriation
- internal relations between the parties
- foreign investment in all sectors open to private sector

Foreign direct investment via FIPPA can be through:

- equity participation in the share capital of Iranian companies
- through contractual arrangements, such as buy-back arrangements or project financing

Indirect investment is permitted in closed areas of the market if the investor does not have an equity stake, but an FIPPA licence is required for protection.

An FIPPA licence also gives privileges relating to visas, residency and work permits.

Foreign investors need a licence from the Organisation for Investment, Economic and Technical Assistance of Iran (OIETAI (Organisation for Investment, Economic and Technical Assistance of Iran)) first to operate under FIPPA.

Licences are usually issued promptly, if you can demonstrate your business activities are eligible. A business plan may also need to be submitted.

To get an investment licensing permit under FIPPA you must submit a formal application with supporting documentation to the <u>OIETAI (Organisation for Investment, Economic and Technical Assistance of Iran)</u>.

The <u>OIETAI (Organisation for Investment, Economic and Technical Assistance of Iran)</u> present the application to the Foreign Investment Board and the relevant ministry. The Foreign Investment Board review normally takes up to 15 days with foreign investors representatives usually invited to take part.

You will be sent a draft licence to review, and if agreeable, the investment will be licence issued.

This process will usually be complete within 60 days.

7.3 Dispute resolution in Iran

Iranian law allows for the freedom of choice of law only in circumstances where the contractual agreement was signed outside of Iran.

If a contract is signed in Iran, Iranian law applies.

If the contract between an Iranian and a foreign national includes an arbitration clause, the law chosen by the contracting parties will be recognised. This includes provisions under business law regulating the import of goods or pharmaceutical products, but also mandatory contractual provisions.

Non-Iranian companies can choose to resolve disputes through:

- the courts of Iran
- arbitration
- the courts of another jurisdiction (if the contract was concluded abroad)

The Iranian legal system is a civil law system, which means that case law does not act as a binding precedent. However, the judgments of the General Assembly of the Supreme Court in respect of similar cases constitute case precedent to be followed by other courts.

7.4 Arbitration in Iran

Under Iranian law, an arbitration clause can be agreed as part of a commercial contract.

Arbitration clause should reference internationally accepted arbitration rules such as those of the (International Chamber of Commerce International Court of Arbitration, the Swiss Chambers Arbitration Institute or the German Institute of Arbitration.

Under the Iranian constitution, the Council of Ministers and the Parliament has to approve the referral of disputes concerning public and governmental parties to arbitration.

A judicial decision has found approval should have been sought before entering into a contract.

While this may not be binding on an international arbitration tribunal, an arbitration award may be unenforceable in Iran.

7.5 Intellectual property (IP (intellectual property)) in Iran

Iran is a signatory to the International Convention for the Protection of Industrial Property of the World Intellectual Property Organisation (WIPO) known as the 'Paris Union'.

The Iranian Industrial Property Office promotes <u>IP (intellectual property)</u> protection and encourages accession to international agreements and treaties.

Patents and trademarks in Iran

Patents in Iran are valid from 5 to 20 years. The length of patents is decided by the inventor who pays an annual fee. Patent applications are examined only for the correctness of documents and compliance with patent specifications.

Trademark registrations are effective for 10 years following the date of filing and are renewable. Trademark infringements can be challenged for up to 3 years.

Rejected applications for registration of trademarks and patents can be appealed in the Iranian courts.

Copyright in Iran

Copyright is not regulated under Iranian law. Iran is not a party to the Berne convention for the protection of literary and artistic works.

The law for protection of the rights of authors, composers and artists can be invoked if it has been determined that someone's work has been published without their permission.

The national law also protects foreign nationals, who create artistic, literary or technical works in the Islamic Republic of Iran.

8. Tax and customs considerations in Iran

8.1 Taxation in Iran

The UK has no double taxation agreement with Iran, which means you may not be able to claim tax relief if taxed in Iran and the UK.

Tax in Iran is calculated through a self-assessment system.

Company profits are taxed at the corporate level in Iran and dividends distributed to shareholders are exempt from tax.

Iranian residents are taxed on worldwide income. Foreign entities are taxed on income derived from sources in Iran or from activities performed in Iran.

A company is resident in Iran if it's established under the Iranian Commercial Code, or if it is managed from Iran.

For tax purposes, the Iranian calendar year, starting 21 March and ending 20 March of the following year is generally used, but a company or branch may use its own accounting year if different. Tax filings in Iran are based on a company's fiscal year.

All Iranian entities and branches of foreign companies must file an annual corporate income tax return and submit their balance sheet and 'profit and loss' account within 4 months of the end of the fiscal year.

Iran has no rules on tax on transactions between connected companies and there are no specific rules about capital gains tax.

Tax registration in Iran

Companies must register with the State Tax Organisation and Social Insurance Organisation for:

- value added tax
- corporate income taxes
- customs related tariffs
- social taxes and employment-related taxes

You must have an economic code (similar to a tax identification code) to operate in Iran. This is either a commercial code for companies registered in Iran or a comprehensive commercial code for foreign companies. This comprehensive commercial code is needed for these companies to let Iranian customers pay them.

Any payment made to a supplier without an economic code will be added back to the profit and loss account of the Iranian entity and no tax deduction will be allowed for the expense.

It's expected that foreign investors will receive tax breaks under Iran's sixth 5-year development plan (2016 to 2021).

Value Added Tax (VAT (Value Added Tax)) in Iran

The standard <u>VAT (Value Added Tax)</u> rate in Iran is 9%. <u>VAT (Value Added Tax)</u> rates applied to special goods are:

- 15% on cigarettes and tobacco products
- 30% on gasoline and aircraft fuels
- 11% on fuel oil

17 types of goods and services are <u>VAT (Value Added Tax)</u> exempt including basic food, medicines, agricultural products, financial services, immovable property and handmade carpets.

Corporate tax rate in Iran

The corporate tax rate is 25% and applies to both resident and foreign entities (except insurance enterprises and non-Iranian airline and shipping companies).

Resident entities are assessed on an actual profits basis. Non-resident entities are taxed on a deemed profits basis of 10% to 40%. This means the effective tax rate is 2.5% to 10%).

Withholding taxes in Iran

There is no withholding tax on dividends paid by Iranian companies. Interest paid to a non-resident is subject to a 3% withholding tax. Royalties paid to a non-resident are subject to corporate tax on a deemed profits basis of 10% to 40%.

Iran's most recent budget removed Iran's withholding tax on services.

Income tax in Iran

Income tax is levied at progressive rates up to 20%. The rates for the fiscal year to 20 March 2016 were:

- 0% up to IRR 138 million
- 10% on income between IRR 138 million and IRR 966 million
- 20% on income over IRR 966 million

Income tax is levied on salaries, allowances and all types of remuneration.

Non-Iranian nationals are subject to Iranian tax on any income earned in Iran.

Other taxes in Iran

Iran imposes an environmental tax amounting to 1% of the sales on contaminating production units, including refineries and petrochemical factories.

Iran also levies a car transfer tax and excise on intra-city transport services and motor vehicles.

Tax incentives in Iran

Iran offers incentives for manufacturing and mining companies, which apply automatically if the specified conditions are met.

Manufacturing companies set up in special economic zones can qualify for a tax exemption (of 80% or 100%) for up to 10 years.

Companies that are registered and licensed to operate in a free trade zone (<u>FTZ (free trade zone)</u>) are exempt from corporate tax for 15 years on income derived from their activity in the <u>FTZ (free trade zone)</u>. Income derived from operations carried out outside the <u>FTZ (free trade zone)</u> is taxable on the same basis as non-<u>FTZ (free trade zone)</u> companies.

8.2 Customs in Iran

Duty rates in Iran can be as high as 75%.

The customs value of imported goods is generally calculated on the basis of the cost, insurance and freight value.

The Islamic Republic of Iran's Customs Administration is responsible for customs laws and regulations.

Iran has observer status at the World Trade Organization (WTO) and is a signatory to international treaties including:

- the customs convention on the ATA carnet for the temporary admission of goods
- the convention on the international transport of goods under cover of TIR carnets
- the harmonised system convention

Iran's main customs legislation comprises:

- the export-import regulation act
- the executive ordinance to the export-import regulation act
- the regulations on exports, imports and customs in the free trade industrial zones

Customs regulations in Iran

Importers must register with the Ministry of Economic Affairs and Finance for customs duty and tax payments and must also register online with the Trade Promotion Organisation of Iran. Iranian customs regulations distinguish 3 categories of goods in terms of import procedures:

- permissible goods which are given a licence or approval provided import criteria are met
- conditional or restricted goods requiring a licence or authorisation such as foodstuffs and telecommunications equipment
- prohibited goods which are forbidden under Islamic Sharia law or other Iranian law, for example alcoholic drinks

Restrictions and conditions can also apply to imports that are similar to locally manufactured goods.

Storing goods in bonded warehouses is allowed in Iran, for a limited period and as long as

applicable customs procedures are followed.

Free trade zones (FTZ (free trade zone)) in Iran

Goods imports from outside Iran into its FTZs are not subject to import duties provided they're sold within the FTZ (free trade zone) or re-exported from Iran.

Imports of items such as construction materials, production equipment, spare parts and tools are duty free provided they are used for production or construction within the <u>FTZ (free trade zone)</u>.

Goods manufactured in the FTZs are subject to customs duties when imported into mainland Iran in proportion to the amount of non-Iranian raw materials and components used in their production.

You can find more about import tariffs in the Market Access Database.

9. Entry requirements for doing business in Iran

The Iranian government doesn't recognise dual nationality. This means that if you travel to Iran as a dual national and you encounter difficulties or are detained, the British Embassy will be unable to offer consular assistance or get access to you.

You need a visa to visit Iran. Iranian visas:

- are denied to travellers with Israeli stamps in their passport
- are complex to acquire with waiting times of months
- are only available to female applicants wearing a hijab (a scarf covering the hair) in passport application photos
- can complicate entry into other countries such as the US and Saudi Arabia

9.1 Types of visa for Iran

Business trips can be made to Iran using:

- a single, double, or multiple-entry visa for business visitors for non-fee earning trips of up to a month
- an entry visa for business visitors with right to work
- an investor visa of up to 3 years, for employees of companies investing in Iran under FIPPA

Iran business visitor entry visa

To get a business visitor visa for Iran, an Iranian-registered business must sponsor your application. It must provide a letter of invitation, or submit the application directly to the Iranian Ministry of Foreign Affairs on your behalf.

The sponsor's letter, application form and personal documents must then be sent to the Iranian Embassy.

If your visa application is approved you should receive a visa permit number by email.

You will then need to visit the Iranian Embassy or Consulate for passport visa endorsement, which may include an interview and having your fingerprints taken.

Iran business entry visa with right to work

To work in Iran you need an entry visa that includes the right to engage in specific work and a valid work permit under Article 120 of the Iran Labour Law.

This type of visa is valid for 3 months starting from the date of notification to the Ministry of Foreign Affairs (in practice the work permit should be obtained within a month).

A work permit is available for a maximum period of 1 year, but is extendable every year.

If recruitment of a non-Iranian national is deemed urgent, an emergency provisional work permit can be issued for up to 3 months.

To get a visa for Iran, the Iranian employer will need to apply for it for you from the Iranian Department for Employment of Expatriates of the Ministry of Labour, Cooperatives and Social Welfare.

The company's application must include a copy of the announcement of the company's establishment or its recent changes published in the Official Gazette (in Persian) to substantiate the request for recruiting extra non-Iranian employees.

If approved, the visa is sent to the consular section of the Iranian Ministry of Foreign Affairs or its representative office.

You must then visit the Iranian embassy to receive the entry stamp in your passport.

To get a work permit for Iran your employer must submit an application to the local Iranian Ministry of Cooperatives, Labour and Social Welfare branch up to a month of the date of your arrival in Iran. It's recommended that this is submitted within 7 days of your arrival.

If you are staying in Iran for more than 6 months, your application must include your academic or professional certification approved by the Embassy of the Islamic Republic of Iran in the UK.

Some steps can be bypassed, but this requires approval of the Technical Board for Employment of Foreign Citizens and the ratification of the Islamic Consultative Assembly (Iran's parliament).

Iranian investor visas

If you are investing USD 300,000 or more under FIPPA, you may be eligible for an investor visa. To get a visa for Iran as an investor you must arrange for the <u>OIETAI (Organisation for Investment, Economic and Technical Assistance of Iran)</u> to approach the Iranian Ministry of Foreign Affairs to confirm your status as an investor and to request visas, residence permits and work permits for you and any immediate family members.

If approved, the Ministry of Foreign Affairs will authorise the Iranian embassy in the UK to issue a single-entry visa or a 3-year multi-entry visa with a 3-month residence permit automatically granted upon each entry into Iran.

To get a 3-year residence permit, you will need to submit the <u>OIETAI (Organisation for Investment, Economic and Technical Assistance of Iran)</u>'s official confirmation of the coverage of the investment under FIPPA.

The Iranian Ministry of Labour, Cooperatives and Social Welfare should then issue a work permit.

The investor residence permit means that you will not need entry and exit visas for traveling to or from Iran.

9.2 Work permit rules in Iran

Work permits are only granted to foreign nationals if:

- there are no qualified Iranian citizens able to perform the role
- the foreign national has sufficient skills and expertise for the role
- the role can be filled by an Iranian after skills transfer and training

9.3 Residence permits

If you're planning on staying in Iran for more than 3 months you must obtain a residence permit from Iran's Central Police Administration.

If you are not an investor, a residence permit will only be issued or renewed if you have a valid work permit. Residence permits only remain valid the time a work permit is valid.

You must obtain an exit visa if you leave Iran after a stay of longer than 3 months. When applying for an exit visa you will need to show proof that all taxes have been paid to the Ministry of Economic Affairs and Finance.

9.4 Advice on travelling to Iran

If you are travelling to Iran for business, check the Foreign and Commonwealth Office (FCO) travel advice first.

10. Contacts in Iran

In the first instance, companies should contact their local International Trade Adviser.

Contact the <u>DIT (Department for International Trade)</u> team in Iran.

Annex 297

"Iran Secures Insurance, Classification and New Loan for Tankers", *Marine Executive*, 19 February 2016

Iran Secures Insurance, Classification and New Loan for Tankers



FSU Sourena (courtesy NIOC / Mojtaba Mohseni)

By MarEx 2016-02-19 15:53:07

On Monday, less than 48 hours after the lifting of nuclear sanctions, National Iranian Tanker Company (NITC) managing director Ali-Akbar Safaei told Iranian state media that the first of the firm's tankers had sailed from Iran under insurance provided by Lloyd's.

"Removal of sanctions had their first effect on the Iranian tankers," he said.

Some analysts have predicted that third party insurance for Iranian oil shipments will be hard to obtain, but Safaei says that Lloyd's is interested in providing continued coverage.

Safaei had told the Wall Street Journal in July of 2015 that he was in talks with the International Group of P&I clubs.

Separately, Safaei told Iran's IRNA news service that NITC's tankers had secured classification from Lloyd's. "Iranian oil tankers will sail as of today under the class of the Lloyd's international classification institution," he said.

With insurance and classification obtained, NITC may be poised to benefit most from an increase in exports. Many industry sources say that foreign oil tanker owners will make a slow return to Iran, leaving NITC the sole provider of crude shipping. Despite the lifting of some sanctions this past weekend, others are still in place, and these exclude U.S. persons, banks and insurers from trading with Iran. And oil buyers, insurers and shipowners around the world remain wary, analysts say.

"The initial oil sales will be the oil currently stored on [Iranian] ships in the Persian Gulf," said Paddy Rodgers, chief executive of oil tanker company Euronav. "It will take time for this increase in production to be transported on the commercial tanker fleet given the financial sanctions still in place and reluctance of insurance providers to cover given the snap back provisions in the P5+1 agreement." "Snap back" refers to sudden reimposition of sanctions if Iran does not follow through.

"So, any additional increase in Iranian barrels being produced will be shipped on Iranian vessels."

NITC already owns over 60 vessels, and has the largest fleet of VLCCs in the world – and it appears prepared to build yet more.

This past weekend, Safaei announced that a Chinese bank plans to extend a multi-billion dollar line of credit for the use of Iran Shipping Lines and NITC. Safei added that Iran will be a "driving force" in maritime transportation.

Safei made these comments at an NITC conference in Tehran for foreign shipping firms, classification societies, insurers, shipbrokers and others. Attendees included representatives of Varada Ship Management, insurer The Standard Club, Lemissoler Navigation, and DNV GL, among others.

Annex 298

I. Nam, "Hyundai Heavy Gets \$700 Million Deal to Build 10 Ships for Iran Shipping Lines", Wall Street Journal, 10 December 2016

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Hyundai Heavy Gets \$700 Million Deal to Build 10 Ships for Iran Shipping Lines

Shipbuilder also seals \$600 million deal to build two ships for the South Korean government



An Islamic Republic of Iran Shipping Lines vessel docked at a pier in the port city of Incheon, South Korea, in June. **PHOTO:** EUROPEAN PRESSPHOTO AGENCY

By In-Soo Nam

Dec. 10, 2016 10:17 p.m. ET

SEOUL—Hyundai Heavy 009540 -7.58% ▼ Industries Co. received a \$700 million order to build 10 ships for Iran's state-owned shipping company in a deal that signifies the Middle Eastern country's return to the international market after a decade.

The deal is part of plans by Islamic Republic of Iran Shipping Lines and Iranian Offshore Oil Co., a subsidiary of state oil company National Iranian Oil Co., to spend a total of up to \$2.5 billion to modernize their fleets.

Iranian shipping companies haven't modernized their fleets since 2006, when the United Nations imposed wide-ranging sanctions against Tehran over its uranium-

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enrichment program. The sanctions began to be gradually lifted in January.

"This marks Iran's first ship order since international sanctions were lifted early this year. Hyundai plans to provide technical support for Iran to run its shipyards as well," the South Korean company said Sunday.

Separately, Hyundai Heavy, the world's largest shipbuilder by revenue, said it has also signed a \$600 million deal to build two ships, including a submarine, for the South Korean government.

The two deals valued at a combined \$1.3 billion—its largest order this year—are a welcome respite for Hyundai and other shipbuilders suffering from a virtual halt of new orders as shipping is trying to cope with glut of tonnage in the water estimated at 30% above demand.

South Korean shipbuilders have been selling noncore assets and slashing thousands of jobs to cope with the shrinking orders. South Korea is home to the world's three largest shipbuilders—Hyundai Heavy, Daewoo Shipbuilding & Marine Engineering Co. and Samsung Heavy Industries Co.

The Iranian order involves four mega-container vessels capable of moving 14,500 containers each and six tankers for petroleum products. The first deliveries are expected in the second quarter of 2018.

Islamic Republic of Iran Shipping Lines, or IRISL, operates about 115 oceangoing vessels, but many of the ships are old and have been deemed unsafe to travel and can't be insured.

As Iran moves to build modern fleets, its companies have been chartering vessels from Greek and other owners to build market share in container and tanker cargoes.

IRISL hopes the latest container order will give it the necessary capacity to eventually join one of three major shipping alliances that move the vast majority of global containerized cargo, company officials have said.

Annual seaborne trade between Iran and the European Union amounted to \$15 billion before the first broad, international sanctions were imposed on the country in 2008. Tehran expects to return to that level by 2020.

—Costas Paris in New York contributed to this article.

Write to In-Soo Nam at In-Soo.Nam@wsj.com

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Annex 299

"IRISL signed shipbuilding order with Hyundai Heavy Industries Group", *Hellenic Shipping News*, 13 December 2016

IRISL Signed Shipbuilding Order with Hyundai Heavy Industries Group

hellenicshippingnews.com/irisl-signed-shipbuilding-order-with-hyundai-heavy-industries-group

Hyundai Heavy Industries (HHI) Group, the world's largest shipbuilding group, announced today that it signed contracts, financed by Korean financiers to build 14,500 TEU class containerships and 49,000 DWT product/chemical carriers with Islamic Republic of Iran Shipping Lines (IRISL), one of the biggest shipping companies in the middle east, at its Seoul office on December 9.



The negotiations for these contracts commenced in December 2015 with mutual good will and a series of constructive meetings in Seoul and Tehran, resulted in conclusion and signing of the contracts on December 9, 2016 in Seoul.

In addition to the contracts, HHI plans to discuss and pursue technical cooperation to develop the shipbuilding industry of Iran with a local Iranian shipbuilder at the request of IRISL.

The boxships measure 366m in length, 48.2m in width and 29.9m in depth while the product/chemical carriers are 183m long, 32.2m wide and 19.1m high.

The boxships to be built by HHI and the product/chemical carriers to be built by Hyundai Mipo Dockyard both in Ulsan, Korea and all the vessels meet the latest IMO Tier III requirement, limiting NOx emission.

The aforementioned contracts are the first shipbuilding orders as the result of successful negotiations subsequent to implementation of JCPOA in January 2016 between Islamic Republic of IRAN and P(5+1).

Source: Hyundai Heavy Industries (HHI)

"IRISL to Experience a Boom", Mana, 12 March 2017

IRISL to Experiences a Boom

mana.ir/en/news/72953/irisl-to-experiences-a-boom

Dr.Mohammad Saeedi, The director and the head of the board at Islamic Republic of Iran Shipping Line (IRISL) stated: thanks to the nuclear agreement and the execution of Joint Comprehensive Plan of Action (JCPOA), Iran's Maritime transportation which was paralyzed, now it is taking a fresh breath

Dr .Mohammad Saeedi, The director and the	
•	
head of the board at Islamic Republic of Iran	
Shipping Line (IRISL) in an exclusive interview	

with IranNewspaper, proposed: in the sanctions era, sanction imposers had targeted Iranian shipping lines and intended to paralyze our economy in maritime transportation, .MANA correspondent reported

Those countries were aware of this fact that if they put sanctions into place against IRISL .and its subsidiaries, 85 percent of Iran's export and import operations will be disturbed

On the other hand, international insurance clubs have cut their relationships with IRISL, this matter created restrictions and complexities for travelling of Iranian ships to the .world ports in the sanctions era

He continued: international classification societies which issue technical certificates for shipping lines to travel in the international waters, have also cut their relationships with .Iran, hence we were also deprived of these certifications as well

Generally, limitation of Iranian ships activities, having no international insurance coverage and lack of issuing certificates by international classification societies could be regarded as three major challenges of IRISL in the sanctions era

Saeedi added: considering the bright horizons of Iran's historical nuclear agreement, two months before the execution of JCPOA, we started to take necessary measures for .removing all restrictions and regain our lost markets

Our first step in achieving the determined goals was the reviving of our services which were terminated at the sanctions era

IRISL was the first company in the country which made the best out of the existing potentials and just 20 days after the execution of JCPOA, it managed to revive the Persian .Gulf-Europe line

He added that not only have IRISL already revived all its representatives around the .world, but it also has opened some new representatives in different ports

emphasizing that at the present time, sixteen major world shipping lines call regularly at

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Iranian Ports, he continued: another significant post-JCPOA, was the revival of reinsurance coverage for ships, IRISL has managed to attain a 580-million-dollar multifaceted insurance coverage for Iran's national fleet

This official continued: currently, many Iranian vessels are under the coverage of International Group of P&I Club, as a result, our ships could commute to ports in every .corner of the world with no restrictions

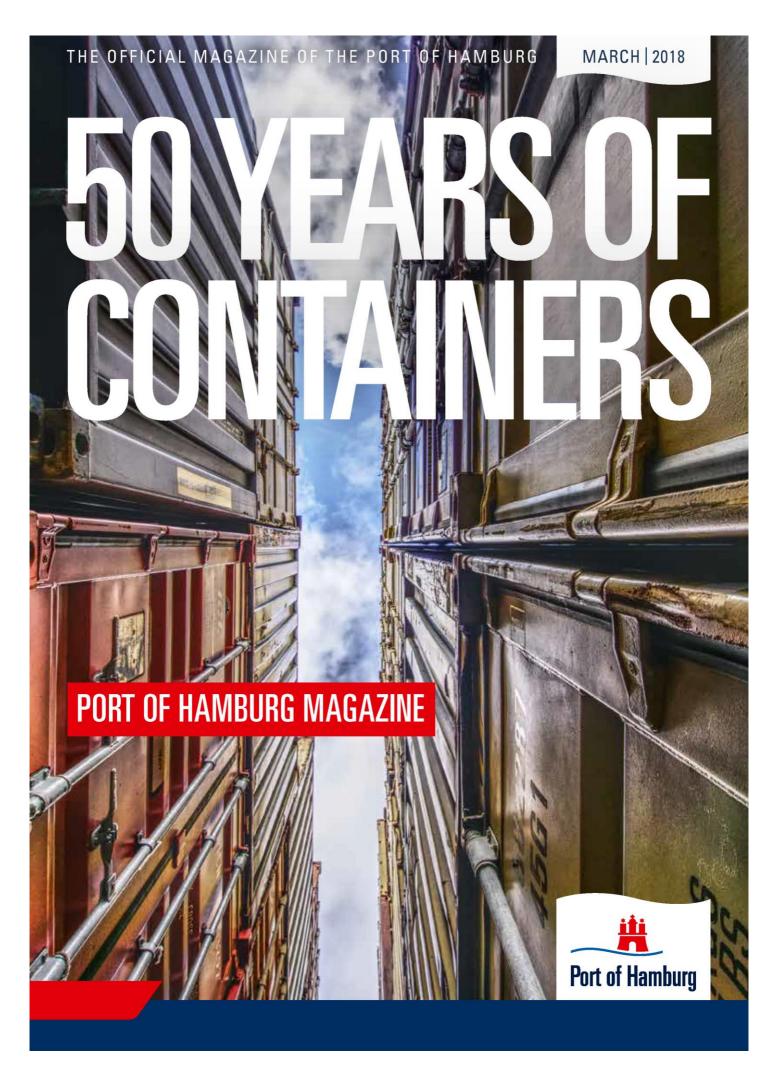
Pointing out that the revival of the IRISL brand in the international arena and turning it into an authentic and reliable global trademark in markets has been a short-term goal for the mega-fleet of IRISL, he remarked: Fortunately, in the light of attempts and measures, this company managed to promote its world ranking and stands in the 19th step with a .four spot jump

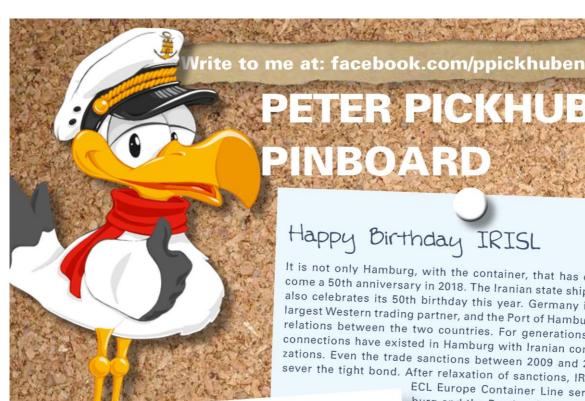
Emphasizing that development and renovation of IRISL fleet is one of our high priorities, Saeedi stated: IRISL signed a major deal with South Korea's Hyundai Heavy Industries Co. .(HHI) to purchase 10 ships from the world's largest shipbuilding company

It should not be left unmentioned that the contract is the first of its kind in Iran's postsanction era and includes construction of mega container vessels with 14,500 twenty-foot .(equivalent units (TEU) capacity and tankers with 49,000 deadweight tonnages (DWT

The Port of Hamburg Magazine, Port of Hamburg, March 2018

Excerpts: p. 1, p. 40



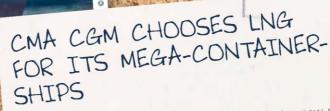


TER PICKHUBE VBOARD

Happy Birthday IRISL

It is not only Hamburg, with the container, that has every reason to welcome a 50th anniversary in 2018. The Iranian state shipping company IRISL also celebrates its 50th birthday this year. Germany is traditionally Iran's largest Western trading partner, and the Port of Hamburg plays a key role in relations between the two countries. For generations, close and friendly connections have existed in Hamburg with Iranian companies and organizations. Even the trade sanctions between 2009 and 2016 were unable to sever the tight bond. After relaxation of sanctions, IRISL inaugurated the

ECL Europe Container Line service between Hamburg and the Persian Gulf in March 2016. Berthing at Eurogate, the 'Azargoun' (photo) was the first Iranian containership to call in the Port of Hamburg for ten years. A multi-purpose service followed just a month later, handled as previously by Hamburg liner agency Peter W. Lampke at C. Steinweg's Süd-West Terminal. The volume of Iranian cargo in Hamburg has since climbed steeply again. Container volume rose from 600 to over 11,700 TEU in 2016, and indeed to over 16,000 TEU in the first three quarters of 2017.





French shipowner CMA CGM has ordered nine new mega-containerships. Each of these will be capable of loading up to 22,000 TEU, a total unmatched by any previous containerships. The company's present flagship, the 'CMA CGM Bougainville' (photo), transports around 18,000 TEU. Currently seen as the world record holders are OOCL newbuilds such as the 21,413-TEU 'OOCL Hong Kong'. This order for newbuilds is therefore of itself worth reporting. Yet what's special is that the new ships will be run with Liquefied Natural Gas (LNG). That makes CMA CGM the first container liner shipping company to have its ships equipped with this environmentally friendly propulsion technology. So far the pioneering role has been played by cruise-ship operators. To operate a vessel with LNG improves her ecological footprint by at least 20 percent. Hamburg Port Authority also welcomes and promotes the environment-friendly fuel with concessions on port dues.

S. Jacobsen and J. Gronholt-Pedersen, "Maersk latest company to shun Iran as EU scrambles to save nuclear deal", *Reuters*, 17 May 2018

Maersk latest company to shun Iran as EU scrambles to save nuclear deal

reuters.com/article/us-iran-nuclear-maersk/maersk-latest-company-to-shun-iran-as-eu-scrambles-to-save-nuclear-deal-idUSKCN1II0YR

COPENHAGEN (Reuters) - Shipping group A.P. Moller-Maersk on Thursday joined a growing list of companies preparing to call a halt to doing business with Iran, casting doubts on whether European leaders can keep alive a nuclear deal with Tehran.

Maersk's move comes a day after French energy group Total and other European companies signaled they could exit Iran ahead of a reimposition of sanctions following the United States' decision to pull out of the Iran accord.

French President Emmanuel Macron said on Thursday that the European Union must protect European Union companies doing business with Iran from U.S. sanctions.

But Macron, joining EU leaders for a summit in Bulgaria, also said he recognized that big companies would want to protect their own interests.

"International companies with interests in many countries make their own choices according to their own interests. They should continue to have this freedom," he said.

U.S. President Donald Trump's decision to abandon the 2015 nuclear accord with Iran means European countries that have since invested in the country will be at risk once new sanctions come into effect.

Maersk Chief Executive Soren Skou said: "With the sanctions the Americans are to impose, you can't do business in Iran if you also have business in the U.S., and we have that on a large scale."

"I don't know the exact timing details, but I am certain that we're also going to shut down (in Iran)," Skou told Reuters in an interview following Maersk's first-quarter earnings.

MSC, the world's second biggest container shipping group after Maersk, said on Wednesday it would stop taking new booking for Iran.

Other companies which have warned they would wind down business in Iran following reinstated sanctions include German insurer Allianz, Siemens and Danish oil product tanker operator Maersk Tankers, previously owned by the Maersk conglomerate.

Maersk's Skou said higher oil prices which followed the U.S. withdrawal were hitting its container shipping business because of higher bunker fuel prices.

Oil prices hit their highest level since November 2014 on Thursday, with Brent crude creeping ever closer to \$80 per barrel. [O/R]

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Reporting by Stine Jacobsen and Jacob Gronholt-Pedersen; Editing by Jon Boyle and Jane Merriman

"Mazda, Hyundai Leave Iranian Market, Affecting Cars and Shipping", *Radio Farda*, 13 June 2018



TOP STORY

Mazda, Hyundai Leave Iranian Market, Affecting Cars and Shipping

June 13, 2018 Radio Farda

A week after it was announced that French carmaker Peugeot-Citroen had left the Iranian market, Japan's Mazda and South Korean Hyundai have also suspended contracts with Iran, according to a member of the parliamentary Industries and Mines Commission.

In an interview with the parliament-affiliated website, Valiyollah Maleki said June 12, "Mazda and Hyundai's interests in the U.S. market are much more than in Iran, and they will not sacrifice their profit for the sake of Iran."

According to Maleki, Iranian car manufacturer Bahman Motors has replaced Mazda with China's Haval. Bahman Group is traditionally the Iranian company presenting Mazda's products.

South Korea's Hyundai resumed cooperation with Iran after the ratification of the Joint Comprehensive Plan of Action (JCPOA) or Tehran's nuclear deal with world powers, to manufacture its I10, I20, and Accent models in 2017.

However, after U.S. President Donald Trump's decision to leave JCPOA, Hyundai also prepared itself to end cooperation with the Iranian company Kerman Khodro in the Special Economic Zone, Arg-i Jadid.

French carmaker Peugeot-Citroen declared on June 4 that it would exit the Iranian market within two months.

In recent weeks, many multinational corporations including Total, Maersk, General Electric, Honeywell, Boeing, Luk Oil, Reliance, and Siemens have officially announced they will end their presence in Iran to avoid being sanctioned by the United States.

European oil refineries have also reduced the volume of crude oil they purchase from Iran.

In an interview with Radio Farda, Paris-based Iranian economist Jamshid Assadi said that even if the European parties to JCPOA remain committed, EU companies will leave Iran to avoid the risk of being sanctioned by Washington.

"Iran is currently in an unstable situation," Assadi said. "As tension between Iran and Israel is intensifying, the giant investors will keep away from Tehran."

According to Assadi, foreign companies were taking a "wait and see" approach even before Trump's decision to drop JCPOA and were hesitating to invest in Iran.

Local news outlet Asr-i Iran reported on June 12, "The price of cars in Iran has increased from 20 million to 400 million rials (roughly from \$4,700 to \$9,700 based on official rates) since foreign auto manufacturers, including Peugeot-Citroen and Hyundai, have announced their intentions to leave the Iranian market.

South Korean media have reported that Hyundai Heavy Industries (HHI) is facing an increasingly uncertain outlook for its expanding business deals with Iranian companies amid the renewed U.S. sanctions against Iran.

HHI, which has the world's largest shipyard, was supposed to deliver container ships to an Iranian shipping company starting in April but has yet to deliver a single vessel, reported the Korea Times on June 11.

In December 2016, after JCPOA was implemented, HHI signed a deal with Iran's state-owned Islamic Republic of Iran Shipping Lines (IRISL) to build four 14,500 20-foot equivalent unit (TEU) container ships and six 49,000-ton tankers for petrochemical products. The contract was worth roughly \$760 million.

Under the deal, HHI built the four container ships while its affiliate, Hyundai Mipo Dockyard, built the tankers. The vessels were supposed to be delivered in the second quarter of this year.

Despite a number of the ships now being finished, HHI has been unable to deliver the vessels to IRISL.

"All we can do now is take a wait-and-see approach. Not a single ship has been delivered to IRISL. It is impossible for us to deliver the ships with U.S. sanctions back in position," an HHI official told the Korea Times.

This is not the first time Hyundai Mipo Dockyard has been hit by Iranian sanctions. A decade ago, it signed a contract with IRISL to build 10 tankers and seven bulk carriers, but only one ship was delivered because of an earlier round of sanctions imposed on Iran.

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L. Thomas, "French shipping firm CMA CGM ends Iran ops due to U.S. sanctions threat", *Reuters*, 7 July 2018

RPT-UPDATE 1-French shipping firm CMA CGM ends Iran ops due to U.S. sanctions threat

reuters.com/article/iran-nuclear-cmacga/rpt-update-1-french-shipping-firm-cma-cgm-ends-iran-ops-due-to-u-s-sanctions-threat-idUSL8N1U30C6

AIX-EN-PROVENCE, France, July 7 (Reuters) - French shipping group CMA CGM has decided to pull out of Iran following the Trump administration's decision to renew sanctions on companies operating in the country, its chief executive said on Saturday.

Some other big shipping companies like A.P. Moller-Maersk have already said they would halt business ahead of a reimposition of sanctions following the United States' decision to pull out of the 2015 Iran nuclear accord.

"Due to the Trump administration, we have decided to end our service for Iran," CMA CGM chief Rodolphe Saade said during an economic conference in the southern French city of Aix-en-Provence.

"Our Chinese competitors are hesitating a little, so maybe they have a different relationship with Trump, but we apply the rules," Saade said.

He added that his company's cooperation agreement with local Iranian partner IRISL had been suspended and that the company did not want to fall foul of the rules given their large presence in the United States.

He also said that the company had so far not seen an impact of trade tensions between China and the United States on shipping volumes, but was making preparations with a close eye on China and southeast Asia in case the situation deteriorated. (Reporting by Leigh Thomas and Sarah White Editing by Ingrid Melander)

G. Knowler, "Container lines end Iran services ahead of US sanctions", *JOC webpage*, 9 July 2018

Container lines end Iran services ahead of US sanctions

joc.com/regulation-policy/trade-policy/united-states-trade-policy/container-lines-end-iran-services-ahead-us-sanctions_20180709.html
Greg Knowler, Senior Europe Editor
9 juillet 2018

CMA CGM has joined Hyundai Merchant Marine, Maersk Line, and Mediterranean Shipping Co. in withdrawing its Iranian services in advance of US sanctions being imposed on the country, scrapping calls at Bandar Abbas and adjusting its Asia-Middle East network.

The CEO of CMA CGM, Rodolphe Saadé, told a press conference in France that the carrier had also suspended its partnership with Iranian national container line Islamic Republic of Iran Shipping Lines (IRISL).

Ocean carriers seek to avoid secondary sanctions

While no date has yet been set for the imposition of US sanctions, the global carriers want to avoid being caught up in secondary sanctions that will be imposed by the United States on companies dealing with Iran, a move that would impact their huge presence on the US trades. Other carriers are expected to follow suit.

Saadé reportedly told Reuters, "Due to the Trump administration, we have decided to end our service for Iran. Our Chinese competitors are hesitating a little, so maybe they have a different relationship with Trump, but we apply the rules."

China certainly has a different relationship with Iran as its largest trading partner, with 38 million tons of annual trade between the two countries, according to Global Trade Atlas, a sister product of *JOC.com*. The top three commodities in China-Iran trade are ore, slags, and ash, which grew more than 20 percent in 2017; mineral fuel oil, etc., was up 13 percent, and organic chemicals, up 10 percent. Of the top 10 commodities in the China-Iran trade, salt, sulfur, earth, and stone was the fastest growing for most of 2017, up 35 percent.

Cosco Shipping is part of the Ocean Alliance that from the end of July has restructured its Asia-Middle East services that no longer call at Iran. The new CIMEX 1 rotation will be Tianjin, Busan, Qingdao, Shanghai, Shekou, Singapore, Sohar, Jebel Ali, Hamad, Dammam, Jubail, Singapore, and Tianjin. However, it is not yet known whether Cosco plans to continue trading with Iran.

Withdrawing from Iran will be keenly felt by CMA CGM, which quickly capitalized on the opening of the Iranian market since the easing of Western sanctions against the country in 2015 in exchange for its acquiescence to international regulation of its nuclear program. The Marseillebased carrier opened several offices in the country and signed a cooperation agreement with IRISL.

Further, just this December 2017 CMA CGM announced it was resuming its CIMEX 9 service on the Asia-Iran trade to take advantage of the 13 percent growth in trade between China and Iran in 2017 in tonnage terms. It was the third direct service between Asia and Iran.

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The European Union has increased its Iran trade since 2016

Container shipping analyst Drewry said US President Donald Trump's unilateral decision in May 2018 to pull the United States from the Iran nuclear deal co-signed by Iran, China, the European Union, France, Germany, Russia, and the United Kingdom in July 2015, would impact the European Union far more than the United States. The European Union has rapidly been reacquainting with Iran since the end of sanctions in 2016, rebuilding its trade share to 25 percent last year. It had been around 45 percent in pre-sanctions 2011.

"When economic sanctions were imposed on Iran at the start of 2012 the impact on container trade was instantaneous. Port throughput in the country decreased by 18 percent that year and by 2015 box handling had shrunk by 36 percent since 2011," Drewry noted in its *Container Insight Weekly* newsletter.

Following the announcement of renewed sanctions, Maersk Line and MSC quickly announced they would not accept bookings or payments from any designated person or company on the US Treasury Department's sanctions list.

But the recovery in Iran only provided a marginal benefit to overall container demand growth last year, with Drewry estimating that Iran's container port handling throughput increased by approximately 580,000 TEU in 2017.

The risk presented by sanctions is less about derailing gains already made in the container market; rather it is about quashing potential future growth, the analyst said. Iran's total of 2.95 million TEU in 2017 was only 91 percent of its record year in 2011.

Before sanctions were imposed in 2012, Iran's container port handling enjoyed a stellar, five-year compound annual growth rate of 18 percent. "Had both countries not been banished to the naughty step and maintained those annual growth rates they would have been much more significant players in the container market world than they are today. According to Drewry calculations, in that theoretical scenario Iran's port handling last year would have been three times larger than it actually was," the analyst said.

Contact Greg Knowler at greg.knowler@ihsmarkit.com and follow him on Twitter: @greg_knowler.

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"Ports deny the docking to Iranian vessels, official supports", *Safety4Sea*, 10 January 2019

Ports deny the docking to Iranian vessels, official supports

safety4sea.com/ports-deny-the-docking-to-iranian-vessels-official-supports

January 10, 2019



Specifically, Massoud Polmeh is turning against the US re-imposed sanctions on the Islamic Rebublic for the rejection of ships carrying the Iranian flag at ports.

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Moreover, local media noted that Massoud Polmeh opposes to ports that are 'friendly and brother' to Iran, mostly focusing on Russia and China.

During a press conference Polmeh commented that due to the US threats, some foreign insurance companies offer their services just until the commercial ships enter the Iranian waters. This results to approximately the 33% of Iranian ships paying more tarrifs when entering the ports.

Also, the chairman supports that from the minute the US withdrew from the Joint Comprehensive Plan of Action, almost 20 international shipping companies have closed down their offices at Iranian ports.

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Concluding, Polmeh noted that U.S. sanctions in tandem with Iranian national currency's steep decrease, 40 % of Iranians employed at ports and shipping related services in the Islamic Republic lost their jobs.





M. Labrut, "Panama Registry to expel 60 Iranian vessels to avoid U.S. sanctions", Seatrade Maritime News, 3 February 2019

Panama Registry to expel 60 Iranian vessels to avoid US sanctions

SMN seatrade-maritime.com/news/americas/panama-registry-to-expel-60-iranian-vessels-to-avoid-us-sanctions.html

Panama agreed to remove from its Ship Registry some 60 Iranian vessels to avoid being placed on a US Treasury blacklist.

In 2016, some 60 Iranian vessels from Iran were flagged in Panama's Ship Registry following the lifting of the economic restrictions imposed by the Office of Foreign Assets Control (OFAC) of the US Treasury Department. The agency includes in the OFAC list, people and companies suspects of terrorism, money laundering or drug trafficking



who are prevented from having any relationship with the United States.

However, President Trump reintroduced the blockade of Iran by the Treasury Department in November 2018.

After a meeting with authorities of the United States Treasury Department, the US Embassy, the Maritime Authority of Panama (AMP) the Ministry of Foreign Affairs and the Panamanian Association of Maritime Law, Panama decided to remove the Iranian vessels and notified Panamanian consuls around the world, not to receive any payment for taxes and fees from the vessels coming from or from companies of the Islamic Republic of Iran.

Panama could be sanctioned by OFAC for keeping Iranian ships with the Panamanian flag.

According to Panamanian media, the US authorities said that "[Iranian vessels and companies] are linked to operations of terrorist acts."

The Iranian ships that are flagged in the Panama registry are mostly tankers and will be expelled to prevent the country from being included in the Treasury blacklist.

Panama Ship Registry is the largest in the world, with more than 8,000 vessels and 217m gt at June 2018.

Posted 03 February 2019

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Michele Labrut

Americas Correspondent, Seatrade Maritime News

Statement from Arya Diesel Company, 31 December 2018



شماره نامه:۸۰۴ آد/۱۳۹۷

تاريخ: ١٠٠٠/١٠٠٠

جناب أقاي محمدرضا كرباسي

هذيريت محتوم بين الملل اتاق بازر كاني ، صنايح ،معانن و كشاورزي ايران:

بالتبلام و

الختراماً مَا تَشَكَرْ أَوْ تَلْفَ مَوْرِحْ ١٠٤/١٩٣٨مَ شَمَارُهُ ١٣٣٨٩٨٥٥ أَفَنَ قَوْ خُفَوْقِيَ بَكُيْرَى حَفَوْقَيْ حَقَ طَرْفَ هَايَ أَجَارَى الرائي كَهُ بَابَتَهُ وشع تجربمهای آمريد دخار خدمات مالي و کاری شده اند 4 بدينوسيله اعلام سي گردد. که اين شرکت از سال ٢٠٠٣ تعاينه م گاميون هاي Renault Trucks غرانسه بوده و شبکه تعايندگي وسيعي در گشور به اين منظور تجهيز تمونه است و

ظیفتاً از شال ۱۲۰۲ با تأسیس کارخانه تولید در اشتهاره دا کامتون های رتو را آغاز به تولید تعویر که تحریمهای گامال قبل باغث متوقف شعر آن کردید ر

عال در شال ۱۳۰۱۵ شدید قرارداد جدیدی Renault Trucks و بالاجبار شهیز مجده خطه تولید خود برای سال خدید کامیون های ای شرکت و قدالت تولید از سال ۱۶۲۲۰۱۷ و اغاز گردید که متأسفاته جدی بعد به دلیل تعریمهای فعلی، Trucks این شرکت خودداری تعوده است. شمن آنکه حتی خاضر به قروش قطعات یدکی برای تنهدات خود به مشتریان در حال فعالیت تر جاده های آبران کو تعی باشد.

البنه در خصوص قطنه بدكي (و بعضاً قطنات منفسله) و شركت Renault Trucks بشت بهانه هنام امكان فرادلات هاي بين بأنك هاي ابراني و خارجي مخفي شده است و قطعه بدكي به ابن شركت ارائه نمي دهند،

این شرکت از سال ۲۰۱۲ نیز با یک تولید کننده مستین چین به نام C&C Trucks قرارنای یعنی و فروکن کامیون های تجاری ان شوکت را اغاز نمود و از سال ۲۰۱۳ این گامیون ها به بازار ایران وارد گزدیده اشت و ار سال ۱۷۸ کنز این شرکت شفارشات خود را جهت خید قطمات منفسته از شرکت C&C Trucks اهار نمود و این محصول را فرر نمال خاری نمو در اشتهاره تولید و به بازار عرضه نموده است .

متأنفاته با بسته شدن روانط بانكي Kuniun Bank و حال عدم معكاري آن بالكد من مطوعي ضنايع خودرو ايران ، شركت C&C Trucks يبر اسكاري ممكاري با ايران را ندارده

قابل توجه اینکه این شرکت قبل از آغاز تخریصهای آولیه علیه ایران در ماه اوت آلاً نظیمهٔ مکانه میران ۱/۲۱۶ دستگاه قطفه منقصله کامیون به Kuniun Bank بدون باسخ آن را رها نسوده و کامیون به Kuniun Bank بدون باسخ آن را رها نسوده و کامیون به شدان به شدان ۱/۲۱۶ دستگاه برای این شرکت در بجنی ستوقف شده و آلا توجه به عدم آمکان نقل و انتقال مالی : مارنده از شال نعی تعاید ...

آزیا دیزال تعلیکده انجمیزی روو تر اکنین فر اشته و CaC تر اکنین در آیزان به ۱۹۱۰ میسود میت تیران، جاده مختصوص کنرچ، کیلومتر ۱۹۰۹ بالک ۱ «کلتن» ۲۹۲۴۷ (۱۹۲۰) به فکس ۱۹۲۴۹ (۲۹۰) ۱۹۳۹ (۲۹۰)

Exclusive manufacturer and distributor of Renault and C&C Trucke. In Iran. No. 1, Krizo, Kara Makassos Rd., Teh., (ran. 139916361), Teh. 998 21 49247, Fax. 998 21 44 98 12 98.



آئیا تیزل

باسوخه به استه طبق توانین ایران و توانین داخلی سازی خونورهای تجازی ، این شرکت برای تولید و عرضه این ۴ برند کامتون سلیون ها دلار سرماید گذاری در خط تولیده شبکه خدمات و قراردادهای خوید قطعات ایرانی از قطعهٔ سازان ایرانی، جازی تعوده است و قطع این میکاری یک طرفه از طرف تأمین کنندگان ما ، خسارت های غیز قابل جبرانی را به این شرکت تحصل نموده است.

امن خالاستان این کثر کسا بدلیل تخریم های آغریکا و عدم هنگاری میتیشم بانکی و طرف های تجاری خارجی خود خسارتهای زیانی وا متحمل سنام و دو خال حاضر با تعدیل کیرو و زیانهای انباشته و تعهدات به سیستم بانگی مواجه شده است.

اطرف مای تحاری آنی شرکت:

- رُكُونَ مَجْمُوعِهُ Renault Trucks .
 - 🕟 C&O Ťrucks جين

آیا توجه به اسکا این شرائب است اختیاه خطوط تولید و شَیکه ختمات خود را پس از گذشت این تحریتها داردی ا توجه به هرینه های بسیار بالای اعترفی جهد. مرکونه شکایت خارجی از مرزهای ایزان از قدم نوان برداخت این هزینه ها ، این شرکت نمایل به اقدام حقوق هستقیم طلبه طرفه انجازی خود را سازد.

. ولى چنانچه اس قشار از طرف عرجع قانونى مائند مركز ختوقى بين ألعال وياست جمهوري بينځيزي گرفت اين كتوګ مخه تالاش و محكوي خوا اول عجب احقاق عق خود و كارگران ايراني را اراته خواهدهاند.

خواهستمدنة السد واهتمانني هاى الازنمة دو أنبئ الخفتوهن و بالزنائ القدامات الجائم تشده به اين تشركك تبيؤ سأفايزم كخردة كرم

تيستانيسن از الدامات وحصاب هاي أن تهاد محتوم تشكر و أوزوي موفقيت را داريهم

با تشكر

همرتث متات تاده

ىلىركت آرىپادىزلىمۇنوسى ماس (سىلىنى قاشى) دىت د 118 مىلاد

Exclusive manufacturer and distributor of Renault and C&C Trucks. In Iran.

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[THE LETTERHEAD OF ARYA DIESEL COMPANY]

Letter No: 1397/AD/804

Date: 31/12/2018

Dear Mr. Mohammadreza Karbasi

Director of International Affairs, Iran Chamber of Commerce, Industries, Mines, and Agriculture,

Greeting,

Appreciating your letter number S/17/11448 dated 05/10/97 [26/12/2018] with regard to pursuing legal rights of Iranian commercial parties having suffered financial and business damages due to the US sanctions, it is hereby declared that this company, since 2006, has been the representative of the Renault Trucks corporation of France, and for this purpose, provided an extensive nationwide agency network.

In addition, from 2010, it launched to manufacture the Renault Trucks by establishing a plant in Estehard [industrial city], a factory whose operation was interrupted because of the sanctions of the 6 years ago.

Recently, after concluding a new contract with the Renault Trucks in 2015, and inevitably, reequipping the production line for the new generation of the trucks of that company, the production was launched from the 2016/2017. Unfortunately, sometimes later, because of the current sanctions, the Renault Trucks not only has refused to supply the knock-down kits necessary for the production of this company, but also has not been willing to sell the spare parts required to fulfill its commitments towards customers being active on the Iranian roads.

Of course, with respect to the spare parts (and sometimes the knock-down kits), the Renault Trucks corporation is hiding itself behind the excuse of the impossibility of financial transactions between the Iranian and foreign banks and does not hence supply any spare part to this company.

This company, also in 2012, concluded a contract for the supply and sale of commercial trucks with C&C Trucks, a Chinese reputable manufacturer, whose trucks has entered into the Iranian market since 2013. Moreover, in 2017, this company started to order the knock-down kits of the C&C Trucks, and in the current year, manufactured this product in Eshtehard and supplied to the market.

Unfortunately, due to the cessation of banking relations by Kunlun Bank [with Iranian financial institutions] and the failure of that bank to cooperate with regard to the Iranian automotive industry, the C&C Trucks is no longer able to cooperate with Iran.

It is noteworthy that this company, prior to the imposition of the first round of these sanctions on Iran in August 2018, has requested the Kunlun Bank (through the Middle East Bank) to open a L/C for 16 1/4 knock-down kits. However, Kunlun Bank has regrettably left the request without response, and thus, a number of 240 truck units manufactured for this company have kept in China and, considering the impossibility of any financial transfer, the manufacturer does not ship them.

Taking into account that this company, pursuant to the Iran's rules and regulations, and in particular, the rules concerning the internalization of commercial vehicles, has invested millions of US dollar, for the fabrication and supply of these 2 truck brands, in the production line, in the

[THE LETTERHEAD OF ARYA DIESEL COMPANY]

service network, and in the supply contracts with Iranian auto-parts makers, the unilateral cessation of this cooperation by our [foreign] suppliers, has imposed irreparable losses on this company.

In sum, this company, due to the US sanctions and the non-cooperation of the banking system and its foreign commercial counterparts, suffered a huge damage and has now encountered workforce adjustment, accumulated losses and commitments towards the banking system.

The commercial counterparts of this company include:

- Renault Trucks of France (a subsidiary of the Volvo AB)
- C&C Trucks of China

Considering that this company intends to resume its production line and its service network after the lapse of these sanctions, and also, given the extremely high costs of instituting any legal proceedings outside Iran and our inability to assume such costs, this company does not tend to take any direct legal action on its commercial counterparts.

However, if such an action is to be pursued by a competent authority like the Center for International Legal Affairs of the Presidential Office, this company will do its best effort and cooperation for acquirement of its and the Iranian workers' rights.

Please let this company know the instructions required in this regard and the outcome of your measures.

We thank in advance to the measures and services done by that esteemed agency and wish your success.

Regards,

Hirbod Jenabzadeh

Managing Director, Arya Diesel Motor

[Signed and Sealed]

Witness statement of Mr S. Hessameddin Zegordi, Vice Deputy for Strategy & Planning of Iran Khodro, 19 March 2019



I, Seyed Hessameddin Zegordi, Vice Deputy for Strategy & Planning of Iran Khodro, with registered office at Km 14 karaj Road, P.O.Box 14/1637 Tehran, Islamic Republic of Iran,

Testify that I have personal and direct knowledge of the facts hereinafter stated except where it is indicated that matters are based on information or belief, in which case I believe the relevant matters to be true.

- 1. Iran Khodro ("IKCO") is, alongside Saipa, one of the two major Iranian automotive manufacturers. Several other Iranian companies operate on the market, but their share is marginal. The automotive industry represents 4 to 5 % of Iran's GDP.
- 2. IKCO itself has 20.000 direct employees. The whole IKCO group including its subsidiaries has 50.000 direct employees. Around half a million indirect jobs depends on IKCO's activity (in, inter alia, parts manufacturing, logistics companies, steel and copper plants, the petrochemical industry, the banking and insurance sector, etc.). More generally, around 1 million employees are working, directly or indirectly for the Iranian automotive sector.
- 3. Prior to 8 May 2018, IKCO had an average daily production of 3000 passenger and commercial vehicles, including buses and trucks.
- 4. Its production has been significantly relying on imports and generally on partnerships with major international automakers such as Peugeot, Suzuki and Renault for the supply, under licensing agreements, of parts kits also known as "Completely Knocked Down" ("CKD") kits to be assembled in IKCO's plants to produce cars subsequently sold by IKCO.¹
- 5. IKCO has also been producing 'Renault' cars within the framework of a joint venture known as "Renault Pars" between French manufacturer Renault as majority shareholder and an Iranian consortium including IKCO and Saipa. IKCO's production line under this joint venture had a capacity of 150.000 Renault cars per year, and IKCO, which manufactured around 45.000 Renault cars in 2017, planned to reach this full capacity in 2018/2019.
- 6. IKCO had concluded another joint venture with French manufacturer Peugeot after the lifting of the US sanctions in January 2016, to produce Peugeot models "2008", "208" and "301". It had built a new production facilities to host this production.

IRAN KHODRO Company (Public joint stock)
Gate No. 1, Iran khodro Blvd,

Km 14 Karaj Makhsous Road, Shahid Lashgari Highway, Tehran, Iran ZIP Code:1389913657

Tel: (+9821) 48901 Fax: (+9821) 44934000~1 SMS Center: (+98) 30003 E-mail: info@ikco.ir www.ikco.ir Export & Int'l Affairs Dept. P.O.Box:13895-111, Tehran, Iran

Tel: (+9821) 4822 5800 Fax: (+9821) 4822 5818 Email: export@ikco.ir

¹ This economic model based on local manufacturing of "partly foreign" cars is opposed to the importation of "Completely Built Units" ("CBU"), that is the direct purchase of cars that are ready for (re)sale. The "CKD" model is cheaper than the "CBU" one.



 IKCO also produces its own models of cars, which parts are either manufactured by IKCO or bought from local suppliers. It exports a part of this production, under the IKCO brand, to neighboring countries including Russia.

A portion of IKCO's manufacturing activities rely on the importation of raw materials – mainly steel and copper – and most of its equipment, including the tooling used in the production lines or for the maintenance services, are of foreign origin.

- 8. The cars manufactured by IKCO also contain equipment supplied by Iranian Original Equipment Manufacturers ("OEM"), which themselves import some of this equipment from third countries.
- 9. Since the re-imposition of the US sanctions as from May 2018:
 - IKCO's foreign partners, such as Peugeot and Renault, have indefinitely suspended any business relationship with it, including the licensing agreement allowing for the importation of CKD kits of these partners and the joint-venture agreements to produce Peugeot and Renault cars in Iran;
- 10. IKCO has had to find other parts and equipment suppliers, but in many cases these new suppliers are not able to provide the same quality and/or charge the same price, as the high-standard and reliable foreign suppliers with whom IKCO used to work before May 2018; as a result, IKCO must now pay a much higher price for parts meeting its quality standards; in addition, even where the banks of the suppliers accept to process the payment for the transaction, the delivery times are abnormally long due shipping difficulties. As IKCO has to pay in cash, IKCO also faces huge drains on its cash flow and resources as well as exposure to fraud and theft. Concomitantly, the devaluation of the Iranian Rials due to US sanctions has further led to price increases across the board.
- 11. As its production costs surge, IKCO has strongly increased the sale price of its cars, which can at times be double compared to the price that IKCO would charge if they were no US sanctions jeopardizing its supply chain (on average an IKCO car currently sells at 700 Million of Iranian Rials):
- 12. Due to the supply difficulties and shortages arising from the withdrawal of the OEM partners maintenance services, that IKCO offers under its after-sale guarantee, are more and more costly for IKCO, notably because the price of some spare parts can sometimes equal the value of the maintained car itself. Furthermore, IKCO now has to pay the warranty costs of its OEM suppliers out of pocket
- 13. IKCO's exports of passenger and commercial vehicles have decreased.

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www.ikco.ir



- 14. A significant part of IKCO's employees are *de facto* unemployed due to the decline in production; it would be necessary to lay off a third of its employees to remain beneficiary yet IKCO refuses to do so considering the devastating social impact of such decision.
- 15. IKCO's Iranian suppliers, notably of parts, meet the same difficulties as IKCO (production costs soaring, shipment difficulties, shortages...) but some of them have yet to overcome these difficulties.
- 16. The huge investments in infrastructure and machines that IKCO engaged after January 2016 to be able to implement the new deals with foreign partners and achieve higher environmental standards had to be interrupted following the 8 May 2018; this caused not only the partial loss of these investments, but was also compounded by the inability of amortize these investment but also important financial claims from contractors for wrongful termination of procurement contracts.
- 17. IKCO is unable to meet its environmental objectives with respect to the pollution generated by its commercial vehicles: it can only produce commercial vehicles labelled "Euro 3" now although it could, and aimed at before May 2018, obtain "Euro 5" or "Euro 6" labels, for which very specific parts and pollution-reducing equipment are required yet produced exclusively by foreign suppliers which do not want to provide them to IKCO due the re-imposition of the US sanctions; IKCO also had to renounce purchasing less-polluting machines for its factories.
- 18. The cost of IKCO's advance sales policy becomes unbearable: the procurement bottleneck difficulties and parts/equipment shortages of OEM vehicles incurred by the re-imposition of the US sanctions prevent IKCO from delivering in due time, if at all, the cars ordered by its customers since May 2018, IKCO failed to deliver more than 5.000 cars in advance sales. As a consequence, IKCO must pay heavy penalties for delay to these unsatisfied customers and generally, IKCO's commercial reputation is seriously damaged.

5.4. Zeyard 19 March 2019

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Witness statement of Mr H. Gharehe, Deputy Strategic Planning and Information Technology of the SAIPA Group, 2 May 2019



Ref No 35,221

Date May 02 2019

Dear Sir,

Respectfully, based on imposed sanctions against Iran automotive industry dated 06. Aug. 2018, here below I'd like to draw your kind attention to the intense effects on the Saipa Group;

 The Automotive industry is a one of pioneer industries in Iran. For the instance, the other industries such as Petrochemical, Steel, Textile, Logistics, Banking and insurance and so on, are considered as a supportive and dependents fields.

SAIPA is Iran's second-largest automaker with the 42,000 direct employees. Its unique and significant competitor on the domestic market is Iran Khodro. It's important to mention, more than 1,000,000 direct and indirect jobs are linked with automotive manufacturing.

- 2. The Saipa Group main activities are as follows:
 - Vehicles (Passengers LCV & HCV) and Parts manufacturing, Sales and after sales services, Financial, insurance(for Manufactured Vehicles), Logistics.
- 3. Prior to the 8 May 2018, SAIPA had an average daily production of 3.000 passengers and commercial vehicles.
- 4. SAIPA's car production has been consisting in two kinds of models:
 - > Saipa's Own Brand:

The mass production are "X-100" and "X-200" family vehicles and we have designed two new platforms which are known as SP-1 and SP-0.

For the SP-1 platform, we were lunching the first vehicle which called "Roham".

> Saipa's Foreign Partners:

Based on the Saipa Group Strategic planning, we designed two methods for our mutual cooperation with the foreign partners:

a) Production via J.V Agreements:

I. Joint Venture with the Renault

The Iranian Parties are Saipa and IDERO which agreed to establish the "Renault Pars Co." with the "Renault S.A". Based on agreements, the Saipa Group allowed to produce L90 – Pars Tondar - Sandero and Stepway models and the Renault S.A is obligated to provide the CKD parts needed via Renault Pars Co,. Based on above mentioned, Saipa Group has prepared the 150,000 units production capacity which has succeed to produce 120,000 units through last year(March 2017 to March 2018).

II. Joint Venture with the Citroen

Based on agreement, Saipa and Citroen have invested equally (50-50 %) to establish a new company which called Saipa Citroen with intention of

Iranian Automobile Manufacturing Co. (SAIPA)

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4 Jan 2





Date. May 02 2019

producing the Citroen Brand vehicles in Iran. For the first product, we started with C3 model.

b) Production via under licensing:

For the Passenger cars, we have signed agreement with the Kia Motors – Changan – Brilliance and Zotye Companies, as a same time for the LCV products, we had cooperation with the Dongfeng Co and for HCV Types, and we collaborated with IVECO – Volvo and Foton Companies.

The above mentioned products were being manufactured as follows:

Kia in SAIPA (Cerato) - Brilliance Family in PARS KHODRO (H200 & H300 family) - Zotye in BONRO (Ario)- Changan in Saipa Citroen (CS35) - Dongfeng and Iveco in Zamyad - Volvo , Foton and Dongfeng in Saipa Diesel Companies.

The parts supplying for the producing of vehicles above mentioned, were produced as follows:

- a. Saipa's Own Brand: The major parts and raw materials needed were supplied through domestic suppliers and the small portion via importation from overseas sources. Of course, the domestic supplier also were obligated to import some portion of the own needed raw materials.
- b. The "JV" and "under licensing" :The major part performed via CKD parts importation and other parts would supply via domestic suppliers.
- 5. As from after the 8 May 2018, SAIPA's activity has been subject to the following impediments as a result of the US sanctions:
 - i. SAIPA's top foreign partners, whether in the framework of joint-ventures or under procurement agreements, have interrupted the collaboration with SAIPA by reason of the predicting banks impediments in term of disability for payment's restrictions. The main consequences of such harmful situation are the following:
 - Renault and Citroën abruptly stopped investing under the joint-venture agreements in infrastructure projects and supply chain management;
 - SAIPA is unable to assemble any vehicles under licenses of Renault, Citroën, Volvo, lveco etc. which represents a huge loss of investments and revenues;
 - ii. Even the manufacturing of Saipa's own Brand, based mainly on parts supplied by local providers, is jeopardized as these local providers themselves had usually recourse to importations to get the parts they sold to SAIPA or the raw material they needed to build these parts, and now meet the same procurement difficulties as SAIPA.
 - iii. As a consequence of these procurement difficulties with respect to the production, SAIPA is faced not only with the soaring of its production costs, but also with shortages in parts, which in turn cause delays in the car production process and a sharp decrease in the daily production of fully assembled.
 - iv. The reduction of Saipa Group production volumes it caused the delay to deliver the products to the valuable customers and the huge damage is impacted to the Saipa Group by financial point of view (by reason of compensate amount should be paid to the customers) as a same time damaging to the Group Brand. It's important to mention, for the

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Foreign Brands such as Renault & Citroen which the production lines in Iran is stopped, the same problem as above mentioned are duplicated.

- v. As its production of cars has plunged since May 2018, SAIPA reduced its resource to local parts and equipment suppliers; such reduction, added to the difficulties encountered by these local suppliers to import parts at a price low enough to generate a profit margin, is the cause of a great economic distress among small Iranian businesses working within or in relation with the automotive sector; hundreds of them have gone bankrupt since May 2018.
- vi. SAIPA had to reflect the increase of its production costs, due to the difficulties caused by the US sanctions, on the sale prices of its cars, which are now variable depending notably on the availability of parts; in any event way, these prices are way above the prices that SAIPA applied before May 2018.
- vii. In the after sales services domain, Saipa face on with the increasing of spare parts prices and difficulties for procurement by reason of the sanctions. So the costs for after sales services and guarantee fees were increased.
- 6. SAIPA is unable to achieve higher environmental standards for its cars, which are able to obtain the "Euro 4" label whereas SAIPA was planning, before May 2018, to import the foreign pollution-reducing technologies and parts necessary to be granted "Euro 5" labels from European suppliers which are now unwilling to provide them as they are concerned they could not be paid due to banking restrictions.
- 7. Similarly, SAIPA is prevented from attaining a high standard of safety for its cars, the most up-todate safety equipment and technologies being produced only by foreign companies (the Parts Supplier, Automakers and the R & D Companies) refusing to deal with Iran for fear of the US sanctions

H. Gharehe Deputy of Strategic planning & ICT Center of Saipa Group

CC: Mr. S. J. Soleimani, Saipa Group CEO

Iranian Automobile Manufacturing Co. (SAIPA)

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K. Ashtarian, "Iran's Automatic Industry: a potential draw for investors", UNESCO, 27 January 2016

Iran's automotive industry: a potential draw for investors

unesco.org/new/en/member-states/single-view/news/irans_automotive_industry_a_potential_draw_for_investors

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Iranian non-oil exports had been growing even before sanctions were lifted by the USA and European Union earlier this month. According to the UNESCO Science Report: towards 2030, released in November last year, 'companies deprived of oil and gas revenue have shown a propensity to export technical and engineering services to neighbouring countries.' Since the nuclear deal was signed last July, the World Bank has observed a surge in interest among multinational companies in investing in Iran. One sector attracting attention is Iran's automotive industry.

After oil and gas, the automotive industry is Iran's biggest, accounting for about 10% of GDP and employing about 4% of the labour force. There was a boom in local car manufacturing between 2000 and 2013, driven by high import duties and a growing middle class. The imposition of fresh sanctions in July 2013 prevented Iranian companies from importing the vehicle parts upon which domestic cars rely, causing Iran to cede its place to Turkey as the region's top vehicle manufacturer.

Traditional export markets for Iranian automobiles include Algeria, Azerbaijan, Cameroon, Ghana, Egypt, Iraq, Pakistan, Senegal, Syria, Sudan and Venezuela. The sanctions imposed in 2013 hit automobile exports particularly hard, which had doubled to about 50 000 cars between 2011 and 2012.

The Iranian car market is dominated by Iran Khodro (IKCO) and SAIPA, which are subsidiaries of the state-owned Industrial Development and Renovation Organization. IKCO was founded in 1962 and SAIPA in 1966. Both companies assemble European and Asian cars under license, as well as their own brands. IKCO is the biggest car manufacturer in the Middle East. In 2012, it announced plans to reinvest at least 3% of company sales revenue in R&D.

In 2008 and 2009, the government spent over US\$ 3 billion developing infrastructure to enable vehicles to run on compressed natural gas. The aim was to reduce costly petroleum imports, owing to an insufficient refining capacity in Iran. With the world's biggest natural gas reserves after the Russian Federation, Iran rapidly became the world leader for the number of vehicles running on natural gas: by 2014, there were over 3.7 million on the road.

1/3

About 3% of nanotech companies in Iran focus on the automotive industry. Iranian carmakers use nanotechnology to increase customer satisfaction and safety by providing such comforts as anti-stain dashboards, hydrophobic glass planes and anti-scratch paint. In 2009, researchers at Isfahan University of Technology developed a strong but light nanosteel as resistant to corrosion as stainless steel for use in road vehicles but also potentially in aircraft, solar panels and other products. Nanotechnology research has taken off in Iran since the Nanotechnology Initiative Council was founded in 2002. In 2014, Iran ranked seventh worldwide for the volume of papers related to nanotechnology. The number of papers per million inhabitants has consequently risen from 19 in 2009 to 59 in 2013, overtaking Japan (56 per million) and approaching the USA (69 per million) in the process.

The author of the chapter on Iran in the UNESCO Science Report argues that, indirectly, sanctions have accelerated the shift from a resource-based economy to one based on knowledge in Iran. The sanctions have hit the private sector hard, increasing the costs of finance companies and the credit risk of banks, eroding foreign exchange reserves and restricting companies' access to foreign assets and export markets. Knowledge-based enterprises have been further penalized by limited access to high-quality equipment, research tools, raw materials and technology transfer. Despite this, the number of firms declaring activities involving research and development (R&D) more than doubled between 2006 and 2011, from 30 935 to 64 642. The author argues that, by isolating Iranian companies from the outside world, the sanctions have encouraged them to innovate. By erecting barriers to foreign imports and encouraging knowledge-based enterprises to localize production, they have helped small and medium-sized enterprises develop their business. Moreover, with unemployment high and Iranians well-educated, firms have had no difficulty in recruiting trained staff. The sanctions have also helped to reconcile research and development (R&D) with problem-solving and public interest research in Iran, he argues, after high oil receipts had divorced science from socioeconomic preoccupations for many years.

The government first articulated its policy of developing a knowledge economy in 2005 in the document Vision 2025, its recipe for turning Iran into the region's leading economy by 2025. Even the economic plan adopted by decree in 2014 for an 'economy of resistance' in response to the increasingly tough sanctions regime essentially reasserts the goals of Vision 2025.

Vision 2025 foresees an investment of US\$ 3.7 trillion by 2025 to finance the transition to a knowledge economy. Much of this amount is to go towards supporting investment in R&D by knowledge-based firms and the commercialization of research results. A law passed in 2010 provides an appropriate mechanism, the Innovation and Prosperity Fund. According to the fund's president, Behzad Soltani, 4600 billion Iranian rials (circa US\$ 171.4 million) had been allocated to 100 knowledge-based companies by late 2014. Public and private universities wishing to set up private firms may also apply to the fund.

The Fifth Five-Year Economic Development Plan (2010–2015) set out to secure second place for Iran behind Turkey in the region in science, technology and innovation (STI). Within the plan, a National Development Fund was established to finance efforts to diversify the economy; by 2013, the fund was receiving 26% of oil and gas revenue.

According to Vision 2025, nearly one-third (US\$ 1.3 trillion) of the overall investment in the transition to a knowledge economy is to come from foreign sources, which are to represent 3% of GDP by 2015. This target appeared somewhat optimistic in 2013, when foreign direct investment contributed just 0.8% of GDP. However, given the surge in interest among multinational companies in investing in Iran since the signing of the nuclear agreement last July, this target may now be within reach.

Text adapted from : Ashtarian, K. (2015) Iran. In: UNESCO Science Report: towards 2030 Full chapter on Iran from the UNESCO Science Report: towards 2030 (pdf)

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Iran's Ministry of Industry, Mine and Commerce, "Comparative Statistic of Auto Production between 20 March-20 April 2018 and 20 March-20 April 2019", 25 February 2019 Monthly Comparative Statistics of the Production of the Types of Motor Vehicle – Year 1396-1397 [21 March 2018 – 21 March 2019]

	The Production of the Types of Motor Vehicle (Unit)							
Type of Production	The Month of	Esfand (20 Feb-20 March)	Accumulative until the End of Esfand (20 Feb-20 March)			20 March) Accumulative until the End of Esfand (20 Feb-20 March)		0 Feb-20 March)
	1396 (2018)	1397 (2019)	Growth Percentage	1396 (2018)	1397 (2019)	Growth Percentage		
Passenger Cars	124499	77164	-38.0%	1442598	891786	-38.2%		
Van	138	5	-96.4%	931	1295	39.1%		
Pickup Truck	5034	4750	-5.6%	72518	50707	-30.1%		
Mini-Bus & Middle-Bus	184	43	-76.6%	1381	1656	19.9%		
Bus	152	12	-92.1%	1782	569	-68.1%		
Truck, Heavy Truck and Tractor Unit	1649	248	-85.0%	16546	9910	-40.1%		
Total (Unit)	131656	82222	-37.5%	1535756	955923	-37.8%		

http://media.ivma.ir/Original/1398/02/03/FIL15162162.pdf



آمار مقایسه ای ماهیانه تولید انواع خودرو سال ۱۳۹۶ -۱۳۹۷

دفتر صنايع خودرو و نيرومحركه

نوع محصول	تولید انواع خودرو (دستگاه)							
	اسفند ماه			تجمعی تا پایان اسفند ماه				
	1898	1894	درصد رشد	1898	1897	درصد رشد		
سواري	174,499	77,154	- * \.+%	1,447,091	۸۹۱,۷۸۶	-٣ ٨. ٢%		
ون	١٣٨	۵	-98.4%	9771	1,790	79.1%		
وانت	۵,+۳۴	4,40+	-0.5%	۷۲,۵۱۸	۵٠,٧٠٧	-٣٠.١%		
مینی بوس و میدل باس	144	۴۳	-Y۶.5%	1,7%1	1,808	19.9%		
اتوبوس	101	١٢	-97.1%	1,747	۵۶۹	-81.1%		
کامیونت ، کامیون و کشنده	1,549	744	-80.+%	18,048	۹,۹۱۰	-4.1%		
جمع کل انواع خودرو (دستگاه)	181,505	17,777	-٣٧.۵%	1,040,408	900,977	-TY.A%		

نوع محصول		اسفند ماه		تجمعی تا پایان اسفند ماه		
	1898	1897	درصد رشد	1795	1844	درصد رشد
سواري	۵۸,۵۰۸	TA,008	-84.1%	٧٠٠,۶۴٨	410,410	-4 · . V%
وانت	ATO	۵۳۶	-۳۵.4%	11,740	۸,۲۸۸	-78.7%
ون	44	۵	19.5%	۳۸۴	۵۷۱	FA.Y%
بینی بوس ، میدل باس و اتوبوس	۵۶	r 9	-٣٠.٤%	794	718	-48.0%
کامیونت ، کامیون و کشنده	٧	54	A14.7%	441	1,754	184.4%
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نوع محصول	تولید انواع خودرو در گروه صنعتی سایپا (دستگاه)							
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جمع کل انواع خودرو(دستگاه)	۶۱,۳۱۸	44,779	-48.0%	999,999	FT+, TTF	-٣٧.٠%		

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"Iran's Auto Production Jumps by about 40% in 9 Months", *Tasnim News Agency*, 16 December 2016

Iran's auto production jumps by about 40% in 9 months

Dec 29, 2016 07:53 UTC



Iran's automotive industry is the second largest in the country after its oil and gas industry, accounting for 10% of the country's Gross Domestic Product (GDP).

The number of four-wheeled motor vehicles manufactured in Iran during the first nine months of the current Iranian calendar year, which started on March 20, shows a 39.1 percent increase compared to the same period last year.

According to Tasnim news agency, from March 20 to December 20, nearly 950,000 four-wheeled vehicles of various types, including automobiles, buses and trucks, have been produced in Iran.

The figure indicates a 39.1 percent growth in the number of domestically-made vehicles compared to the nine-month period last year.

The total production of sedans in the nine months stood at 881,935, which shows a 40.9 increase compared to the same period in 2015.

Iran's automotive industry is the second largest in the country after its oil and gas industry, accounting for 10% of the country's Gross Domestic Product (GDP).

The industry is expected to grow significantly after Iran and six world powers in July 2015 reached a conclusion over the text of a comprehensive deal on Tehran's nuclear program and started implementing the agreement on January 16.

The nuclear deal between Iran and the 5+1 group (Russia, China, the US, Britain, France and Germany) terminated all nuclear-related sanctions imposed on Iran.

ME

Tags

IRAN

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"Nuclear deal appears to help Iran's car making industry", *Azer News*, 23 December 2016



Nuclear deal appears to help Iran's car making industry

23 December 2016 14:18 (UTC+04:00)

Baku, Azerbaijan, Dec. 22

By Farhad Daneshvar – Trend:

The latest statistics on Iran's automotive industry indicate a considerable surge in the country's largest non-oil sub-sector of economy in the post sanctions era.

The industry's output over the first eight month of the current fiscal year (starting March 20) surpassed 820,000 vehicles indicating a 35.9 percent growth year-on-year.

In the meantime, the country produced 759,871 passenger vehicles - 52,129 pickups - 616 busses and mini trucks as well as 7,353 trucks. Over the mentioned period, the production of passenger vehicles witnessed a 138-percent growth.

Coming to other vehicles, the output of pickups over a period of one month between October 22 and November 21 has increased by 76 percent, with buses growing by 22 percent.

Mini buses, however, experienced 46 percent fall in the period of one month as only 33 mini busses were produced compared to 62 ones in the same period of last year.

Taking into account the considerable growth in the country's vehicle output, it seems that the last year's historic nuclear deal which was implemented Jan 16 has, so far, had a positive impact on the industry as there are indications suggesting that the country's car market is climbing out of a deep recession.

According to the country's economic development plan, Iranian carmakers are expected to produce three million cars per year by 2025.

In the meantime, the car part makers are projected to make \$25 billion worth of car parts and export \$6 billion worth of car-related products.

However, there are still some concerns to be addressed in particular some issues

regarding car part making sphere.

An Iranian car part maker has earlier called for immediate investment in the industry, describing the situation as "dire".

Arash Mohebinezhad, the secretary of an Iranian union of car spare parts makers, has said the country needs to invest two billion euros over the next one year to help the industry survive.

Car part makers complain that the domestic investors are reluctant to put money in the car part making industry due to the dire situation of the producers.

On the other hand, lack of funds has made the producers ignore the needs for increasing their technical knowledge and improving their equipment.

The 12-year sanctions have inflicted a serious harm to Iran's automotive industry causing Iranian producers to lag behind their rivals.

Nevertheless, a handful of deals with international manufacturers aimed at renewing Iran's automotive industry have kept alive the hopes that the country's second largest sub-sector of economy will again turn into a modernized industry.

On Thu, Dec 22, 2016 at 3:53 PM, Konul < english3@trend.az > wrote:

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"Iran Auto Sector 2016: Playing for High Stakes", Financial Tribune, 1 January 2017

Iran Auto Sector 2016: Playing for High Stakes

financialtribune.com/articles/auto/56561/iran-auto-sector-2016-playing-for-high-stakes

December 31, 2016



Playing for High Stakes

The past year has been transformative in the local auto industry as foreign car companies look to edge their way back into the country of 80 million people.

European car companies, mainly French, have made inroads in reentering the Islamic Republic, but are not oblivious to the fact that the Chinese are not leaving any time soon.

January

At the start of the year, PSA Group (Peugeot-Citroen) got the ball rolling announcing it had signed a contract with Iran Khodro to invest €400 million (\$436 million at the time) in the newly proposed joint venture (later called IKAP).

Another development in January was a report of several dozen Korean-made Chevrolets sitting at Iranian ports. In late 2015, Iran's government said it had no issue with US vehicles entering the market. However, a U-turn on this decision later banned all American branded or made cars.

February

China's Lifan launched its 820 executive-sedan in the local market at the time for 820 million rials (\$23,500) at that point. The introductory offer has since been rescinded, and the car sells for over 900 million rials.

In February, a team from Italy's FCA Group (Fiat) toured the Iran Khodro Company's plant outside Tehran. The Iranian company was pegging Fiat to be the 'fourth automaker,' however since that date no Italian model has rolled out of the factory.

Moreover, IKCO plans for regional exports got a boost with a deal with an Omani company. The plan would be to produce the Peugeot 405 and Dena for export in the Arabian Peninsula.

March

In early March, Iran Khodro announced it was negotiating a business agreement with Datsun, an automobile brand owned by Japan's Nissan (no news since).

Meanwhile, China's Guangzhou Automotive Group Company announced intentions to move into the Iranian market and was looking for a local production partner (to date they have found none).

In late March, just before the holiday break, Hyundai Motor Group announced it was gearing up to export semi-knocked down products as part of a joint venture with an unnamed local partner.

April

In April, Chairman of the British Iranian Chamber of Commerce, Lord Norman Lamont said that country's carmakers are eager to start trade with Tehran. Lamont added that British automakers, such as Jaguar, Land Rover and Bentley, are anxious to establish business ties.

Benoit Tiers, Audi Volkswagen's regional chief, also said in April Iran along with other regional countries offers great potential for sales of their brand. The company rep also said he would start looking at Iran's market "when the time was right."

IKCO announced the future production of the DongFeng H30 Cross, meanwhile another Chinese car company BAIC, selling the Great Wall Brand said, they plan to produce 100,000 vehicles in the country.

May

During early summer, Japan's iconic ISUZU launched its latest pickup truck in the Iranian market costing 1.18 billion rials (\$33,700.)

Production of the Chinese-derived H220 started at Iran's second-largest carmaker SAIPA Group in early May. The hatchback was priced at 380 million rials (\$11,000).

China's BYD launched in the Iranian market the S6 sports utility vehicle with an initial price of 920 million rials (\$26,000).

June

Iran Khodro CEO Hashem Yekezare announced plans to team up with Japanese automaker Suzuki and produce the Swift, Celerio and Ciaz and Baleno (by January the company has made no more announcements.)

The designated chief of the new Peugeot Iran Khodro joint venture died of a heart attack on June 26, delaying plans for the company's launch.

Meanwhile, MVM unveiled the Chery Arrizo 5 in Kerman. The sedan was to be priced at 700-750 million rials (\$20,000-\$21,400). Sales for the Hyundai Accent-inspired vehicle began later in July.

July

During the warm month of July, Skoda confirmed Iran is a market with high growth potential. The company spokesperson did not mention which models will come from any joint venture with Iranian automakers.

Iran Khodro's Yekezare said the Peugeot 2008 would enter the market in March 2017 as IKCO's first joint production with Peugeot.

Citroen spinoff DS launched its DS6 model was launched in Tehran. Arian Motor Taban announced in August. The price of the vehicle at the time was 2.1 billion rials (\$61,000) at launch.

August

Scania trucks unveiled its range of vehicles for the Iranian market. Mammut Group, Scania trucks' primary partner in Iran, unveiled the new generation of Scania trucks S730 and R500.

The government declared the continued production of old car models such as Peugeot 405 and Pride as illegal. It stipulated that as of March 2016, the production of local cars produced for over ten years and foreign cars produced for over seven years in Iran must stop.

Meanwhile, PSA Group announced it intended to bring the Citroen C4 to the local market by the new year.

September

September saw the release of the Renault (Dacia) Sandero Stepway, with more than 4,000 vehicles pre-sold by the company in that month, adding to the already booming sales of the regular Stepway released earlier in the summer.

Another Renault car released was the Talisman sedan. The vehicle fills the void in the market which according to the company chief, is filled only by East Asian car companies. The car was priced at 1.65 billion rials (\$47,000) to 1.79 billion rials (\$51,000) for the deluxe model.

Meanwhile, MVM launched its upgraded MVM X33S model in Tehran. The new X33s will cost over 750 million rials (\$22,396). The company also announced it was bringing its new X22 crossover model the same month.

October

Spain's SEAT, a subsidiary of VW, brought the SEAT Leon to market. At the time, the 1.8-liter Leon was priced at \$41,000 (1.43 billion rials at market exchange rate) and the 1.4-liter model at \$35,000 (1.2 billion rials).

Meanwhile, SAIPA announced it was in the process of signing a deal with Malaysia's Proton to produce their vehicles in Iran.

Renault announced deliveries were up by 135.5% in the first nine months of 2016 thanks to

the success of Logan and Sandero models.

Moreover, the French company announced the Renault Kwid for the local market, the vehicle according to Renault Pars, is expected to cost 31 million rials (\$8,800 at market exchange rate).

November

Renault announced it was setting up a factory south of Tehran to keep costs to a minimum. An advisor to the Ministry of Industries, Mining and Trade, Biuk Alimoradiou, said that Saveh would be an ideal location for the JV.

Meanwhile, Arian Motor Taban, the representative of DS brand in Iran, unveiled the 5LS model at its showroom in Tehran. The vehicle was priced at 1.9 billion rials (\$54,000).

Pars Khodro announced it plans to bring another Chinese-derived Brilliance model. The new car is believed to be an SUV called the C3 and is the largest in the range.

Also in November, Iran's Auto Manufacturers Association announced that a total of 753,580 cars were manufactured in Iran from the beginning of the current fiscal in March to November 5.

December

The last month of the Gregorian calendar saw some developments which many would have missed, including the reintroduction of the ten-year-old Peugeot 207i, after several years of stalled production. A new joint venture between Iran Khodro and Peugeot-Citroen saw the model return to the IKCO assembly lines. During the previous round of the production, the car sold for 360 million rials (\$9,470).

Mammut Group, famous locally for its refrigerated trucks, announced it had signed a deal with Germany's Volkswagen to produce the current VW Polo 4-door hatchback. Initially, the company plans to import the model but will begin production later in 2017.

Kerman Motor Company announced it will produce two new Hyundai models for the domestic market. Namely, the i10 and i20 hatchback models to compete with several other smaller hatchbacks entering the market.

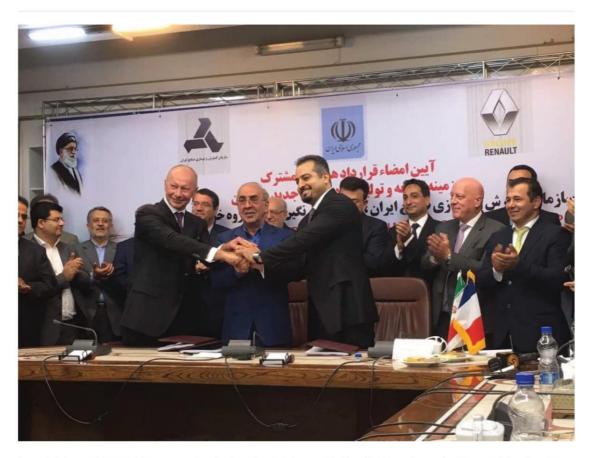
The past year has been momentous for several reasons, not least the fact that dozens of new models entered the market. However, looking back, it can be said that Renault has stolen the lead on its competitors with its multipronged approach in the market.

E. Bergerolle, "Renault renforce la position exceptionnelle des Français en Iran", Challenges, 7 August 2017

Renault renforce la position exceptionnelle des Français en Iran

 \mathbb{C}^{s} challenges.fr/automobile/actu-auto/renault-cree-une-coentreprise-en-iran-avec-parto-negin-naseh-et-idro 491950 Eric Bergerolle 7 août 2017

On ne savait pas grand-chose de l'accord signé par Renault à l'automne 2016 avec l'État et des industriels iraniens. Ce lundi, il donne naissance à une coentreprise qui produira 150.000 Renault par an en Iran.



Lundi 7 août 2017. De gauche à droite : Thierry Bolloré, Membre du Comité Exécutif, Directeur Délégué à la Compétitivité, Mansour Moazzami, Vice-Ministre et Président de IDRO, Kourosh Morshed Solouk, Directeur Général du Groupe NH lors de la signature de l'accord de création de la coentreprise qui produira des Renault à Saveh.

Partenaires intéressés — mais efficaces et fidèles — de l'industrie automobile bourgeonnantes en <u>Iran</u> dans les années 1960 à 1980, les constructeurs français n'ont pas manqué d'être parmi les premiers industriels à revenir une fois les

sanctions internationales levées. Parmi eux, le Groupe PSA a du pain sur la planche : il s'agit de remonter le niveau de qualité et de productivité chez Iran Khodro, constructeur né de l'initiative de Chrysler Europe avant qu'elle ne tombe dans l'escarcelle de PSA en 1978.

Las! Durant le blocus international, les responsables de l'usine ont paré au plus pressé en remplaçant les composants d'origine française par des pièces chinoises de piètre qualité: l'image des produits Peugeot en souffre encore. D'autant que les Iraniens gardent un souvenir amer du retrait brutal du Groupe PSA en 2012, sous la pression de Washington et de son allié d'alors, General Motors.

Près de 1,4 million de "fausses" Peugeot ont été fabriquées et vendues sans licence durant la période 2012-2016. Avantage, la marque française a pu maintenir ainsi à 35 % sa part du marché iranien. Contre 5 % seulement pour <u>Renault</u> qui, pourtant, n'a pas déserté les Iraniens durant le blocus. Sauf durant une période de sept mois, lorsque l'activité industrielle automobile était sous sanctions internationales.

Une seconde coentreprise en Iran pour Renault

Renault vise une part de 20 % du marché automobile en Iran à l'horizon 2020, quatre fois plus qu'en 2015. Pour atteindre cet objectif, la capacité de production de sa coentreprise Renault Pars (créée en partenariat avec les deux principaux constructeurs du pays, SAIPA et Iran Khodro) n'y suffira pas.

D'où la lettre d'intention signée en septembre 2016 pour fabriquer des Duster des Symbol. Carlos Ghosn et le Groupe Renault se sont engagés auprès du ministre iranien de l'Industrie Mohammad Reza Nematzadeh pour la création d'une coentreprise avec Parto NEGIN Naseh Company (qui importe déjà les Renault en Iran) et l'Organisation pour la rénovation et le développement industriel (Idro), un organisme d'Etat qui détiendra 20 % de l'affaire. Parto NEGIN Naseh Company prendra une part égale, tandis que Renault conservera 60 % du capital.

La coentreprise sera installée à Saveh, à environ 120 kilomètres au sud-ouest de Téhéran. Là, seront conçus et produits des véhicules Renault. Le constructeur au Losange compte assembler sur place ses célèbres Renault Duster (Dacia Duster, en France) et Renault Symbol (alias Dacia Logan de seconde génération). A cela pourrait venir s'ajouter la Renault Kwid, une mini citadine à prix plancher qui démarre en trombe au Brésil, après un succès fulgurant en Inde.

Prendre une part du très prometteur marché iranien

Groupe Renault, IDRO et Parto NEGIN Naseh Co (Negin Holding) précisent ce 7 août 2017 que cette coentreprise "intègrera d'une part, un centre d'ingénierie et d'achats qui favorisera le développement des fournisseurs locaux, et d'autre part une usine d'une capacité de production de 150 000 véhicules par an dans un premier temps, qui s'ajoutera aux capacités existantes du Groupe dans le pays de 200 000 véhicules. Les premiers véhicules produits dans cette usine seront nouveau Symbol et nouveau Duster." Cet accord prévoit par ailleurs le développement d'un réseau de distribution exclusif Renault en complément du réseau actuel de NEGIN Khodro.

"Nous sommes heureux de signer cet accord avec IDRO et PARTO NEGIN NASEH Co. Dans un marché iranien en forte expansion, il était indispensable de se doter d'usines, mais aussi d'un centre d'ingénierie et d'achats. Cette joint-venture nous permettra d'accélérer notre croissance dans le pays", a déclaré Thierry Bolloré, Membre du Comité Exécutif, Directeur Délégué à la Compétitivité.

"Avoir un réseau de distribution exclusif renforcera la position du groupe Renault en Iran. La signature de cette nouvelle joint-venture confirme les choix stratégiques que nous avons faits dans ce pays et nous ouvre de nouvelles perspectives dans un marché qui devrait atteindre 2 millions de véhicules en 2020", a estimé Stefan Mueller, Membre du Comité Exécutif, Directeur Délégué à la Performance.

Le marché iranien a connu son pic de 1,66 million d'unités en 2011, avant de chuter à moins de 800 000 unités en 2013 suite à l'entrée en vigueur des sanctions internationales. Les ventes sont remontées à 1,1 million en 2015 et devraient atteindre 1,8 million à 2 millions vers 2025, selon les experts. On compte environ 200 voitures pour mille habitants, soit davantage que la moyenne mondiale (160).

De son côté, Naser Haddadzadeh, Chairman de NEGIN Holding Group a déclaré : "Notre groupe propriétaire de Negin Khodro Co, la société actuelle du réseau Renault en Iran, est fière de participer à ce développement industriel. En tant que famille propriétaire d'une entreprise privée, N.H. Group entrevoit cette J.V. avec Renault et IDRO comme une autre possibilité d'un partenariat long terme avec Renault pour les années à venir."

La nouvelle coentreprise entre le Groupe Renault, IDRO et Parto NEGIN Naseh Co. ne remet pas en cause le partenariat existant avec SAIPA et Iran Khodro: cette coentreprise continue de produire et de distribuer la gamme actuelle des Renault Tondar, Tondar pick-up, Sandero et Sandero Stepway.

Commenter

SUR LE WEB

Sur le web : Renault signe un accord de 660 millions d'euros avec l'Iran

"Iran Khodro to finalize deal with Nissan Motor for Datsun cars", *ISNA*, 30 August 2017

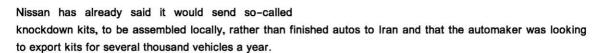


Iran Khodro to finalize deal with Nissan Motor for Datsun cars

Tehran (ISNA) - Iran Khodro (IKCO) is expected to finalize a deal with Nissan Motor Co for production of low-budget Datsun cars, the largest Iranian automaker's CEO Hashem Yekezare announced.

"We will enter into a contract with Japan's Datsun in the next few months," he said.

The contract will be signed before the end of the current Persian year in March 2018, Yekezare added.



IKCO's talks with Nissan for production of affordable cars of high quality began in early 2016, with the Iranian automaker targeting Datsun cars in the price range of \$11,500.

The production of Datsun cars can potentially enable IKCO to phase out its dilapidated models in the same price category including the Peugeot 405.

Datsun is a resurrected brand targeting emerging markets. Nissan quit using the Datsun brand in 1981 but revived the nameplate in 2013 for increasing sales to Indonesia, India and Russia.

End Item

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"France's PSA suspends joint ventures in Iran to avoid U.S. sanctions", *Reuters*, 4 June 2018

France's PSA suspends joint ventures in Iran to avoid U.S. sanctions

oreuters.com/article/us-iran-nuclear-peugeot/frances-psa-begins-to-suspend-its-joint-ventures-in-iran-idUSKCN1J026R

FILE PHOTO: The Peugeot logo is pictured on the new Peugeot 508 before a news conference of PSA Group to announce the company's 2017 annual results at their headquarters in Rueil-Malmaison, near Paris, France, March 1, 2018. REUTERS/Benoit Tessie/File Photo -/File Photo

PARIS (Reuters) - French carmaker PSA Group (PEUP.PA) has begun to suspend its joint venture activities in Iran to avoid U.S. sanctions after Washington's withdrawal from the international nuclear deal.

Large French companies active in Iran, including oil major Total (TOTF.PA), are struggling to obtain exemptions from the sanctions imposed by U.S. President Donald Trump's administration.

"The group has begun to suspend its joint venture activities, to comply with U.S. law by Aug. 6," PSA said in a statement on Monday.

"With the support of the French government, the Groupe PSA is engaging with the U.S. authorities to consider a waiver."

European signatories are scrambling to save the international deal, which seeks to protect trade with Iran in return for curbing the country's nuclear program.

PSA and its French rival Renault (RENA.PA) moved swiftly to sign new production deals to upgrade their pre-sanctions partnerships with Iran Khodro and SAIPA.

Production deals worth 700 million euros (\$818 million) have been signed by PSA, while Renault has announced a new plant investment to increase production capacity to 350,000 vehicles a year.

The suspension of its joint ventures does not alter PSA's current financial guidance, the group said, adding that its Iranian activities accounted for less than 1 percent of revenue.

Reporting by Mathieu Rosemain; Editing by David Goodman

"U.S. Sanctions on Iran leave European companies with difficult choice", *The Arab Weekly*, 25 June 2018

US sanctions on Iran leave European companies with difficult choice | Mahmud el-Shafey | AW

Mahmud el-Shafey

LONDON - Following the US withdrawal from the Iran nuclear deal, pressure is increasing on Tehran because many European companies face the difficult choice of whether to continue to do business in the country and face US sanctions or withdraw.

Many French companies hoping to do business in Iran will find it almost impossible to do so if the United States imposes new sanctions, French Finance Minister Bruno Le Maire acknowledged.

His comments came just a few weeks after French car giant Peugeot-Citroen, which manufactures vehicles under the Peugeot, Citroen, DS, Opel and Vauxhall brands, announced it would exit the Iranian market within two months.

Although France, along with several other European countries, has said it intends to uphold the Joint Comprehensive Plan of Action (JCPOA) despite the US withdrawal, it is becoming increasingly clear that the Iran nuclear deal will likely falter in the face of US sanctions.

"[French companies] won't be able to stay because they need to be paid for the products they deliver to, or built in Iran, and they cannot be paid because there is no sovereign and autonomous European financial institution," Le Maire told BFM television.

He said European countries would look to build an "independent" and "sovereign" financial institution that would allow finance channels between European countries and "any other countries on the planet."

"It's up to us Europeans to choose freely and with sovereign power who we want to do business with... The United States should not be the planet's economic policeman," he added.

Given the complexities of even establishing a cross-European financial institution such as this, however, few believe that this can be achieved in time to save the JCPOA. Even if such a financial institution were to be created, it -- along with any multinational

companies using it -- would similarly be facing the same threat of US sanctions.

This means, in effect, that any multinational company with direct ties to the United States or reliant on the US financial system and dollar transactions, could find itself in the crosshairs of US sanctions. Despite tough talk from the European Union on getting around US sanctions, many European companies will likely not want to take the risk.

"Many international businesses and financial institutions are scarred by the unexpected economic crises and tough regulations of the past decade and have adopted more thorough 'de-risking' policies in response," Patrick Clawson, director of research at the Washington Institute for Near East Policy, said in a posting on the group's website.

"How individual firms assess doing business in high-risk jurisdictions is more important than whether foreign governments are willing to cooperate with US sanctions, since the firms are the ones actually carrying out economic activity."

While Peugeot-Citroen said it intended to leave the Iranian market for fear of US sanctions, French carmaker Renault, which notably does not sell cars in the United States, said it would maintain a downsized presence in Iran, despite the sanctions.

Even this commitment came with a caveat, with the French firm confirming that it would have to do whatever served its own economic interests best. "However, we are not going to do so [stay in Iran] to the detriment of Renault's interests. We will be watching closely to make sure our presence in Iran does not provoke direct or indirect reprisal measures on the part of American authorities," Renault CEO Carlos Ghosn told shareholders.

The issue of US sanctions is one that goes beyond Europe, with Japanese and South Korean companies also feeling the heat.

One week after Peugeot-Citroen left the Iranian market, Japan's Mazda and South Korea's Hyundai suspended contracts with Iran.

"Mazda and Hyundai's interests in the US market are much more than in Iran, and they will not sacrifice their profit for the sake of Iran," Valiyollah Maleki, a member of Iran's parliamentary Industries and Mines Commission, told the parliament-affiliated website.

Multinational corporations, including Total, Maersk, General Electric, Honeywell, Boeing, Luk Oil, Reliance and Siemens have announced they will leave Iran so as not to be sanctioned by the United States.

Senior US diplomats visited South Korea and Japan in June to "convey the [US] administration's policy, including with regard to the re-imposition of nuclear-related sanctions on Iran," a US State Department statement said.

"The United States is working with nations around the world to create a new global effort to counter Iran's nuclear and proliferation threats, as well as its support for terrorism, militancy, and continued development and testing of ballistic missiles," the statement added.

"With non-procuring raw materials, the activities of Headlight Modern Car Industries Co. with more than 700 workers stopped / Indirect loss of 5000 people job", ILNA, 12 July 2018

Original in Persian and translation

News Code: 643068, 21/4/1397 [12 July 2018], A 8: 16:19 [hours]

With non-procuring raw materials;

The activities of "Headlight Modern Car Industries Co." with more than 700 workers stopped / Indirect loss of 5000 people job.

According to the report prepared by ILNA's journalist, the activities of Headlight Modern Car Industries Co. with more than 700 workers have been ceased since Saturday.

"Changi", the financial manager of the company, remarked about the reasons for shutting down the company: "The main reasons are the sanctions on goods and the products are not transferred to Iran. The managers remitted the required money for purchasing the goods to South Korea but, due to the sanctions, goods cannot reach us.

He added: we have now tried to work through Turkey and have remitted money there but Turkish entities do not work with Iran either and this has made problems for us. These facts caused us not to be able to pay the salary of our over 700 workers in Ordibehesht and Khordad [about May and June]. As a result, the activities of our factory have been ceased.

The financial manager of Headlight Modern Car Industries Co. added: The Company supplies the headlights of the automobile including Dena, Dena Plus, 206, Samand, Peugeot Pars and so on. For example, Dena's and Dena Plus' headlights are exclusively manufactured by Headlight Modern Car Industries Co. and halting its activities is detrimental to major car manufacturing companies.

He said: rising the dollar value has led to increasing the price of Polycarbonate as the raw material for producing car headlights and further remarked: before the announcement of the re-imposition of sanctions which led to rising the exchange rate, the price of Polycarbonate was 9700 toman [97000 rial]. However, the price is currently reached at 23000 to 24000 toman [23000 to 24000 rial] and its importation to Iran is no longer allowed.

Changi added: Similarly, the company has not received its receivables for the years 1394 and 1395, from "Sazeh Gostar" company after three years." Some time ago, "Sazeh Gostar" agreed that we submit a letter issued by them to the bank in order to receive the amount they owe but having waited for two months we were not finally able to settle their dues through the bank.

The financial manager of Headlight Modern Car Industries Co. added that the other problem of the company is its title. He remarked: Since the word "automobile" is included in the title of the company, we are subject to the sanctions, because the transport industry is subject to American sanctions but Company Registration Office does not allow us to change the name of the company either.

Changi added: 5000 people work indirectly for Headlight Modern Car Industries Co. Therefore, cessation of activities of the company makes many people unemployed and this is not beneficial to the status of employment in the country.

کد خبر 643068 ۲۱/۰۴/۱۳۹۷ ۰۸:۱۶:۱۹ A

روابط كار كارگري خانه

با تامین نشدن مواد اولیه؛

فعالیت «صنایع چراغ جنو اتوموبیل مدرن» با ۷۰۰ کارگر متوقف شد/بیکاری ۵ هزار نفر به صورت غیرمستقیم

فعالیت های شرکت «صنایع چراغ جلو اتومبیل مدرن» با بیش از ۷۰۰ کارگر از روز شنبه متوقف شد

به گزارش خبرنگار ایلنا، فعالیتهای کارخانه «صنایع چراغ جلو اتومبیل مدرن» که قطعات مورد نیاز خودروسازیهای بزرگ کشور را تامین میکند با بیش از ۷۰۰ کارگر از روز شنبه متوقف شد

چنگی» مدیر امور مالی شرکت در مورد دلایل تعطیلی آن، گفت: عمدهترین مشکل تحریم کالاست و اینکه اجناس به ایران منتقل » نمی شوند. مدیریت حتی پول مورد نیاز برای خرید اجناس را به کره جنوبی فرستاده اما به دلیل تحریم ها کالاها به دست ما نمی رسد

وی افزود: حالا از طریق ترکیه عمل کردیم و به آنجا پول حواله زدیم اما ترکیه هم میگوید که با ایران کار نمیکند و مشکلاتی برای ما ایجاد کرده است. این موارد موجب شده که نتوانیم دستمزد اردیبهشت و خرداد ماه بیش از ۷۰۰ نفر از کارگران خود را بیردازیم و در نتیجه فعالیتهای کارخانه متوقف شده است

مدیر امور مالی صنایع چراغ جلو اتومبیل مدرن افزود: این شرکت چراغهای محصولاتی همچون دنا، دنا پلاس، ۲۰۶، سمند، پژوپارس و... را تامین میکند. مثلا در مورد دنا و دنا پلاس انحصار چراغهای نصب شده روی آنها در دست اتومبیل مدرن است .و توقف فعالیتهای آن به زیان شرکتهای خودروسازی بزرگ کشور است

وی با بیان اینکه بالا رفتن قیمت دلار موجب شده قیمت پلیکربنات به عنوان ماده اولیه تولید چراغ اتومبیل بالا برود، گفت: پیش از اعلام برقراری دوباره تحریمها که به بالا رفتن قیمت ارز منجر شد، قیمت پلیکربنات ۹ هزار و ۷۰۰ تومان بود اما حالا قیمت آن به ۲۳ تا ۲۴ هزار تومان رسیده و دیگر اجازه واردات آن به ایران داده نمیشود

چنگی افزود: شرکت همچنین مطالبات سالهای ۹۴ و ۹۵ خود را از شرکت «سازه گستر» پس از سه سال دریافت نکرده است. چندی پیش سازهگستر به ما اعلام کرد بیاید نامه بگیرید و به بانک بروید تا به طلب خود برسید. علاوه بر اینکه دو ماه برای گرفتن یک نامه معطل شدیم، پس از آن هم نتوانستیم از طریق بانک خرید دین داشته باشیم

مدیر امور مالی صنایع چراغ جلو اتومبیل مدرن با بیان اینکه مشکل دیگر این شرکت نام آن است، گفت: چون کلمه اتوموبیل در نام شرکت است، مشمول تحریمها شدهایم، چراکه یکی از اجزای تحریمهای آمریکا صنعت حملونقل است اما ثبت شرکتها اجازه . تغییر نام را به ما نمی دهد

چنگی افزود: ۵ هزار نفر به صورت غیرمستقیم برای صنایع چراغ جلو اتومبیل مدرن کار میکنند لذا توقف فعالیتهای شرکت تعداد زیادی از شاعلان را خانهنشین میکند و این امر به هیچ وجه به نفع اشتغال موجود در کشور نیست

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"French Carmaker Likely to Halt Iran Operations as Other Companies Leave", Radio Farda, 28 July 2018



French car manufacturer Renault says it is likely to leave Iran to avoid renewed U.S. sanctions in spite of previous promises to remain.

Several other major companies including Maersk, Total, Peugeot, General Electric, Boeing, Reliance, and Siemens have already left Iran to evade U..S sanctions, which economic experts in Iran say will hit Iranians even harder in about four months' time.

<u>Bloomberg quoted Renault Chief Operating Officer Thierry Bollore</u> as saying on July 27, "Iran operations are likely to be put on hold to comply with U.S. sanctions."

"We are looking to new business opportunities, particularly in Africa, with strong growth to offset the missed opportunities in Iran," he said.

Even in June this year, Renault was more or less certain it would not leave Iran. Renault CEO Carlos Ghosn said at the time that the carmaker would maintain its presence in Iran despite the risk of penalties for breaching renewed U.S. sanctions targeting Iran's auto and civil aviation sectors from August 4.

"We will not abandon it, even if we have to downsize very strongly," Ghosn told shareholders at the annual shareholders' meeting in Paris, since this would give the company an advantage "when the market reopens."

Ghosn had said previously that the company would seek new ways to avoid the sanctions and maintain its presence in Iran even if it had to seriously reduce the level of its activities.

Reports from Iran say Renault has sold some 160,000 cars in Iran during the past year.

Most French companies hoping to continue business in Iran after the U.S. sanctions will find it impossible, <u>Finance Minister Bruno Le Maire said on June 19</u>.

These companies "won't be able to stay because they need to be paid for the products they deliver to or build in Iran, and they cannot be paid because there is no sovereign and autonomous European financial institution" capable of shielding them, Le Maire told BFM television.

Renault's rival, PSA, which manufactures Peugeot and Citroen cars, has also decided to leave Iran, according to reports from Iran.

In late June, <u>Tehran urged foreign firms working in Iran to resist U.S.</u> "threats" of sanctions adding it was in talks with French carmakers about remaining in the country.

"Foreign companies working in Iran should not be intimidated by U.S. threats and should continue their activities in Iran," Industry Minister Mohammad Shariatmadari told a news conference in Tehran, adding, "All those who do not do this, we will replace them."

The United States pulled out of the nuclear deal with Iran in May and announced it would impose renewed sanctions on Iran in August and November. Subsequently, European officials have been trying to pursue Washington to exempt European companies working with Iran, but Washington has refused to do so.

Washington has also vowed to minimize Iran's oil exports. However, Treasury Secretary Steven Mnuchin said earlier this week that Washington would consider exempting some countries from U.S. sanctions on Iran's oil exports in order to prevent disruptions on the world oil market.

French carmakers are not the only companies leaving Iran's automobile industry. Japan's <u>Mazda and South Korean Hyundai also suspended contracts with Iran</u> in June, according to a member of the parliamentary Industries and Mines Commission.

In an interview with the parliament-affiliated website, Valiyollah Maleki said June 12, "Mazda and Hyundai's interests in the U.S. market are much more than in Iran, and they will not sacrifice their profit for the sake of Iran."

Renault is not active on the U.S. market. However, Renault partner Nissan is a key player there, and Renault may have hesitations, fearing its activity in Iran might affect Nissan's business in the United States.

"Scania says U.S. sanctions put entire Iran truck sales in 'jeopardy'", *Reuters*, 3 August 2018

Scania says U.S. sanctions put entire Iran truck sales in 'jeopardy'

reuters.com/article/us-iran-sanctions-scania/scania-says-u-s-sanctions-put-entire-iran-truck-sales-in-jeopardy-idUSKBN1KO23R

STOCKHOLM (Reuters) - Scania's entire sales into Iran could be lost if the United States reinstates sanctions against the country, the Swedish truckmaker's head warned on Friday, a day after first-half results showed the company's Iranian order book was already being hit.

CEO Henrik Henriksson said Scania, which was one of the first truck companies to return to Iran after the EU lifted sanctions in early 2016, had cancelled all orders that it could not deliver by mid August as anything after would have been hit by the new sanctions.

"Looking at the information we have on hand today, of course if nothing is improving, then (our) whole volume will be in jeopardy," told Reuters.

Among truckmakers, Scania, which is owned by Volkswagen, has one of the larger presences in Iran, selling 5,000-6,000 trucks and buses annually, according to Henriksson. That represents about 5 percent of its global vehicle orders of 109,415 last year.

Such a move would be another blow to the Iranian car industry, which unlike the energy and banking sectors, had managed to sign contracts with top European firms after the lifting of sanctions in 2016, attracting sizable foreign investment.

French carmaker PSA Group (PEUP.PA) began to suspend its joint venture activities in Iran in June and Germany's Daimler said it was closely monitoring any further developments and would then evaluate the potential impact on its business.

Despite the efforts of European governments to salvage the nuclear deal and provide guarantees to European firms to protect them against secondary U.S. sanctions, many of them are leaving Iran anyway to avoid any possible U.S. penalties.

America accounted for 13 percent of Scania's orders for trucks, buses and coaches in 2017.

Scania declined to comment on how much of an impact the decline in orders from Iran, considered as one of their growth markets, had on first half results.

The company's factories in Latin America and Europe are used to produce vehicles for Tehran and it distributes trucks and buses through local partners, which also own Scania's production and extensive servicing network in Iran.

Henriksson said Scania was also pressing for faster payment as sanctions could potentially close financing networks by November.

"As it is right now, it's a wind down window of getting orders out that were in before a certain date and getting payments in as much as you can," he said.

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However, Henriksson said Scania was working on a contingency plan so that it could continue to deliver spare parts needed to keep its trucks and buses on Iranian roads running, but that nothing was resolved yet.

Reporting by Esha Vaish in Stockholm, additional reporting by Bozorgmehr Sharafedin Nouri in London; Editing by Kirsten Donovan

"Iran sanctions: Trump warns trading partners", BBC News, 7 August 2018

Trump warns trading partners over Iran



Media playback is unsupported on your device

Media captionUS-Iran sanctions: What do they mean?

US President Donald Trump has issued a strong warning to anyone trading with Iran, following his re-imposition of sanctions on the country.

"Anyone doing business with Iran will NOT be doing business with the United States," the president tweeted.

Some re-imposed sanctions took effect overnight and tougher ones relating to oil exports will begin in November.

Iran's president said the measures were "psychological warfare" which aimed to "sow division among Iranians".

The sanctions follow the <u>US withdrawal from the Joint Comprehensive Plan of Action</u>, also known as the Iran nuclear deal, earlier this year.

The deal, negotiated during the presidency of Barack Obama, saw Iran limit its controversial nuclear activities in exchange for sanctions relief.

Mr Trump has called the deal "one-sided", "disastrous" and the "worst I've ever seen". He believes renewed economic pressure will force Iran to agree to a new deal.

The European Union, which remains committed to the original agreement, has spoken out against the sanctions, vowing to protect firms doing "legitimate business" with Iran.

What else did Mr Trump say in his latest tweet?

He praised the "most biting sanctions ever imposed" and said they would "ratchet up to another level" in November.

"I am asking for WORLD PEACE, nothing less!" he said.

On Monday he had said that Iran faced a choice to "either change its threatening, destabilising behaviour and reintegrate with the global economy, or continue down a path of economic isolation".

"I remain open to reaching a more comprehensive deal that addresses the full range of the regime's malign activities, including its ballistic missile programme and its support for terrorism," he said.

What are the sanctions?

Mr Trump signed an executive order that brought sanctions back into place at 00:01 EDT (04:01 GMT) on Tuesday. They target:

- The purchase or acquisition of US banknotes by Iran's government
- Iran's trade in gold and other precious metals
- · Graphite, aluminium, steel, coal and software used in industrial processes
- Transactions related to the Iranian rial currency
- · Activities relating to Iran's issuance of sovereign debt
- · Iran's automotive sector

A second phase is planned to come back into effect on 5 November which will have implications for Iran's energy and shipping sectors, petroleum trading and transactions by foreign financial institutions with the Central Bank of Iran.

What has the reaction been?

Iranian President Hassan Rouhani said the US government had "turned their back on diplomacy".



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Media captionWhat is the Iran nuclear deal?

"They want to launch psychological warfare against the Iranian nation." he said.

"Negotiations with sanctions doesn't make sense. We are always in favour of diplomacy and talks... but talks need honesty."

The foreign ministers of Germany, the UK and France released a statement on Monday that said the nuclear deal remained "crucial" to global security.

<u>They also unveiled a "blocking statute"</u>, which is intended to protect European firms doing business with Iran despite the new US sanctions.

Alistair Burt, the UK's minister of state for the Middle East, told the BBC: "If a company fears legal action taken against it and enforcement action taken against it by an entity in response to American sanctions, then that company can be protected as far as EU legislation is concerned."

He said Iran would simply "batten down the hatches" until the next US election.

However, German car and lorry maker Daimler, which announced a joint venture in Iran last year, confirmed this week that it has now ceased activities in the country.

How will Iran's economy be affected?

Iran has already seen unrest since last December over a poorly-performing economy.

Rising food prices, unemployment and even poor water supplies have led to protests in a number of cities.

Demonstrations in Tehran in June were said to be the capital's biggest since 2012.



Media playback is unsupported on your device

Media captionTehran saw large-scale economic protests in June

How much they are tied to the new US sanctions policy is hard to determine, but one definite link is the effect on Iran's currency. It lost around half of its value after Mr Trump announced the US withdrawal from the nuclear deal.

Iran acted by easing its foreign exchange rules on Sunday, and the rial has strengthened by 20% since then.

Iranians have been hoarding gold as a safeguard, pushing it to a record high in Tehran.

The sanctions may bite hardest in November, when the US blocks Iranian oil sales.

This could halt about half of Iran's exports of some two million barrels a day, although Iran may look to China and Russia to keep its industry afloat.

The International Monetary Fund said in March that Iran's net official reserves could decline this year to \$97.8bn, which would finance about 13 months of imports. And analysts at BMI Research say Iran's economy could contract by 4.3% in 2019.

However, Barbara Slavin, of the Future of Iran Initiative at the Atlantic Council, <u>told the Wall Street Journal</u> that when sanctions hit hard, it often means ordinary people become "totally dependent" on their government and so sanctions do not tend to topple regimes.

What do young Iranians think?



Image copyright Getty Images

As the first tranche of new US sanctions kicks in, young Iranians have been sharing their stories with BBC Persian. Many are already feeling the effects, as the economy had slowed down in anticipation of what was to come.

"I used to work in marketing for a home appliance manufacturer," said Peyman. "I lost

my job as the company can't import the components."

Aerospace engineer Ali lost his job of 13 years because his company couldn't import equipment.

"Now I'm working as a taxi driver to feed my family," he said. Many people say they're no longer being paid on time and are finding it hard to make ends meet.

A construction worker, also called Ali, said he hadn't been paid for 13 months. Omid, a doctor, was doing overtime to pay the rent and save up to get married.

Many people said they were losing hope. Sama said falling exchange rates meant her monthly salary was now worth half what it was six months ago.

"Buying a house or a nice car is like a dream now, she said. "Even buying a good mobile phone soon will be impossible for people like me."

C. Riley, "Daimler abandons its Iran plans over US sanctions", CNN, 7 August 2018

Daimler abandons its Iran plans over US sanctions

wsls.com/automotive/daimler-abandons-its-iran-plans-over-us-sanctions

August 7, 2018



CNN

LONDON (CNNMoney) - Daimler has abandoned plans to expand in Iran as U.S. sanctions targeting the country snap back into place.

The maker of Mercedes-Benz cars confirmed Tuesday that it has suspended its activities in the country "until further notice according to applicable sanctions."

Related Content

Daimler said in a statement that Iran's automotive markets have been significantly weaker than expected, and it had not yet resumed production or sale of Mercedes cars or trucks in the country. The company has not sold cars in Iran since 2010.

The German carmaker had announced plans in 2016 to return to Iran after economic sanctions were lifted under an international agreement that sought to limit the country's nuclear program.

Daimler was joined by major companies including Boeing, Airbus, Total and Siemens, all of which sought to capitalize on pent-up demand in Iran for consumer products and improvements to infrastructure and equipment.

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Their plans were upended in May, when President Donald Trump decided to withdraw from the Iran nuclear accord and reimpose economic sanctions, the first wave of which took effect at midnight on Tuesday.

Companies caught violating the sanctions could be cut off from the U.S. financial system and targeted with other punishments.

A U.S. official said Monday that "nearly 100 international firms have announced their intent to leave the Iranian market."

The European Union has sought to salvage the nuclear deal and provide legal cover for its companies to continue operating in Iran. Its efforts include a "blocking statute" designed to protect companies from U.S. sanctions.

"We are determined to protect European economic operators engaged in legitimate business with Iran," European officials said in a statement on Monday. "Preserving the nuclear deal with Iran is a matter of respecting international agreements and a matter of international security."

Some European companies have decided the risks are too great.

PSA, which makes Peugeot and Citroen cars, said in June that it has begun to suspend its joint ventures in the country in order to comply with U.S. law.

Siemens CEO Joe Kaeser told CNN in May that his company could not do any new business in Iran. Total has said it is unable to proceed with a \$2 billion project to develop the country's giant South Pars gas field.

-- Nicole Gaouette and Donna Borak contributed reporting.

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"Auto supplier Duerr stops Iran business due to sanctions: Boersen-Zeitung", *Reuters*, 11 August 2018

Auto supplier Duerr stops Iran business due to sanctions: Boersen-Zeitung

reuters.com/article/us-duerr-iran/auto-supplier-duerr-stops-iran-business-due-to-sanctions-boersen-zeitung-idUSKBN1KW08Y

FRANKFURT (Reuters) - German automotive supplier Duerr has halted its activities in Iran, which has been hit by the reintroduction of U.S. sanctions this week that include threats to blacklist any companies trading with the Islamic republic.

"Business in Iran has grown over the past year. Now we have stopped our activities for the time being," Duerr Chief Financial Officer Carlo Crosetto told Boersen-Zeitung in an interview published on Saturday.

"We've won two larger contracts in 2017. This is not overly important, but it's not small either. This was also an opportunity in terms of margins that we're now losing," Crosetto said, without providing further details.

China and Germany on Wednesday defended their business ties with Iran in the face of President Donald Trump's warning that any companies trading with the country would be barred from the United States.

Several European companies have suspended plans to invest in Iran, including oil major Total as well as carmakers PSA, Renault and Daimler.

Reporting by Christoph Steitz; Editing by Mark Potter

E. Vaish, "Volvo halts Iran truck assembly due to U.S. sanctions", *Reuters*, 24 September 2018

Volvo halts Iran truck assembly due to U.S. sanctions

reuters.com/article/us-iran-nuclear-volvo/volvo-halts-iran-truck-assembly-due-to-us-sanctions-idUSKCN1M413A

STOCKHOLM (Reuters) - Swedish truckmaker AB Volvo has stopped assembling trucks in Iran because U.S. sanctions are preventing it from being paid, a spokesman for the company said on Monday.

, 7

FILE PHOTO - The logo of Swedish truck maker Volvo is pictured at the IAA truck show in Hanover, September 22, 2016. REUTERS/Fabian Bimmer

The sanctions against Iran, reimposed on Aug. 6 by U.S. President Donald Trump after his decision to pull out of a nuclear deal with Tehran, have forced companies across Europe to reconsider their investments there.

Volvo spokesman Fredrik Ivarsson said the trucks group could no longer get paid for any parts it shipped and had therefore decided not to operate in Iran in another blow to the country's car industry, which unlike the energy and banking sectors, had managed to sign contracts with top European firms.

"With all these sanctions and everything that the United States put (in place) ... the bank system doesn't work in Iran. We can't get paid ... So for now we don't have any business (in Iran)," Ivarsson told Reuters by telephone.

Before the sanctions were reimposed, Volvo had expressed an ambition for Iran to become its main export hub for the Gulf region and North Africa markets.

The European Union has implemented a law to shield its companies, but the sanctions have deterred banks from doing business with Iranian firms as Washington can cut any that facilitate such transactions off from the U.S. financial system.

TRUCK EXIT

Volvo was working with Saipa Diesel, part of Iran's second-largest automaker SAIPA, which was assembling the Swedish firm's heavy-duty trucks from kits shipped to Iran.

Ivarsson said Volvo had no active orders in Iran as of Monday.

A commercial department manager at Saipa Diesel confirmed that sanctions had prompted Volvo Trucks to terminate their partnership agreement.

"They have decided that due to the sanction on Iran, from (May) they couldn't cooperate with us. We had some renovation planned in Iran for a new plant but they refused to work with us," said the manager, who declined to be identified.

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More than 3,500 Volvo trucks had been assembled by Saipa Diesel in the year to May, but none had been assembled in this financial year although the original deal was for at least 5,000 trucks, the manager told Reuters.

Swedish truckmaker Scania, which is owned by Volkswagen (VOWG_p.DE), said it had canceled all orders that it could not deliver by mid-August due to sanctions, while French carmaker PSA Group began to suspend its joint venture activities in Iran in June.

Germany's Daimler has said it is closely monitoring any further developments, while carmaker Volkswagen has rejected a report that suggested it had decided against doing business in Iran.

Reporting by Esha Vaish in Stockholm; Editing by Alexander Smith

Our Standards:The Thomson Reuters Trust Principles.

IMF, "Islamic Republic of Iran: 2018 Article IV Consultation", IMF Country Report No. 18/93, March 2018

Excerpts: p. 1, p. 27



INTERNATIONAL MONETARY FUND

IMF Country Report No. 18/93

ISLAMIC REPUBLIC OF IRAN

March 2018

2018 ARTICLE IV CONSULTATION—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR THE ISLAMIC REPUBLIC OF IRAN

Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. In the context of the 2018 Article IV consultation with the Islamic Republic of Iran, the following documents have been released and are included in this package:

- A Press Release summarizing the views of the Executive Board as expressed during its March 22, 2018 consideration of the staff report that concluded the Article IV consultation with the Islamic Republic of Iran.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on March 22, 2018, following discussions that ended on February 19, 2018, with the officials of the Islamic Republic of Iran on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on March 7, 2018.
- An Informational Annex prepared by the IMF staff.
- A Statement by the Executive Director for the Islamic Republic of Iran.

The documents listed below will be separately released.

Selected Issues

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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Source of Risks	Relative Likelihood	Time Horizon	Potential Impact	Policy Response	
Spillover Risks					
Intensification of the risks of fragmentation/security dislocation in part of the Middle East, Africa, Asia, and Europe	High	Short to Medium Term	High Regional conflicts could weigh negatively on Iran's trade development and regional integration.	Speed up structural reforms. Continue effot to focus on domestic reforms to increase Iran's attractiveness to foreign investors. Increase fiscal revenues by increasing the share of central government budget in oil revenues. Build fiscal and external buffers.	
			Medium		
Tighter global financial conditions. Against the backdrop of continued monetary policy normalization and increasingly stretched valuations across asset classes, an abrupt change in global risk appetite could lead to sudden, sharp increases in interest rates and associated tightening of financial conditions.	High	Short to Medium Term	Iran faces challenges in fully connecting to the global financial system and its external debt remains low.	Speed up financial sector reform. Continued improvements in Iran's AML/CFT framewor and the health of its banking system remain essential to facilitate fuller reintegration into the global financial system.	
manda conditions.		High			
Structurally weak growth in key advanced economies.	High	Medium Term	Weak growth in euro area and Japan would negatively impact Iran's oil exports and growth.	Continue domestic reforms that diversify the economy, strengthen domestic productive capacity and enhance resilience to shocks.	
Significant China slowdown and its spillovers.	Low/Medium	Short to Medium Term	High China has become one of Iran's key trade partners in the recent past. China accounts for 45 percent of Iran's total exports.	Continued efforts to diversify Iran's trade a to attract foreign investors. Speed up structural reform to foster broader based growth.	
			High	Improve fiscal planning by articulating fisca	
Lower energy prices driven by weakening OPEC/Russia cartel cohesion and/or recovery of oil production in the African continent.	Low	Short to Medium Term	Negative impact on oil revenue, thus reducing scope for increasing growth-enhancing spending.	priorities within a medium-term framewor and build fiscal buffers. Continue to reduce oil dependency by increasing domestic tax revenue.	
Domestic Risks				, contract	
Uncertainties related to the implementation of the JCPOA.	High	Short to Medium Term	High Growth and exports would be negatively affected by the re- imposition of sanctions or counter- measures that would lower direct investment and capital inflows, and disconnect Iran from the global financial system.	Continue reforms to strengthen domestic productive capacity, build external and domestic buffers and improve the AML/CF framework.	
			High		
Financial strains from inadequate progress on banking sector recapitalization and restructuring.	High	Short to Medium Term	Continued banking system stress would see liquidity growth and inflation accelerate, real interest rates remain high, and growth slow.	Build broad-based consensus on a comprehensive restructuring and recapitalization strategy and how it is to be financed.	
Weakening of political or social support for reform.	High	Short to Medium Term	High Difficulties in advancing reforms could hamper growth and job prospects, especially for the youth and women.	Improve transparency and outreach to pub and key stakeholders to build support for reforms. Strengthen administrative capacit through technical assistance.	
FATF introducing counter-measures against Iran.	Medium	Short to Medium term	High Iran could lose access SWIFT, existing CBRs with European banks could be terminated. Medium	Improve the AML/CFT framework, tighten policies to avoid pressure on the exchange rate and inflation. Reduce non-oil fiscal deficit to support	
Limited progress in strengthening the monetary and fiscal policy frameworks.	Medium	Short to Medium Term	Without fiscal and monetary policy reform there is a risk of higher inflation, real exchange rate appreciation, and eroding competitiveness.	disinflation, while mobilizing tax revenue to create space for growth-enhancing spendir Develop buffers to protect the economy against the consequences of adverse shock Develop a medium-term fiscal framework	

Source: IMF staff.

1/ The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path (the scenario most likely to materialize in the view of IMF staff). The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. "Short term" and "medium term" are meant to indicate that the risk could materialize within one year and three years, respectively.

K. Katzman, "Iran Sanctions", Congressional Research Service, RS20871, updated 18 April 2018

Excerpts: p. 1, pp. 65-66



Iran Sanctions

Kenneth Katzman Specialist in Middle Eastern Affairs

April 18, 2018

Congressional Research Service

7-5700 www.crs.gov RS20871

CRS REPORT
Prepared for Members and
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Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/ Goal
Dec. 2016	Changuleh Oil Field Companies signed MoU's to assess field.	Gazprom (Russia), PTTEP (Thailand), and DNO (Norway)		
Dec. 2016	Kish Gas Field Royal Dutch Shell signed MoU to assess the field	Royal Dutch Shell		
Dec. 2016	Chesmekosh Gas Field Gazprom signed MoU to assess the field	Gazprom (Russia) and Petronas (Malaysia)		
Mar. 2017	Shadegan Oil Field Khuzestan province (southern Iran). Currently producing about 65,000 bpd.	Tatneft (Russia)		500,000 bpd max.

Sources: Various oil and gas journals, as well as CRS conversations with some U.S. and company officials. Some information comes from various GAO reports, the latest of which was January 13, 2015 (GAO-15-258R).

Note: CRS has no mandate, authority, or means to determine violations of the Iran Sanctions Act, and no way to confirm the status of any of the reported investments. The investments are private agreements between Iran and the firms involved, which are not required to reveal the terms of their arrangements. Reported \$20 million+investments in oil and gas fields, refinery upgrades, and major project leadership are included in this table. Responsibility for a project to develop Iran's energy sector is part of ISA investment definition.

Effect on Gasoline Availability and Importation

As the enactment of U.S. sanctions on the sale of gasoline to Iran became increasingly likely in 2010, several suppliers apparently stopped selling gasoline to Iran. Others ceased after the enactment of CISADA. Gasoline deliveries to Iran fell from about 120,000 barrels per day before CISADA to about 30,000 barrels per day immediately thereafter, although importation later increased to about 50,000 barrels per day. In 2017, Iranian officials said Iran had become largely self-sufficient in gasoline production.

Humanitarian Effects/Passenger Aircraft Safety

Sanctions produced humanitarian-related effects in several sectors, particularly on the population's ability to obtain Western-made medicines, such as expensive chemo-therapy medicines. Some of the scarcity was caused by banks' refusal to finance such sales, even though doing was not subject to any sanctions. Some observers say the Iranian government exaggerated reports of medicine shortages to generate opposition to the sanctions. Other accounts say that Iranians, particularly those with connections to the government, took advantage of medicine shortages by cornering the import market for key medicines.

Other reports say that pollution in Tehran and other big cities worsened because Iran produces gasoline itself with methods that cause more impurities than imported gasoline. As noted above, Iran's efforts to deal with environment hazards and problems might be hindered by denial of World Bank lending for that purpose.

In the aviation sector, some Iranian pilots complained publicly that U.S. sanctions caused Iran's passenger airline fleet to deteriorate to the point of jeopardizing safety. Since the U.S. trade ban was imposed in 1995, 1,700 passengers and crew of Iranian aircraft have been killed in air

Congressional Research Service

⁹³ Information in this section derived from Javier Blas, "Traders Cut Iran Petrol Line," Financial Times, March 8, 2010.

accidents, although it is not clear how many of the crashes, if any, were due to difficultly in acquiring U.S. spare parts. 94

New Aircraft Sales

Sanctions relief has at least begun to ameliorate the humanitarian difficulties discussed above. In the aviation sector, several sales of passenger aircraft have been announced, and licensed by the Department of the Treasury, since Implementation Day. However, in May 2017, Treasury Secretary Steven Mnuchin stated to the House Ways and Means Committee that the Treasury Department "is reviewing" licenses already given to Boeing and Airbus, as discussed below. The statement appeared to reflect allegations by outside groups and others that Iran Air and other nonsanctioned Iranian airlines might be delivering weaponry to Syria or other Iranian allies.

- In February 2016, Iran Air—which was delisted from U.S. sanctions as of Implementation Day—announced it would purchase 118 Airbus commercial aircraft at an estimated value of \$27 billion. Airbus has received an OFAC license and several of the aircraft have been delivered as of July 2017.
- In December 2016, Boeing and Iran Air finalized an agreement for Boeing to sell the airline 80 passenger aircraft and lease 29 others. Boeing received a specific license for the transaction. The deal has a total estimated value of about \$17 billion, with deliveries to start in 2018. The Boeing sale is to include 30 of the 777 model.
- In April 2017, Iran's Aseman Airlines signed a tentative agreement to buy at least 30 Boeing MAX passenger aircraft. No U.S. licenses for this sale have been announced, to date. The airline is owned by Iran's civil service pension fund but managed as a private company.
- In June 2017, Airbus agreed to tentative sales of 45 A320 aircraft to Iran's Airtour Airline, and of 28 A320 and A330 aircraft to Iran's Zagros Airlines. No U.S. licenses for the sales have been announced to date.

Post-JCPOA Sanctions Legislation

The JCPOA, its implications, and related Iran issues have been the subject of legislation. The JCPOA states that as long as Iran fully complies with the JCPOA, the sanctions that were suspended or lifted shall not be reimposed on other bases (such as terrorism or human rights).

Key Legislation in the 114th Congress

The Obama Administration stated that it would adhere to that provision but that some new sanctions that seek to limit Iran's military power, its human rights abuses, or its support for militant groups might not necessarily violate the JCPOA. During 2015-2016, supporters of the bills below asserted that they addressed weaknesses of the agreement or unrelated Iran issues, or increased oversight of the JCPOA.

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⁹⁴ Thomas Erdbink, "Iran's Aging Airliner Fleet Seen As Faltering Under U.S. Sanctions," July 14, 2012.

K. Katzman, "Iran Sanctions", Congressional Research Service, RS20871, updated 22 April 2019



Iran Sanctions

Updated April 22, 2019

Congressional Research Service https://crsreports.congress.gov RS20871

CRS REPORT
Prepared for Members and
Committees of Congress —

SUMMARY

RS20871

April 22, 2019

Kenneth Katzman Specialist in Middle Eastern Affairs

Iran Sanctions

Successive Administrations have used sanctions extensively to try to change Iran's behavior. Sanctions have had a substantial effect on Iran's economy and on some major decisions, but little or no effect on Iran's regional malign activities. During 2012-2015, when the global community was relatively united in pressuring Iran, Iran's economy shrank as its crude oil exports fell by more than 50%, and Iran had limited ability to utilize its \$120 billion in assets held abroad. The 2015 multilateral nuclear accord (Joint Comprehensive Plan of Action, or JCPOA) provided Iran broad relief as the Obama Administration waived relevant sanctions, revoked relevant executive orders (E.O.s.), and corresponding U.N. and EU sanctions were lifted. Remaining in place were a

general ban on U.S. trade with Iran and sanctions on Iran's support for regional governments and armed factions, its human rights abuses, its efforts to acquire missile and advanced conventional weapons capabilities, and the Islamic Revolutionary Guard Corps (IRGC).

Under U.N. Security Council Resolution 2231, nonbinding U.N. restrictions on Iran's development of nuclear-capable ballistic missiles and a binding ban on its importation or exportation of arms remain in place for several years. Iran has defied the Resolution by continuing long-standing support for regional armed factions and development of ballistic missiles. Iran was able to pursue these policies even when strict international economic sanctions imposed significant harm to its economy during 2010-2015.

JCPOA sanctions relief enabled Iran to increase its oil exports to nearly pre-sanctions levels, regain access to foreign exchange reserve funds and reintegrate into the international financial system, achieve about 7% yearly economic growth (2016-17), attract foreign investment, and buy new passenger aircraft. The sanctions relief contributed to Iranian President Hassan Rouhani's reelection in the May 19, 2017, vote. However, the economic rebound did not prevent sporadic unrest from erupting in December 2017.

The Trump Administration has made sanctions central to efforts to apply "maximum pressure" on Iran's regime. On May 8, 2018, President Trump announced that the United States would no longer participate in the JCPOA and that all U.S. secondary sanctions would be reimposed by early November 2018. The reinstatement of U.S. sanctions has driven Iran's economy into mild recession as major companies exit the Iranian economy rather than risk being penalized by the United States. Iran's oil exports have decreased significantly, the value of Iran's currency has declined sharply, and unrest has continued, although not to the point where the regime is threatened. But, the European Union and other countries are trying to keep the economic benefits of the JCPOA flowing to Iran in order to persuade Iran to remain in the accord. To that end, in January 2019 the European countries created a trading mechanism (Special Purpose Vehicle) that presumably can increase trade with Iran by circumventing U.S. secondary sanctions. On November 5, 2018, the Administration granted 180-day "Significant Reduction Exceptions" (SREs) to eight countries – enabling them to import Iranian oil without penalty as long as they continue to reduce purchases of Iranian oil. On April 22, 2019. The Administration announced it would not renew any SREs when they expire on May 2, 2019, instead seeking to drive Iran's oil exports as close to zero as possible. The economic difficulties have prompted Iranian hardliners to urge reconsideration of Iran's continued adherence to the JCPOA.

See also CRS Report R43333, *Iran Nuclear Agreement and U.S. Exit*, by Paul K. Kerr and Kenneth Katzman; and CRS Report R43311, *Iran: U.S. Economic Sanctions and the Authority to Lift Restrictions*, by Dianne E. Rennack.

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Overview and Objectives

Sanctions have been a significant component of U.S. Iran policy since Iran's 1979 Islamic Revolution that toppled the Shah of Iran, a U.S. ally. In the 1980s and 1990s, U.S. sanctions were intended to try to compel Iran to cease supporting acts of terrorism and to limit Iran's strategic power in the Middle East more generally. After the mid-2000s, U.S. and international sanctions focused largely on ensuring that Iran's nuclear program is for purely civilian uses. During 2010-2015, the international community cooperated closely with a U.S.-led and U.N.-authorized sanctions regime in pursuit of the goal of persuading Iran to agree to limits to its nuclear program. Still, sanctions against Iran have multiple objectives and address multiple perceived threats from Iran simultaneously.

This report analyzes U.S. and international sanctions against Iran. CRS has no way to independently corroborate whether any individual or other entity might be in violation of U.S. or international sanctions against Iran. The report tracks "implementation" of the various U.S. laws and Executive Orders as designations and imposition of sanctions. Some sanctions require the blocking of U.S.-based property of sanctioned entities. CRS has not obtained information from the executive branch indicating that such property has been blocked, and it is possible that sanctioned entities do not have any U.S. assets that could be blocked.

The sections below are grouped by function, in the chronological order in which these themes have emerged.¹

Blocked Iranian Property and Assets

Post-JCPOA Status: Iranian Assets Still Frozen, but Some Issues Resolved

U.S. sanctions on Iran were first imposed during the U.S.-Iran hostage crisis of 1979-1981, in the form of executive orders issued by President Jimmy Carter blocking nearly all Iranian assets held in the United States. These included E.O. 12170 of November 14, 1979, blocking all Iranian government property in the United States, and E.O 12205 (April 7, 1980) and E.O. 12211 (April 17, 1980) banning virtually all U.S. trade with Iran. The latter two Orders were issued just prior to the failed April 24-25, 1980, U.S. effort to rescue the U.S. Embassy hostages held by Iran. President Jimmy Carter also broke diplomatic relations with Iran on April 7, 1980. The traderelated Orders (12205 and 12211) were revoked by Executive Order 12282 of January 19, 1981, following the "Algiers Accords" that resolved the U.S.-Iran hostage crisis. Iranian assets still frozen are analyzed below.

U.S.-Iran Claims Tribunal

The Accords established a "U.S.-Iran Claims Tribunal" at the Hague that continues to arbitrate cases resulting from the 1980 break in relations and freezing of some of Iran's assets. All of the 4,700 private U.S. claims against Iran were resolved in the first 20 years of the Tribunal, resulting in \$2.5 billion in awards to U.S. nationals and firms.

¹ On November 13, 2012, the Administration published in the *Federal Register* (Volume 77, Number 219) "Policy Guidance" explaining how it implements many of the sanctions, and in particular defining what products and chemicals constitute "petroleum," "petroleum products," and "petrochemical products" that are used in the laws and executive orders discussed below. See http://www.gpo.gov/fdsys/pkg/FR-2012-11-13/pdf/2012-27642.pdf.

The major government-to-government cases involved Iranian claims for compensation for hundreds of foreign military sales (FMS) cases that were halted in concert with the rift in U.S.-Iran relations when the Shah's government fell in 1979. In 1991, the George H. W. Bush Administration paid \$278 million from the Treasury Department Judgment Fund to settle FMS cases involving weapons Iran had received but which were in the United States undergoing repair and impounded when the Shah fell.

On January 17, 2016, (the day after the JCPOA took effect), the United States announced it had settled with Iran for FMS cases involving weaponry the Shah was paying for but that was not completed and delivered to Iran when the Shah fell. The Shah's government had deposited its payments into a DOD-managed "Iran FMS Trust Fund," and, after 1990, the Fund had a balance of about \$400 million. In 1990, \$200 million was paid from the Fund to Iran to settle some FMS cases. Under the 2016 settlement, the United States sent Iran the \$400 million balance in the Fund, plus \$1.3 billion in accrued interest, paid from the Department of the Treasury's "Judgment Fund." In order not to violate U.S. regulations barring direct U.S. dollar transfers to Iranian banks, the funds were remitted to Iran in late January and early February 2016 in foreign hard currency from the central banks of the Netherlands and of Switzerland. Some remaining claims involving the FMS program with Iran remain under arbitration at the Tribunal.

Other Iranian Assets Frozen

Iranian assets in the United States are blocked under several provisions, including Executive Order 13599 of February 2010. The United States did not unblock any of these assets as a consequence of the JCPOA.

- About \$1.9 billion in blocked Iranian assets are bonds belonging to Iran's Central Bank, frozen in a Citibank account in New York belonging to Clearstream, a Luxembourg-based securities firm, in 2008. The funds were blocked on the grounds that Clearstream had improperly allowed those funds to access the U.S. financial system. Another \$1.67 billion in principal and interest payments on that account were moved to Luxembourg and are not blocked.
- About \$50 million of Iran's assets frozen in the United States consists of Iranian diplomatic property and accounts, including the former Iranian embassy in Washington, DC, and 10 other properties in several states, and related accounts.²
- Among other frozen Iranian assets are real estate holdings of the Assa Company, a UK-chartered entity, which allegedly was maintaining the interests of Iran's Bank Melli in a 36-story office building in New York City and several other properties around the United States (in Texas, California, Virginia, Maryland, and other parts of New York City). An Iranian foundation, the Alavi Foundation, allegedly is an investor in the properties. The U.S. Attorney for the Southern District of New York blocked these properties in 2009. The Department of the Treasury report avoids valuing real estate holdings, but public sources assess these blocked real estate assets at nearly \$1 billion. In June 2017, litigation won the U.S. government control over the New York City office building.

Use of Iranian Assets to Compensate U.S. Victims of Iranian Terrorism

There are a total of about \$46 billion in court awards that have been made to victims of Iranian terrorism. These include the families of the 241 U.S. soldiers killed in the October 23, 1983,

² http://www.treasury.gov/resource-center/sanctions/Documents/tar2010.pdf.

bombing of the U.S. Marine barracks in Beirut. U.S. funds equivalent to the \$400 million balance in the DOD account (see above) have been used to pay a small portion of these judgments. The Algiers Accords apparently precluded compensation for the 52 U.S. diplomats held hostage by Iran from November 1979 until January 1981. The FY2016 Consolidated Appropriation (Section 404 of P.L. 114-113) set up a mechanism for paying damages to the U.S. embassy hostages and other victims of state-sponsored terrorism using settlement payments paid by various banks for concealing Iran-related transactions, and proceeds from other Iranian frozen assets.

In April 2016, the U.S. Supreme Court determined the Central Bank assets, discussed above, could be used to pay the terrorism judgments, and the proceeds from the sale of the frozen real estate assets mentioned above will likely be distributed to victims of Iranian terrorism as well.³ On the other hand, in March 2018, the U.S. Supreme Court ruled that U.S. victims of an Iransponsored terrorist attack could not seize a collection of Persian antiquities on loan to a University of Chicago museum to satisfy a court judgment against Iran.

Other past financial disputes include the mistaken U.S. shoot-down on July 3, 1988, of an Iranian Airbus passenger jet (Iran Air flight 655), for which the United States paid Iran \$61.8 million in compensation (\$300,000 per wage-earning victim, \$150,000 per non-wage earner) for the 248 Iranians killed. The United States did not compensate Iran for the airplane itself, although officials involved in the negotiations told CRS in November 2012 that the United States later arranged to provide a substitute used aircraft to Iran.

For more detail on how Iranian and other assets are used to compensate victims of Iranian terrorism, see CRS Report RL31258, *Suits Against Terrorist States by Victims of Terrorism*, by Jennifer K. Elsea and CRS Legal Sidebar LSB10104, *It Belongs in a Museum: Sovereign Immunity Shields Iranian Antiquities Even When It Does Not Protect Iran*, by Stephen P. Mulligan.

Executive Order 13599 Impounding Iran-Owned Assets

Post-ICPOA Status: Still in Effect

Executive Order 13599, issued February 5, 2012, directs the blocking of U.S.-based assets of entities determined to be "owned or controlled by the Iranian government." The order was issued to implement Section 1245 of the FY2012 National Defense Authorization Act (P.L. 112-81) that imposed secondary U.S. sanctions on Iran's Central Bank. The Order requires that any U.S.-based assets of the Central Bank of Iran, or of any Iranian government-controlled entity, be blocked by U.S. banks. The order goes beyond the regulations issued pursuant to the 1995 imposition of the U.S. trade ban with Iran, in which U.S. banks are required to refuse such transactions but to return funds to Iran. Even before the issuance of the Order, and in order to implement the ban on U.S. trade with Iran (see below) successive Administrations had designated many entities as "owned or controlled by the Government of Iran."

Numerous designations have been made under Executive Order 13599, including the June 4, 2013, naming of 38 entities (mostly oil, petrochemical, and investment companies) that are components of an Iranian entity called the "Execution of Imam Khomeini's Order" (EIKO).⁴

³ "U.S. Court Reverses Record Forfeiture Order over Iran Assets." Associated Press. July 21, 2016.

⁴ http://global.factiva.com/hp/printsavews.aspx?pp=Print&hc=Publication; and Department of Treasury announcement of June 4, 2013.

EIKO was characterized by the Department of the Treasury as an Iranian leadership entity that controls "massive off-the-books investments."

Implementation of the U.S. JCPOA Withdrawal. To implement the JCPOA, many 13599-designated entities specified in the JCPOA (Attachment 3) were "delisted" from U.S. secondary sanctions (no longer considered "Specially Designated Nationals," SDNs), and referred to as "designees blocked solely pursuant to E.O 13599." That characterization permitted foreign entities to conduct transactions with the listed entities without U.S. sanctions penalty but continued to bar U.S. persons (or foreign entities owned or controlled by a U.S. person) from conducting transactions with these entities. Treasury Department announced on May 8, 2018, in concert with the U.S. withdrawal from the JCPOA, that almost all of the 13599-designated entities that were delisted as SDNs will be relisted as SDNs on November 5, 2018. That day, the Treasury Department updated the list of SDNs to reflect the redesignations.

Civilian Nuclear Entity Exception. One notable exception to the relisting policy implemented in 2018 is the Atomic Energy Organization of Iran (AEOI). The entity, along with 23 of its subsidiaries, were redesignated under E.O. 13599 but *not* as entities subject to secondary sanctions under E.O. 13382. This U.S. listing decision was made in order to facilitate continued IAEA and EU and other country engagement with Iran's civilian nuclear program under the JCPOA. ⁷

Sanctions for Iran's Support for Terrorism and Regional Activities

Most of the hostage crisis-related sanctions were lifted upon resolution of the crisis in 1981. The United States began imposing sanctions against Iran again in the mid-1980s for its support for regional groups committing acts of terrorism. The Secretary of State designated Iran a "state sponsor of terrorism" on January 23, 1984, following the October 23, 1983, bombing of the U.S. Marine barracks in Lebanon by elements that later established Lebanese Hezbollah. This designation triggers substantial sanctions on any nation so designated.

None of the laws or Executive Orders in this section were waived or revoked to implement the JCPOA. No entities discussed in this section were "delisted" from sanctions under the JCPOA.

Sanctions Triggered by Terrorism List Designation

The U.S. naming of Iran as a "state sponsor of terrorism"—commonly referred to as Iran's inclusion on the U.S. "terrorism list"—triggers several sanctions. The designation is made under the authority of Section 6(j) of the Export Administration Act of 1979 (P.L. 96-72, as amended), sanctioning countries determined to have provided repeated support for acts of international terrorism. The sanctions triggered by Iran's state sponsor of terrorism designation are as follows:

Restrictions on sales of U.S. dual use items. The restriction—a presumption of
denial of any license applications to sell dual use items to Iran—is required by
the Export Administration Act, as continued by executive orders under the
authority of the International Emergency Economic Powers Act, IEEPA. The

⁵ https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20181105_names.aspx.

⁶ For a full list of entities designated under E.O. 13599, go to the following link: https://www.treasury.gov/ofac/downloads/13599/13599list.pdf.

⁷ U.S. diplomatic "non-paper" provided to CRS.

- restrictions are enforced through Export Administration Regulations (EARs) administered by the Bureau of Industry and Security (BIS) of the Commerce Department.
- Ban on direct U.S. financial assistance and arms sales to Iran. Section 620A of the Foreign Assistance Act, FAA (P.L. 87-95) and Section 40 of the Arms Export Control Act (P.L. 95-92, as amended), respectively, bar any U.S. foreign assistance to terrorism list countries. Included in the definition of foreign assistance are U.S. government loans, credits, credit insurance, and Ex-Im Bank loan guarantees. Successive foreign aid appropriations laws since the late 1980s have banned direct assistance to Iran, and with no waiver provisions. The FY2012 foreign operations appropriation (Section 7041(c)(2) of P.L. 112-74) banned the Ex-Im Bank from using funds appropriated in that Act to finance any entity sanctioned under the Iran Sanctions Act. The foreign aid provisions of the FY2019 Consolidated Appropriation (Section 7041) made that provision effective for FY2019.
- Requirement to oppose multilateral lending. U.S. officials are required to vote against multilateral lending to any terrorism list country by Section 1621 of the International Financial Institutions Act (P.L. 95-118, as amended [added by Section 327 of the Anti-Terrorism and Effective Death Penalty Act of 1996 (P.L. 104-132)]). Waiver authority is provided.
- Withholding of U.S. foreign assistance to countries that assist or sell arms to terrorism list countries. Under Sections 620G and 620H of the Foreign Assistance Act, as added by the Anti-Terrorism and Effective Death Penalty Act (Sections 325 and 326 of P.L. 104-132), the President is required to withhold foreign aid from any country that aids or sells arms to a terrorism list country. Waiver authority is provided. Section 321 of that act makes it a crime for a U.S. person to conduct financial transactions with terrorism list governments.
- Withholding of U.S. Aid to Organizations That Assist Iran. Section 307 of the FAA (added in 1985) names Iran as unable to benefit from U.S. contributions to international organizations, and require proportionate cuts if these institutions work in Iran. For example, if an international organization spends 3% of its budget for programs in Iran, then the United States is required to withhold 3% of its contribution to that international organization. No waiver is provided for.

Exception for U.S. Humanitarian Aid

The terrorism list designation, and other U.S. sanctions laws barring assistance to Iran, do not bar U.S. disaster aid. The United States donated \$125,000, through relief agencies, to help victims of two earthquakes in Iran (February and May 1997); \$350,000 worth of aid to the victims of a June 22, 2002, earthquake; and \$5.7 million in assistance for victims of the December 2003 earthquake in Bam, Iran, which killed 40,000. The U.S. military flew 68,000 kilograms of supplies to Bam.

Requirements for Removal from Terrorism List

Terminating the sanctions triggered by Iran's terrorism list designation would require Iran's removal from the terrorism list. The Arms Export Control Act spells out two different requirements for a President to remove a country from the list, depending on whether the country's regime has changed.

If the country's regime has changed: the President can remove a country from the list immediately by certifying that regime change in a report to Congress.

If the country's regime has not changed: the President must report to Congress 45 days in advance of the effective date of removal. The President must certify that (1) the country has not supported international terrorism within the preceding six months, and (2) the country has provided assurances it will not do so in the future. In this latter circumstance, Congress has the opportunity to block the removal by enacting a joint resolution to that effect. The President has the option of vetoing the joint resolution, and blocking the removal would require a veto override.

Sanctions on States "Not Cooperating" Against Terrorism

Section 330 of the Anti-Terrorism and Effective Death Penalty Act (P.L. 104-132) added a Section 40A to the Arms Export Control Act that prohibits the sale or licensing of U.S. defense articles and services to any country designated (by each May 15) as "not cooperating fully with U.S. anti-terrorism efforts." The President can waive the provision upon determination that a defense sale to a designated country is "important to the national interests" of the United States.

Every May since the enactment of this law, Iran has been designated as a country that is "not fully cooperating" with U.S. antiterrorism efforts. However, the effect of the designation is largely mooted by the many other authorities that prohibit U.S. defense sales to Iran.

Executive Order 13224 Sanctioning Terrorism-Supporting Entities

Executive Order 13324 (September 23, 2001) mandates the freezing of the U.S.-based assets of and a ban on U.S. transactions with entities determined by the Administration to be supporting international terrorism. This order was issued two weeks after the September 11, 2001, attacks on the United States, under the authority of the IEEPA, the National Emergencies Act, the U.N. Participation Act of 1945, and Section 301 of the U.S. Code, initially targeting Al Qaeda.

Use of the Order to Target Iranian Arms Exports

E.O. 13224 is not specific to Iran and does not explicitly target Iranian arms exports to movements, governments, or groups in the Middle East region. However, successive Administrations have used the Order—and the orders discussed immediately below—to sanction such Iranian activity by designating persons or entities that are involved in the delivery or receipt of such weapons shipments. Some persons and entities that have been sanctioned for such activity have been cited for supporting groups such as the Afghan Taliban organization and the Houthi rebels in Yemen, which are not named as terrorist groups by the United States.

Application of CAATSA to the Revolutionary Guard

Section 105 of the Countering America's Adversaries through Sanctions Act (CAATSA, P.L. 115-44, signed on August 2, 2017), mandates the imposition of E.O. 13324 penalties on the Islamic Revolutionary Guard Corps (IRGC) and its officials, agents, and affiliates by October 30, 2017 (90 days after enactment). The IRGC was named as a terrorism-supporting entity under E.O 13224 within that deadline. The Treasury Department made the designation of the IRGC as a terrorism-supporting entity under that E.O. on October 13, 2017.

Implementation

As noted, no entities designated under E.O. 13224 were delisted to implement the JCPOA. Additional Iran-related entities have been designated under the Order since JCPOA implementation, as shown in the table at the end of this report.

Foreign Terrorist Organization Designations

Sanctions similar to those of E.O. 13224 are imposed on Iranian and Iran-linked entities through the State Department authority under Section 219 of the Immigration and Nationality Act (8.U.S.C. 1189) to designate an entity as a Foreign Terrorist Organization (FTO). In addition to the sanctions of E.O. 13224, any U.S. person (or person under U.S. jurisdiction) who "knowingly provides material support or resources to an FTO, or attempts or conspires to do so" is subject to fine or up to 20 years in prison. A bank that commits such a violation is subject to fines.

Implementation: The following organizations have been designated as FTOs for acts of terrorism on behalf of Iran or are organizations assessed as funded and supported by Iran:

- Islamic Revolutionary Guard Corps (IRGC). Designated April 8, 2019. See: CRS Insight IN11093, *Iran's Revolutionary Guard Named a Terrorist Organization*, by Kenneth Katzman. On April 22, 2019, the State Department issued guidelines for implementing the IRGC FTO designation, indicating that it would not seek to penalize routine diplomatic dealings with the IRGC by U.S. partner countries or nongovernmental entities.⁸
- Lebanese Hezbollah
- Kata'ib Hezbollah. Iran-backed Iraqi Shi'a militia.
- Hamas. Sunni, Islamist Palestinian organization that essentially controls the Gaza Strip.
- Palestine Islamic Jihad. Small Sunni Islamist Palestinian militant group
- Al Aqsa Martyr's Brigade. Secular Palestinian militant group.
- Popular Front for the Liberation of Palestine-General Command (PFLP-GC). Leftwing secular Palestinian group based mainly in Syria.
- Al Ashtar Brigades. Bahrain militant opposition group

Other Sanctions on Iran's "Malign" Regional Activities

Some sanctions have been imposed to try to curtail Iran's destabilizing influence in the region.

- Executive Order 13438 on Threats to Iraq's Stability. Issued on July 7, 2007, the order blocks U.S.-based property of persons who are determined by the Administration to "have committed, or pose a significant risk of committing" acts of violence that threaten the peace and stability of Iraq, or undermine efforts to promote economic reconstruction or political reform in Iraq. The Order extends to persons designated as materially assisting such designees. The Order was clearly directed at Iran for its provision of arms or funds to Shiite militias there. Persons sanctioned under the Order include IRGC-Qods Force officers, Iraqi Shiite militia-linked figures, and other entities. Some of these sanctioned entities worked to defeat the Islamic State in Iraq and are in prominent roles in Iraq's parliament and political structure.
- Executive Order 13572 on Repression of the Syrian People. Issued on April 29, 2011, the order blocks the U.S.-based property of persons determined to be responsible for human rights abuses and repression of the Syrian people. The

⁸ Exclusive: U.S. Carves out Exceptions for Foreigners Dealing with Revolutionary Guards. Reuters, April 21, 2019.

- IRGC-Qods Force (IRGC-QF), IRGC-QF commanders, and others are sanctioned under this order.
- The Hizballah International Financing Prevention Act (P.L. 114-102) and Hizballah International Financing Prevention Amendments Act of 2018 (S. 1595, P.L. 115-272). The latter Act was signed by President Trump on October 23, 2018the 25th anniversary of the Marine barracks bombing in Beirut. The original law, modeled on the 2010 Comprehensive Iran Sanctions, Accountability, and Divestment Act ("CISADA," see below), excludes from the U.S. financial system any bank that conducts transactions with Hezbollah or its affiliates or partners. The more recent law expands the authority of the original law by authorizing the blocking of U.S.-based property of and U.S. transactions with any "agency or instrumentality of a foreign state" that conducts joint operations with or provides financing or arms to Lebanese Hezbollah. These latter provisions clearly refer to Iran, but are largely redundant with other sanctions on Iran.

Ban on U.S. Trade and Investment with Iran

Status: Trade ban eased for JCPOA, but back in full effect on August 6, 2018

In 1995, the Clinton Administration expanded U.S. sanctions against Iran by issuing Executive Order 12959 (May 6, 1995) banning U.S. trade with and investment in Iran. The order was issued under the authority primarily of the International Emergency Economic Powers Act (IEEPA, 50 U.S.C. 1701 et seq.), which gives the President wide powers to regulate commerce with a foreign country when a "state of emergency" is declared in relations with that country. E.O. 12959 superseded Executive Order 12957 (March 15, 1995) barring U.S. investment in Iran's energy sector, which accompanied President Clinton's declaration of a "state of emergency" with respect to Iran. Subsequently, E.O 13059 (August 19, 1997) added a prohibition on U.S. companies' knowingly exporting goods to a third country for incorporation into products destined for Iran. Each March since 1995, the U.S. Administration has renewed the "state of emergency" with respect to Iran. IEEPA gives the President the authority to alter regulations to license transactions with Iran—regulations enumerated in Section 560 of the Code of Federal Regulations (Iranian Transactions Regulations, ITRs).

Section 103 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA, P.L. 111-195) codified the trade ban and reinstated the full ban on imports that had earlier been relaxed by April 2000 regulations. That relaxation allowed importation into the United States of Iranian nuts, fruit products (such as pomegranate juice), carpets, and caviar. U.S. imports from Iran after that time were negligible. ¹⁰ Section 101 of the Iran Freedom Support Act (P.L. 109-293) separately codified the ban on U.S. investment in Iran, but gives the President the authority to terminate this sanction with presidential notification to Congress of such decision 15 days in advance (or three days in advance if there are "exigent circumstances").

⁹ The executive order was issued not only under the authority of IEEPA but also the National Emergencies Act (50 U.S.C. 1601 et seq.; §505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-9) and §301 of Title 3, *United States Code*.

¹⁰ Imports were mainly of artwork for exhibitions around the United States, which are counted as imports even though the works return to Iran after the exhibitions conclude.

JCPOA-Related Easing and Reversal

In accordance with the JCPOA, the ITRs were relaxed to allow U.S. importation of the Iranian luxury goods discussed above (carpets, caviar, nuts, etc.), but not to permit general U.S.-Iran trade. U.S. regulations were also altered to permit the sale of commercial aircraft to Iranian airlines that are not designated for sanctions. The modifications were made in the Departments of State and of the Treasury guidance issued on Implementation Day and since. In concert with the May 8, 2018, U.S. withdrawal from the JCPOA, the easing of the regulations to allow for importation of Iranian carpets and other luxury goods was reversed on August 6, 2018.

What U.S.-Iran Trade Is Allowed or Prohibited?

The following provisions apply to the U.S. trade ban on Iran as specified in regulations (Iran Transaction Regulations, ITRs) written pursuant to the executive orders and laws discussed above and enumerated in regulations administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury.

- Oil Transactions. All U.S. transactions with Iran in energy products are banned. The 1995 trade ban (E.O. 12959) expanded a 1987 ban on imports from Iran that was imposed by Executive Order 12613 of October 29, 1987. The earlier import ban, authorized by Section 505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-9), barred the importation of Iranian oil into the United States but did not ban the trading of Iranian oil overseas. The 1995 ban prohibits that activity explicitly, but provides for U.S. companies to apply for licenses to conduct "swaps" of Caspian Sea oil with Iran. These swaps have been prohibited in practice; a Mobil Corporation application to do so was denied in April 1999, and no applications have been submitted since. The ITRs do not ban the importation, from foreign refiners, of gasoline or other energy products in which Iranian oil is mixed with oil from other producers. The product of a refinery in any country is considered to be a product of the country where that refinery is located, even if some Iran-origin crude oil is present.
- Transshipment and Brokering. The ITRs prohibit U.S. transshipment of
 prohibited goods across Iran, and ban any activities by U.S. persons to broker
 commercial transactions involving Iran.
- Iranian Luxury Goods. Pursuant to the JCPOA, Iranian luxury goods, such as carpets and caviar, could be imported into the United States after January 2016. This prohibition went back into effect on August 6, 2018 (90-day wind-down).
- Shipping Insurance. Obtaining shipping insurance is crucial to Iran's expansion
 of its oil and other exports. A pool of 13 major insurance organizations, called the
 International Group of P & I Clubs, dominates the shipping insurance industry
 and is based in New York. The U.S. presence of this pool renders it subject to the
 U.S. trade ban, which complicated Iran's ability to obtain reinsurance for Iran's
 shipping after Implementation Day. On January 16, 2017, the Obama
 Administration issued waivers of Sections 212 and 213 of the ITRSHRA to allow

¹¹ The text of the guidance is at https://www.treasury.gov/resource-center/sanctions/Programs/Documents/implement guide jcpoa.pdf.

- numerous such insurers to give Iranian ships insurance.¹² However, this waiver ended on August 6, 2018 (90-day wind-down).
- Civilian Airline Sales. The ITRs have always permitted the licensing of goods related to the safe operation of civilian aircraft for sale to Iran (§560.528 of Title 31, C.F.R.), and spare parts sales have been licensed periodically. However, from June 2011 until Implementation Day, Iran's largest state-owned airline, Iran Air, was sanctioned under Executive Order 13382 (see below), rendering licensing of parts or repairs for that airline impermissible. Several other Iranian airlines were sanctioned under that Order and Executive Order 13224. In accordance with the JCPOA, the United States relaxed restrictions on to allow for the sale to Iran of finished commercial aircraft, including to Iran Air, which was "delisted" from sanctions.¹³ A March 2016 general license allowed for U.S. aircraft and parts suppliers to negotiate sales with Iranian airlines that are not sanctioned, and Boeing and Airbus subsequently concluded major sales to Iran Air. In keeping with the May 8, 2018, U.S. withdrawal from the JCPOA, preexisting licensing restrictions went back into effect on August 6, 2018, and the Boeing and Airbus licenses to sell aircraft to Iran were revoked. Sales of some aircraft spare parts ("dual use items") to Iran also require a waiver of the relevant provision of the Iran-Iraq Arms Non-Proliferation Act, discussed below.
- Personal Communications, Remittances, and Publishing. The ITRs permit
 personal communications (phone calls, emails) between the United States and
 Iran, personal remittances to Iran, and Americans to engage in publishing
 activities with entities in Iran (and Cuba and Sudan).
- Information Technology Equipment. CISADA exempts from the U.S. ban on
 exports to Iran information technology to support personal communications
 among the Iranian people and goods for supporting democracy in Iran. In May
 2013, OFAC issued a general license for the exportation to Iran of goods (such as
 cell phones) and services, on a fee basis, that enhance the ability of the Iranian
 people to access communication technology.
- Food and Medical Exports. Since April 1999, sales to Iran by U.S. firms of food and medical products have been permitted, subject to OFAC stipulations. In October 2012, OFAC permitted the sale to Iran of specified medical products, such as scalpels, prosthetics, canes, burn dressings, and other products, that could be sold to Iran under "general license" (no specific license application required). This list of general license items list was expanded in 2013 and 2016¹⁴ to include more sophisticated medical diagnostic machines and other medical equipment. Licenses for exports of medical products not on the general license list are routinely expedited for sale to Iran, according to OFAC. The regulations have a

¹² Shipping insurers granted the waiver include Assuranceforeningen Skuld, Skuld Mutual Protection and Indemnity Association, Ltd. (Bermuda), Gard P and I Ltd. (Bermuda), Assuranceforeningen Gard, the Britannia Steam Ship Insurance Association Limited, The North of England Protecting and Indemnity Association Ltd., the Shipowners' Mutual Protection and Indemnity Association (Luxembourg), the Standard Club Ltd., the Standard Club Europe Ltd., The Standard Club Asia, the Steamship Mutual Underwriting Association Ltd. (Bermuda), the Swedish Club, United Kingdom Mutual Steam Ship Association Ltd. (Bermuda), United Kingdom Mutual Steam Ship Association Ltd. (Europe), and the West of England Ship Owners Mutual Insurance Association (Luxembourg).

¹³ Reuters, February 21, 2014; "Exclusive: Boeing Says Gets U.S. License to Sell Spare Parts to Iran," Reuters, April 4, 2014.

¹⁴ https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20161222.aspx?platform=hootsuite.

- specific definition of "food" that can be licensed for sale to Iran, and that definition excludes alcohol, cigarettes, gum, or fertilizer.¹⁵ The definition addresses information in a 2010 article that OFAC had approved exports to Iran of condiments such as food additives and body-building supplements that have uses other than purely nutritive.¹⁶
- Humanitarian and Related Services. Donations by U.S. residents directly to Iranians (such as packages of food, toys, clothes, etc.) are not prohibited, but donations through relief organizations broadly require those organizations' obtaining a specific OFAC license. On September 10, 2013, the Department of the Treasury eliminated licensing requirements for relief organizations to (1) provide to Iran services for health projects, disaster relief, wildlife conservation; (2) to conduct human rights projects there; or (3) undertake activities related to sports matches and events. The amendment also allowed importation from Iran of services related to sporting activities, including sponsorship of players, coaching, referees, and training. In some cases, such as the earthquake in Bam in 2003 and the earthquake in northwestern Iran in August 2012, OFAC has issued blanket temporary general licensing for relief organizations to work in Iran.
- Payment Methods, Trade Financing, and Financing Guarantees. U.S. importers are allowed to pay Iranian exporters, including with U.S. dollars. However, U.S. funds cannot go directly to Iranian banks, but must instead pass through third-country banks. In accordance with the ITRs' provisions that transactions that are incidental to an approved transaction are allowed, financing for approved transactions are normally approved, presumably in the form of a letter of credit from a non-Iranian bank. Title IX of the Trade Sanctions Reform and Export Enhancement Act of 2000 (P.L. 106-387) bans the use of official credit guarantees (such as the Ex-Im Bank) for food and medical sales to Iran and other countries on the U.S. terrorism list, except Cuba, although allowing for a presidential waiver to permit such credit guarantees. The Ex-Im Bank is prohibited from guaranteeing any loans to Iran because of Iran's continued inclusion on the terrorism list, and the JCPOA did not commit the United States to provide credit guarantees for Iran.

Application to Foreign Subsidiaries of U.S. Firms

The ITRs do not ban subsidiaries of U.S. firms from dealing with Iran, as long as the subsidiary is not "controlled" by the parent company. Most foreign subsidiaries are legally considered foreign persons subject to the laws of the country in which the subsidiaries are incorporated. Section 218 of the Iran Threat Reduction and Syrian Human Rights Act (ITRSHRA, P.L. 112-158) holds "controlled" foreign subsidiaries of U.S. companies to the same standards as U.S. parent firms, defining a controlled subsidiary as (1) one that is more than 50% owned by the U.S. parent; (2) one in which the parent firm holds a majority on the Board of Directors of the subsidiary; or (3) one in which the parent firm directs the operations of the subsidiary. There is no waiver provision.

JCPOA Regulations and Reversal. To implement the JCPOA, the United States licensed "controlled" foreign subsidiaries to conduct transactions with Iran that are permissible under JCPOA (almost all forms of civilian trade). The Obama Administration asserted that the President

 $^{^{15}\} https://www.treasury.gov/resource-center/sanctions/Programs/Documents/gl_food_exports.pdf.$

¹⁶ The information in this bullet is taken from Jo Becker, "With U.S. Leave, Companies Skirt Iran Sanctions," New York Times, December 24, 2010.

has authority under IEEPA to license transactions with Iran, the ITRSHRA notwithstanding. This was implemented with the Treasury Department's issuance of "General License H: Authorizing Certain Transactions Relating to Foreign Entities Owned or Controlled by a United States Person." With the Trump Administration reimposition of sanctions, the licensing policy ("Statement of Licensing Policy," SLP) returned to pre-JCPOA status on November 5, 2018.

Trade Ban Easing and Termination

Termination: Section 401 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA, P.L. 111-195) provides for the President to terminate the trade ban if the Administration certifies to Congress that Iran no longer satisfies the requirements to be designated as a state sponsor of terrorism and that Iran has ceased pursuing and has dismantled its nuclear, biological, and chemical weapons and ballistic missiles and related launch technology. Alternatively, the trade ban provision in CISADA could be repealed by congressional action.

Waiver Authority: Section 103(b)(vi) of CISADA allows the President to license exports to Iran if he determines that doing so is in the national interest of the United States. There is no similar provision in CISADA to ease the ban on U.S. imports from Iran. The State and Treasury Department guidance issued on Implementation Day asserts that the statement of licensing policy fulfills the requirements of Section 103 of CISADA.

Sanctions on Iran's Energy Sector

Status: Energy sanctions waived for JCPOA, back in effect November 5, 2018

In 1996, Congress and the executive branch began a long process of pressuring Iran's vital energy sector in order to deny Iran the financial resources to support terrorist organizations and other armed factions or to further its nuclear and WMD programs. Iran's oil sector is as old as the petroleum industry itself (early 20th century), and Iran's onshore oil fields are in need of substantial investment. Iran has 136.3 billion barrels of proven oil reserves, the third largest after Saudi Arabia and Canada. Iran has large natural gas resources (940 trillion cubic feet), exceeded only by Russia. However, Iran's gas export sector is still emerging—most of Iran's gas is injected into its oil fields to boost their production. The energy sector still generates about 20% of Iran's GDP and as much as 30% of government revenue.

The Iran Sanctions Act (and Triggers added by other Laws)

The Iran Sanctions Act (ISA) has been a pivotal component of U.S. sanctions against Iran's energy sector. Since its enactment in 1996, ISA's provisions have been expanded and extended to other Iranian industries. ISA sought to thwart Iran's 1995 opening of the sector to foreign investment in late 1995 through a "buy-back" program in which foreign firms gradually recoup their investments as oil and gas is produced. It was first enacted as the Iran and Libya Sanctions Act (ILSA, P.L. 104-172, signed on August 5, 1996) but was later retitled the Iran Sanctions Act after it terminated with respect to Libya in 2006. ISA was the first major "extra-territorial sanction" on Iran—a sanction that authorizes U.S. penalties against third country firms.

Congressional Research Service

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¹⁷ https://www.treasury.gov/resource-center/sanctions/Programs/Documents/implement_guide_jcpoa.pdf.

Key Sanctions "Triggers" Under ISA

ISA consists of a number of "triggers"—transactions with Iran that would be considered violations of ISA and could cause a firm or entity to be sanctioned under ISA's provisions. The triggers, as added by amendments over time, are detailed below:

Trigger 1 (Original Trigger): "Investment" To Develop Iran's Oil and Gas Fields

The core trigger of ISA when first enacted was a requirement that the President sanction companies (entities, persons) that make an "investment" of more than \$20 million in one year in Iran's energy sector. The definition of "investment" in ISA (§14 [9]) includes not only equity and royalty arrangements but any contract that includes "responsibility for the development of petroleum resources" of Iran. The definition includes additions to existing investment (added by P.L. 107-24) and pipelines to or through Iran and contracts to lead the construction, upgrading, or expansions of energy projects (added by CISADA).

Trigger 2: Sales of WMD and Related Technologies, Advanced Conventional Weaponry, and Participation in Uranium Mining Ventures

This provision of ISA was not waived under the JCPOA.

The Iran Freedom Support Act (P.L. 109-293, signed September 30, 2006) added Section 5(b)(1) of ISA, subjecting to ISA sanctions firms or persons determined to have sold to Iran (1) "chemical, biological, or nuclear weapons or related technologies" or (2) "destabilizing numbers and types" of advanced conventional weapons. Sanctions can be applied if the exporter knew (or had cause to know) that the end-user of the item was Iran. The definitions do not specifically include ballistic or cruise missiles, but those weapons could be considered "related technologies" or, potentially, a "destabilizing number and type" of advanced conventional weapon.

The Iran Threat Reduction and Syria Human Rights Act (ITRSHRA, P.L. 112-158, signed August 10, 2012) created Section 5(b)(2) of ISA subjecting to sanctions entities determined by the Administration to participate in a joint venture with Iran relating to the mining, production, or transportation of uranium.

Implementation: No ISA sanctions have been imposed on any entities under these provisions.

Trigger 3: Sales of Gasoline to Iran

Section 102(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA, P.L. 111-195, signed July 1, 2010) amended Section 5 of ISA to exploit Iran's dependency on imported gasoline (40% dependency at that time). It followed legislation such as P.L. 111-85 that prohibited the use of U.S. funds to fill the Strategic Petroleum Reserve with

¹⁸ As amended by CISADA (P.L. 111-195), these definitions include pipelines to or through Iran, as well as contracts to lead the construction, upgrading, or expansions of energy projects. CISADA also changes the definition of investment to eliminate the exemption from sanctions for sales of energy-related equipment to Iran, if such sales are structured as investments or ongoing profit-earning ventures.

¹⁹ Under §4(d) of the original act, for Iran, the threshold dropped to \$20 million, from \$40 million, one year after enactment, when U.S. allies did not join a multilateral sanctions regime against Iran. P.L. 111-195 explicitly sets the threshold investment level at \$20 million. For Libya, the threshold was \$40 million, and transactions subject to sanctions included export to Libya of technology banned by Pan Am 103-related Security Council Resolutions 748 (March 31, 1992) and 883 (November 11, 1993).

²⁰ The original ISA definition of energy sector included oil and natural gas, and CISADA added to that definition liquefied natural gas (LNG), oil or LNG tankers, and products to make or transport pipelines that transport oil or LNG.

products from firms that sell gasoline to Iran; and P.L. 111-117 that denied Ex-Im Bank credits to any firm that sold gasoline or related equipment to Iran. The section subjects the following to sanctions:

- Sales to Iran of over \$1 million worth (or \$5 million in a one year period) of gasoline and related aviation and other fuels. (Fuel oil, a petroleum by-product, is not included in the definition of refined petroleum.)
- Sales to Iran of equipment or services (same dollar threshold as above) which would help Iran make or import gasoline. Examples include equipment and services for Iran's oil refineries or port operations.

Trigger 4: Provision of Equipment or Services for Oil, Gas, and Petrochemicals Production

Section 201 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (ITRSHA, P.L. 112-158, signed August 10, 2012) codified an Executive Order, 13590 (November 21, 2011), by adding Section 5(a)(5 and 6) to ISA sanctioning firms that

- provide to Iran \$1 million or more (or \$5 million in a one year period) worth of
 goods or services that Iran could use to maintain or enhance its oil and gas sector.
 This subjects to sanctions, for example, transactions with Iran by global oil
 services firms and the sale to Iran of energy industry equipment such as drills,
 pumps, vacuums, oil rigs, and like equipment.
- provide to Iran \$250,000 (or \$1 million in a one year period) worth of goods or services that Iran could use to maintain or expand its production of petrochemical products. ²¹ This provision was not altered by the JPA.

Trigger 5: Transporting Iranian Crude Oil

Section 201 of the ITRSHRA amends ISA by sanctioning entities the Administration determines

- owned a vessel that was used to transport Iranian crude oil. The section also authorizes but does not require the President, subject to regulations, to prohibit a ship from putting to port in the United States for two years, if it is owned by a person sanctioned under this provision (adds Section 5[a][7] to ISA). This sanction does not apply in cases of transporting oil to countries that have received exemptions under P.L. 112-81 (discussed below).
- participated in a joint oil and gas development venture with Iran, outside Iran, if
 that venture was established after January 1, 2002. The effective date exempts
 energy ventures in the Caspian Sea, such as the Shah Deniz oil field there (adds
 Section 5/a][4] to ISA).

²¹ A definition of chemicals and products considered "petrochemical products" is found in a Policy Guidance statement. See *Federal Register*, November 13, 2012, http://www.gpo.gov/fdsys/pkg/FR-2012-11-13/pdf/2012-27642.pdf.

Iran Threat Reduction and Syria Human Rights Act (ITRSHRA): ISA Sanctions for insuring Iranian oil entities, purchasing Iranian bonds, or engaging in transactions with the IRGC

Separate provisions of the ITRSHR Act—which do not amend ISA—require the application of ISA sanctions (the same 5 out of 12 sanctions as required in ISA itself) on any entity that

- provides insurance or reinsurance for the National Iranian Oil Company (NIOC) or the National Iranian Tanker Company (NITC) (Section 212).
- purchases or facilitates the issuance of sovereign debt of the government of Iran, including Iranian government bonds (Section 213). This sanction went back into effect on August 6, 2018 (90-day wind-down period).
- assists or engages in a significant transaction with the IRGC or any of its sanctioned entities or affiliates. (Section 302). This section of ITRSHRA was not waived to implement the JCPOA.

Implementation. Section 312 of ITRSHRA required an Administration determination, within 45 days of enactment (by September 24, 2012) whether NIOC and NITC are IRGC agents or affiliates. Such a determination would subject financial transactions with NIOC and NITC to sanctions under CISADA (prohibition on opening U.S.-based accounts). On September 24, 2012, the Department of the Treasury determined that NIOC and NITC are affiliates of the IRGC. On November 8, 2012, the Department of the Treasury named NIOC as a proliferation entity under Executive Order 13382—a designation that, in accordance with Section 104 of CISADA, bars any foreign bank determined to have dealt directly with NIOC (including with a NIOC bank account in a foreign country) from opening or maintaining a U.S.-based account.

Sanctions on dealings with NIOC and NITC were waived in accordance with the interim nuclear deal and the JCPOA, and designations of these entities under Executive Order 13382 were rescinded in accordance with the JCPOA. These entities were "relisted" again on November 5, 2018. Some NIOC have partners and independent Iranian energy firms have not been designated, including: Iranian Offshore Oil Company; National Iranian Gas Export Co.; Petroleum Engineering and Development Co.; Pasargad Oil Co., Zagros Petrochem Co.; Sazeh Consultants; Qeshm Energy; and Sadid Industrial Group.

Executive Order 13622: Sanctions on the Purchase of Iranian Crude Oil and Petrochemical Products, and Dealings in Iranian Bank Notes

Status: Revoked (by E.O. 13716) but will back into effect as stipulated below

Executive Order 13622 (July 30, 2012) imposes specified sanctions on the ISA sanctions menu, and bars banks from the U.S. financial system, for the following activities (E.O. 13622 did not amend ISA itself):

- the purchase of oil, other petroleum, or petrochemical products from Iran. ²² The part of this order pertaining to petrochemical purchases was suspended under the JPA. The wind-down period was 180 days (ending November 4, 2018).
- transactions with the National Iranian Oil Company (NIOC) or Naftiran Intertrade Company (NICO) (180-day wind-down period).

²² A definition of what chemicals and products are considered "petroleum products" for the purposes of the order are in the policy guidance issued November 13, 2012, http://www.gpo.gov/fdsys/pkg/FR-2012-11-13/pdf/2012-27642.pdf.

- E.O. 13622 also blocks U.S.-based property of entities determined to have
 - assisted or provided goods or services to NIOC, NICO, the Central Bank of Iran (180-day wind-down period).
 - assisted the government of Iran in the purchase of U.S. bank notes or
 precious metals, precious stones, or jewels. (The provision for precious
 stones or jewels was added to this Order by E.O. 16345 below.) (90-day
 wind-down period.)

E.O. 13622 sanctions do not apply if the parent country of the entity has received an oil importation exception under Section 1245 of P.L. 112-81, discussed below. An exception also is provided for projects that bring gas from Azerbaijan to Europe and Turkey, if such project was initiated prior to the issuance of the Order.

Executive Order 13645: Application of ISA and Other Sanctions to Iran's Automotive Sector, Rial Trading, and Precious Stones

JCPOA Status: Revoked (by E.O 13716) but most provisions below went back into effect as of August 6, 2018 (90-day wind-down period).

Executive Order 13645 of June 3, 2013 (effective July 1, 2013), contains the provisions below. (E.O. 13645 did not amend ISA itself.)

- Imposes specified ISA-related sanctions on firms that supply goods or services to Iran's automotive (cars, trucks, buses, motorcycles, and related parts) sector, and blocks foreign banks from the U.S. market if they finance transactions with Iran's automotive sector. (An executive order cannot amend a law, so the order does not amend ISA.)
- Blocks U.S.-based property and prohibits U.S. bank accounts for foreign banks that conduct transactions in Iran's currency, the *rial*, or hold *rial* accounts. This provision mostly affected banks in countries bordering or near Iran. The order applies also to "a derivative, swap, future, forward, or other similar contract whose value is based on the exchange rate of the Iranian *rial*." If Iran implements plans to develop a digital currency, or cryptocurrency, backed by or tied to rials, it would appear that the Order also applies to that digital currency.
- Expands the application of Executive Order 13622 (above) to helping Iran acquire precious stones or jewels (see above).
- Blocks U.S.-based property of a person that conducts transactions with an Iranian entity listed as a Specially Designated National (SDN) or Blocked Person. SDNs to be "relisted" on November 5, 2018.

Mandate and Time Frame to Investigate ISA Violations

In the original version of ISA, there was no firm requirement, and no time limit, for the Administration to investigate potential violations and determine that a firm has violated ISA's provisions. The Iran Freedom Support Act (P.L. 109-293, signed September 30, 2006) added a provision calling for, *but not requiring*, a 180-day time limit for a violation determination.²³

²³ Other ISA amendments under that law included recommending against U.S. nuclear agreements with countries that supply nuclear technology to Iran and expanding provisions of the USA Patriot Act (P.L. 107-56) to curb money-laundering for use to further WMD programs.

CISADA (Section 102[g][5]) mandated that the Administration begin an investigation of potential ISA violations when there is "credible information" about a potential violation, and made mandatory the 180-day time limit for a determination of violation.

The Iran Threat Reduction and Syria Human Rights Act (P.L. 112-158) defines the "credible information" needed to begin an investigation of a violation to include a corporate announcement or corporate filing to its shareholders that it has undertaken transactions with Iran that are potentially sanctionable under ISA. It also says the President *may* (not mandatory) use as credible information reports from the Government Accountability Office and the Congressional Research Service. In addition, Section 219 of ITRSHRA requires that an investigation of an ISA violation begin if a company reports in its filings to the Securities and Exchange Commission (SEC) that it has knowingly engaged in activities that would violate ISA (or Section 104 of CISADA or transactions with entities designated under E.O 13224 or 13382, see below).

Available Sanctions Under ISA

Once a firm is determined to be a violator, the original version of ISA required the imposition of two of a menu of six sanctions on that firm. The Iran Freedom Support Act added three new possible sanctions and required the imposition of at least three out of the nine against violators. CISADA added three more sanctions to the ISA menu and required imposition of at least 5 out of the 12 sanctions. Executive Orders 13590 and 13622 provide for exactly the same penalties as those in ISA. The 12 available sanctions against the sanctioned entity, from which the Secretary of State or the Treasury can select, are as follows:

- I. denial of Export-Import Bank loans, credits, or credit guarantees for U.S. exports to the sanctioned entity (original ISA)
- 2. denial of licenses for the U.S. export of military or militarily useful technology to the entity (original ISA)
- 3. denial of U.S. bank loans exceeding \$10 million in one year to the entity (original ISA)
- 4. if the entity is a financial institution, a prohibition on its service as a primary dealer in U.S. government bonds; and/or a prohibition on its serving as a repository for U.S. government funds (each counts as one sanction) (original ISA)
- 5. prohibition on U.S. government procurement from the entity (original ISA)
- 6. prohibitions in transactions in foreign exchange by the entity (added by CISADA)
- 7. prohibition on any credit or payments between the entity and any U.S. financial institution (added by CISADA)
- 8. prohibition of the sanctioned entity from acquiring, holding, using, or trading any U.S.-based property which the sanctioned entity has a (financial) interest in (added by CISADA)
- 9. restriction on imports from the sanctioned entity, in accordance with the International Emergency Economic Powers Act (IEEPA; 50 U.S.C. 1701) (original ISA)
- 10. a ban on a U.S. person from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person (added by ITRSHRA)
- II. exclusion from the United States of corporate officers or controlling shareholders of a sanctioned firm (added by ITRSHRA)
- 12. imposition of any of the ISA sanctions on principal offices of a sanctioned firm (added by ITRSHRA).

Mandatory Sanction: Prohibition on Contracts with the U.S. Government CISADA (§102[b]) added a requirement in ISA that companies, as a condition of obtaining a U.S. government contract, certify to the relevant U.S. government agency that the firm—and any companies it owns or controls—are not violating ISA. Regulations to implement this requirement were issued on September 29, 2010.

Executive Order 13574 of May 23, 2011, specifies which sanctions are to be imposed. This executive order made a blanket stipulation that, when an entity is sanctioned under Section 5 of ISA, the penalties to be imposed are numbers 3, 6, 7, 8, and 9, above. The order also clarified that it is the responsibility of the Department of the Treasury to implement those ISA sanctions that involve the financial sector, including bans on loans, credits, and foreign exchange for, or imports from, the sanctioned entity, as well as blockage of property of the sanctioned entity (if these sanctions are selected by the Secretary of State, who makes the decision which penalties to impose on sanctioned entities). This order was revoked by E.O. 13716 on Implementation Day, in accordance with the JCPOA.

Oversight

Several mechanisms for Congress to oversee whether the Administration is investigating ISA violations were added by ITRSHRA. Section 223 of that law required a Government Accountability Office report, within 120 days of enactment, and another such report a year later, on companies that have undertaken specified activities with Iran that might constitute violations of ISA. Section 224 amended a reporting requirement in Section 110(b) of CISADA by requiring an Administration report to Congress every 180 days on investment in Iran's energy sector, joint ventures with Iran, and estimates of Iran's imports and exports of petroleum products. The GAO reports have been issued; there is no information available on whether the required Administration reports have been issued as well.

Interpretations of ISA and Related Laws

The sections below provide information on how some key ISA provisions have been interpreted and implemented.

Application to Energy Pipelines

ISA's definition of "investment" that is subject to sanctions has been consistently interpreted by successive Administrations to include construction of energy pipelines to or through Iran. Such pipelines are deemed to help Iran develop its petroleum (oil and natural gas) sector. This interpretation was reinforced by amendments to ISA in CISADA, which specifically included in the definition of petroleum resources "products used to construct or maintain pipelines used to transport oil or liquefied natural gas." In March 2012, then-Secretary of State Clinton made clear that the Obama Administration interprets the provision to be applicable from the beginning of pipeline construction.²⁴

Application to Crude Oil Purchases

The original version of ISA did not provide for sanctioning purchases of crude oil from Iran. However, subsequent laws and executive orders took that step.

Application to Purchases from Iran of Natural Gas

The Iran Freedom and Counterproliferation Act (IFCA, discussed below) authorized sanctions on transactions with Iran's energy sector, but specifically excluded from sanctions purchases of natural gas from Iran. But construction of gas pipelines involving Iran is subject to sanctions.

Exception for Shah Deniz and other Gas Export Projects

The effective dates of U.S. sanctions laws and Orders exclude long-standing joint natural gas projects that involve some Iranian firms—particularly the Shah Deniz natural gas field and related pipelines in the Caspian Sea. These projects involve a consortium in which Iran's Naftiran Intertrade Company (NICO) holds a passive 10% share, and includes BP, Azerbaijan's natural gas firm SOCAR, Russia's Lukoil, and other firms. NICO was sanctioned under ISA and other provisions (until JCPOA Implementation Day), but an OFAC factsheet of November 28, 2012, stated that the Shah Deniz consortium, as a whole, is not determined to be "a person owned or controlled by" the government of Iran and transactions with the consortium are permissible.

Application to Iranian Liquefied Natural Gas Development

The original version of ISA did not apply to the development by Iran of a liquefied natural gas (LNG) export capability. Iran has no LNG export terminals, in part because the technology for such terminals is patented by U.S. firms and unavailable for sale to Iran. CISADA specifically included LNG in the ISA definition of petroleum resources and therefore made subject to sanctions LNG investment in Iran or supply of LNG tankers or pipelines to Iran.

Application to Private Financing but Not Official Credit Guarantee Agencies

The definitions of investment and other activity that can be sanctioned under ISA include financing for investment in Iran's energy sector, or for sales of gasoline and refinery-related

²⁴ http://dawn.com/2012/03/01/tough-us-warning-on-iran-gas-pipeline/.

equipment and services. Therefore, banks and other financial institutions that assist energy investment and refining and gasoline procurement activities could be sanctioned under ISA.

However, the definitions of financial institutions are interpreted not to apply to official credit guarantee agencies—such as France's COFACE and Germany's Hermes. These credit guarantee agencies are arms of their parent governments, and ISA does not provide for sanctioning governments or their agencies.

Implementation of Energy-Related Iran Sanctions

Entities sanctioned under the Executive Orders or laws cited in this section are listed in the tables at the end of this report. As noted, some of the Orders cited provide for blocking U.S.-based assets of the entities designated for sanctions. OFAC has not announced the blocking of any U.S.-based property of the sanctioned entities, likely indicating that those entities sanctioned do not have a presence in the United States.

ISA Waiver, Exemptions, and Sunset Provisions

The President can waive ISA sanctions in several ways—general, country-specific, or company-specific.

General Waiver. Under Section 4(c)(1)(a), the President can waive (for six months at a time) the requirement to investigate violations every six (6) months. To implement the JCPOA, this waiver was exercised by the Obama Administration (the latest on January 18, 2017), and was last renewed by the Trump Administration on January 12, 2018

Country-Specific Waiver. Under Section 4(c)(1)(B), the President can waive ISA sanctions (for 12 months at a time) of all companies whose governments are determined to be "closely cooperating with the United States in multilateral efforts to prevent Iran from" acquiring WMD or acquiring advanced conventional weapons. The President must also certify that the waiver is vital to the national security interests of the United States.

Company-Specific Waiver. Under Section 9(c), the President can waive ISA sanctions (for one year at a time) on any company for which the President determines that the waiver is "essential to the national security interests of the United States." This waiver was used in 1998 to avoid penalizing Total, Gazprom, and Petronas for an Iran investment

Once ISA snaps back into effect, some governments reportedly might seek the country-specific or country-specific waivers to avoid penalties on their companies that invested in Iran while U.S. sanctions were waived.

ISA (§5[f]) also contains several exceptions such that the President is not required to impose sanctions that prevent procurement of defense articles and services under existing contracts, in cases where a firm is the sole source supplier of a particular defense article or service. The President is not required to prevent procurement of essential spare parts or component parts.

"Special Rule" Exempting Firms That End Their Business with Iran

Under a provision added by CISADA (§102[g][5]), ISA provides a means—a so-called "special rule"—for firms to avoid ISA sanctions by pledging to verifiably end their business with Iran and such business with Iran in the future. Under the special rule, which has been invoked on several occasions, as discussed below, the Administration is not required to impose sanctions against a firm that makes such pledges. However, firms are allowed several years, in some cases, to wind down existing business in Iran, in part because the buy-back program used by Iran pays energy firms back their investment over time, making it highly costly for them to suddenly end operations in Iran.

Administration Termination Process and Requirements

The Administration can immediately terminate all ISA provisions if the Administration certifies that Iran:

(1) has ceased its efforts to acquire WMD; (2) has been removed from the U.S. list of state sponsors of terrorism; and (3) no longer "poses a significant threat" to U.S. national security and U.S. allies.²⁵

This termination provision, and the sunset provision discussed below, does not apply to those laws that apply ISA sanctions without specifically amending ISA. The executive orders and laws that apply ISA sanctions to specified violators but without amending ISA itself can be revoked by a superseding executive order or congressional action that amends or repeals the provisions involved.

Sunset and Other Expiration Provisions

ISA was scheduled to sunset on December 31, 2016, as provided for by CISADA. This followed prior sunset extensions to December 31, 2011 (by P.L. 109-293); December 31, 2006 (P.L. 107-24, August 3, 2001); and August 5, 2001 (original law). In December 2016, P.L. 114-277 extended the law, as is, until December 31, 2026.

P.L. 107-24 also required an Administration report on ISA's effectiveness within 24 to 30 months of enactment, with the report to include an administration recommendation whether ISA be repealed. That report was submitted to Congress in January 2004, and did not recommend that ISA be repealed.

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²⁵ This termination requirement added by P.L. 109-293 formally removed Libya from the act. Application of the act to Libya terminated on April 23, 2004, with a determination that Libya had fulfilled U.N. requirements.

Iran Oil Export Reduction Sanctions: Section 1245 of the FY2012 NDAA Sanctioning Transactions with Iran's Central Bank

Status: Back into effect November 5, 2018 and exceptions ended

In 2011, Congress sought to reduce Iran's exportation of oil by imposing sanctions on the mechanisms that importers use to pay Iran for oil. The Obama Administration asserted that such legislation could lead to a rise in oil prices and harm U.S. relations with Iran's oil customers, and President Obama, in his signing statement on the bill, indicated he would implement the provision so as not to damage U.S. relations with partner countries.

The law imposed penalties on transactions with Iran's Central Bank. Section 1245 of the FY2012 National Defense Authorization Act (NDAA, P.L. 112-81, signed on December 31, 2011):

- Requires the President to prevent a foreign bank from opening an account in the United States—or impose strict limitations on existing U.S. accounts—if that bank is determined to have conducted a "significant financial transaction" with Iran's Central Bank or with any sanctioned Iranian bank. The provision applies to a foreign central bank only if the transaction with Iran's Central Bank is for oil purchases. The provision went into effect after 180 days (June 28, 2012).
- Significant Reduction Exception (SRE): The law provides incentive for Iran's oil buyers to cut purchases of Iranian oil by providing for an exception (exemption) for the banks of any country determined to have "significantly reduced" its purchases of oil from Iran. The banks of countries granted the SRE may continue to conduct all transactions with the Central Bank (not just for oil) or with any sanctioned Iranian bank. The SRE exception is reviewed every 180 days and, to maintain the exception, countries are required to reduce their oil buys from Iran, relative to the previous 180-day period. ITRSHRA amended Section 1245 such that any country that completely ceased purchasing oil from Iran entirely would retain an exception. The law lacks a precise definition of "significant reduction" of oil purchases, but the Obama Administration adopted a standard set in a January 2012 letter by several Senators to then-Treasury Secretary Geithner setting that definition at an 18% purchase reduction based on total paid for the Iranian oil (not just volume reduction). 26
- Sanctions on transactions for oil apply only if the President certifies to Congress every 90 days, based on a report by the Energy Information Administration, that the oil market is adequately supplied, and, an Administration determination every 180 days that there is a sufficient supply of oil worldwide to permit countries to reduce purchases from Iran. The required EIA reports and Administration determinations have been issued at the prescribed intervals, even during the period when the law was in a state of waiver.

Implementation/SREs Issued and Ended

The Obama and Trump Administration have implemented the FY2012 NDAA with an eye toward balancing the global oil market with the intended effects on Iran's economy and behavior. The

²⁶ Text of letter from Senators Mark Kirk and Robert Menendez to Secretary Geithner, January 19, 2012.

table below on major Iranian oil customers indicates cuts made by major customers compared to 2011.

- In March 20, 2012, Japan received an SRE.
- In September 2012, following a July 2012 EU Iran oil embargo, 10 EU countries (Belgium, Czech Republic, France, Germany, Greece, Italy, the Netherlands, Poland, Spain, and Britain) received the SRE because they ended purchases pursuant to the EU Iran oil purchase embargo of July 1, 2012. Seventeen EU countries were not granted the SRE because they were not buying Iran's oil and could not "significantly reduce" buys from Iran.
- In December 2012, the following countries/jurisdictions received the SRE: China, India, Malaysia, South Africa, South Korea, Singapore, Sri Lanka, Turkey, and Taiwan.

Reactivation on November 5, 2018, and Eight Exceptions Granted

The January 2016 waivers issued to implement the JCPOA suspended the requirement for a country to cut oil purchases from Iran in order to maintain their exceptions, and Iran's historic oil customers quickly resumed buying Iranian oil. The provision went back into effect on November 5, 2018.²⁷ On June 26, 2018, a senior State Department official, in a background briefing, stated that department officials, in meetings with officials of countries that import Iranian oil, were urging these countries to cease buying Iranian oil entirely, but Administration officials later indicated that requests for exceptions would be evaluated based on the ease of substituting for Iranian oil, country-specific needs, and the need for global oil market stability.

- On November 5, 2018, in the first SRE grants available under reimposed U.S. sanctions, the following eight countries received the SRE: China, India, Italy, Greece, Japan, South Korea, Taiwan, and Turkey.
- The SREs are to expire on May 2, 2019.
- On April 22, 2019, the State Department announced that no more SREs would be granted after their expiration at 12:00 AM on May 2, 2019.²⁸ The Administration indicated that the global oil market is well supplied enough to permit the decision, which is intended to "apply maximum pressure on the Iranian regime until its leaders change their destructive behavior, respect the rights of the Iranian people, and return to the negotiating table." The announcement indicated that U.S. officials have had discussions with Saudi Arabia and the UAE to ensure that the global oil market remains well supplied. Left unclear is the extent to which, if at all, Iran's oil customers seek to continue importing Iranian oil and whether the Administration will penalize foreign banks for continuing transactions with Iran's Central Bank.

²⁷ Department of State. Background Briefing on President Trump's Decision to Withdraw from the JCPOA. May 8,

²⁸ https://www.state.gov/secretary/remarks/2019/04/291272.htm

Waiver and Termination Provisions

The law provides for the President to waive the sanctions for 120 days, renewable for successive 120-day periods, if the President determines that doing so is in the national security interest. Outright repeal or amendment of this law would require congressional action.

This provision was waived to implement the JPA (to allow Iran's oil customers to maintain purchases level at I.I million barrels per day) and again to implement the JCPOA (to remove any ceiling on Iran's exports of oil).

Waivers to Implement the JCPOA

The provision (Section 1245(d)(5)) was waived on January 18, 2017, just before the Obama Administration left office. The Trump Administration renewed the waiver on May 18, 2017, on September 14, 2017, and on January 12, 2018. This law went back into effect on November 5, 2018 (180-day wind-down period).

Iran Foreign Bank Account "Restriction" Provision

Status: Back in Effect on November 5, 2018

The ability of Iran to repatriate hard currency—U.S. dollars are the primary form of payment for oil—to its Central Bank was impeded by a provision of the ITRSHRA which went into effect on February 6, 2013 (180 days after enactment). Section 504 of the ITRSHRA amended Section 1245 of the FY2012 NDAA (adding "clause ii" to Paragraph D[1]) by requiring that any funds paid to Iran as a result of exempted transactions (oil purchases, for example) be credited to an account located in the country with primary jurisdiction over the foreign bank making the transaction.

This provision essentially prevents Iran from repatriating to its Central Bank any hard currency Iran held in foreign banks around the world. Most of Iran's funds held abroad are in banks located in Iran's main oil customers. The provision largely compels Iran to buy the products of the oil customer countries. Some press reports refer to this arrangement as an "escrow account," but State Department officials describe the arrangement as "restricted" accounts.

Waiver for Bank Account Restriction

The waiver provision that applies to the sanctions imposed under the FY2012 NDAA (P.L. 112-81) applies to this Iran foreign bank account restriction provision. A waiver period of six months is permitted.

To implement the JPA, a waiver was issued under P.L. 112-81 (Section 212 and 213) to allow Iran to receive some hard currency from ongoing oil sales in eight installments during the JPA period. Iran remained unable under the JPA to remove hard currency from existing accounts abroad. As of Implementation Day, the restriction was waived completely, enabling Iran to gain access to hard currency from ongoing purchases of its oil.

Waivers to Implement the JCPOA

Sections 212(d)(10 and 2134(b)(1) of ITRSHRA were waived by the Obama Administration on January 18, 2017. The waiver was last renewed on January 12, 2018. Its provisions went back into effect on November 5, 2018.

Table I. Iran Crude Oil Sales

(average daily volumes, in barrels per day)

		JPA period average	At U.S. JCPOA Exit	At SRE Determination	
Country/Bloc	2011	(2014-2016)	(May '18)	(Oct. '18)	March 2019
European Union (particularly Italy, Spain, Greece)	600,000	negligible	520,000 +	100,000	0
China	550,000	410,000	700,000	838,000	612,000
Japan	325,000	190,000	133,000	0	107,000
India	320,000	190,000	620,000	354,000	258,000
South Korea	230,000	130,000	100,000	0	0
Turkey	200,000	120,000	200,000	161,000	97,000
South Africa	80,000	negligible	negligible	0	0
Other Asia (Malaysia, Sri Lanka, Indonesia)	90,000	negligible	negligible		0
Taiwan	35,000	10,000	67,000	0	0
Singapore	20,000	negligible	negligible	33,000	0
Syria	0	negligible	33,000	96.000	0
Other/Unknown (Iraq and UAE swaps, other)	55,000	negligible	100,000	21,000	226,000
Total (mbd)	2.5	1.06	2.45	1.60	1.30

Source and Note: Bloomberg News, Reuters and other press articles. Information on actual Iranian exports is often preliminary, incomplete, and inaccurate, and this table therefore contains figures from at least one month prior. Figures might not reflect actual deliveries due to reported activities by Iran and various oil customers to conceal purchases or avoid tracking of oil tankers. Figures do not include purchases of condensates, which are light petroleum liquids that are associated with oil and natural gas production. South Korea is a large customer for Iranian condensates, and as of August 2018 it had cut its purchases of that product from Iran to zero.

MBD = million barrels per day.

Sanctions on Weapons of Mass Destruction, Missiles, and Conventional Arms Transfers

Status: No sanctions in this section eased to implement JCPOA

Several laws and executive orders seek to bar Iran from obtaining U.S. or other technology that can be used for weapons of mass destruction (WMD) programs. Sanctions on Iran's exportation of arms are discussed in the sections above on sanctions for Iran's support for terrorist groups.

Iran-Iraq Arms Nonproliferation Act and Iraq Sanctions Act

The Iran-Iraq Arms Nonproliferation Act (Title XIV of the FY1993 National Defense Authorization Act, P.L. 102-484, signed in October 1992) imposes a number of sanctions on foreign entities that supply Iran with WMD technology or "destabilizing numbers and types of advanced conventional weapons." Advanced conventional weapons are defined as follows:

- (1) such long-range precision-guided munitions, fuel air explosives, cruise missiles, low observability aircraft, other radar evading aircraft, advanced military aircraft, military satellites, electromagnetic weapons, and laser weapons as the President determines destabilize the military balance or enhance the offensive capabilities in destabilizing ways;
- (2) such advanced command, control, and communications systems, electronic warfare systems, or intelligence collections systems as the President determines destabilize the military balance or enhance offensive capabilities in destabilizing ways; and
- (3) such other items or systems as the President may, by regulation, determine necessary for the purposes of this title.

The definition is generally understood to include technology used to develop ballistic missiles.

Sanctions to be Imposed: Sanctions imposed on violating entities include

- a ban, for two years, on U.S. government procurement from the entity;
- a ban, for two years, on licensing U.S. exports to that entity;
- authority (but not a requirement) to ban U.S. imports from the entity.

If the violator is determined to be a foreign country, sanctions to be imposed are

- a one-year ban on U.S. assistance to that country;
- a one-year requirement that the United States vote against international lending to it:
- a one-year suspension of U.S. coproduction agreements with the country;
- a one-year suspension of technical exchanges with the country in military or dual use technology;
- a one-year ban on sales of U.S. arms to the country;
- an authorization to deny the country most-favored-nation trade status; and to ban U.S. trade with the country.

Section 1603 of the act amended an earlier law, the Iraq Sanctions Act of 1990 (Section 586G(a) of P.L. 101-513), to provide for a "presumption of denial" for all dual use exports to Iran (including computer software).

Implementation

A number of entities were sanctioned under the act in the 1990s, as shown in the tables at the end of this paper. None of the designations remain active, because the sanctions have limited duration.

²⁹ The act originally only applied to advanced conventional weapons. The extension to WMD, defined as chemical, biological, or nuclear weapons-related technology was added by the FY1996 National Defense Authorization Act (P.L. 104-106).

Waiver

Section 1606 of the act provides a presidential waiver for the provisions of the act, and for those imposed pursuant to the Iraq Sanctions Act of 1990, if the President determines that it is "essential to the national interest."

Banning Aid to Countries that Aid or Arm Terrorism List States: Anti-Terrorism and Effective Death Penalty Act of 1996

Another law reinforces the authority of the President to sanction governments that provide aid or sell arms to Iran (and other terrorism list countries). Under Sections 620G and 620H of the Foreign Assistance Act, as added by the Anti-Terrorism and Effective Death Penalty Act of 1996 (Sections 325 and 326 of P.L. 104-132), the President is required to withhold foreign aid from any country that provides to a terrorism list country financial assistance or arms. Waiver authority is provided. Section 321 of that act also makes it a criminal offense for U.S. persons to conduct financial transactions with terrorism list governments.

No foreign assistance cuts or other penalties under this law have been announced.

Proliferation-Related Provision of the Iran Sanctions Act

As noted above, Section 5(b)(1) of ISA subjects to ISA sanctions firms or persons determined to have sold to Iran (1) technology useful for weapons of mass destruction (WMD) or (2) "destabilizing numbers and types" of advanced conventional weapons. This, and Section 5(b)(2) pertaining to joint ventures to mine uranium, are the only provisions of ISA that were not waived to implement the JCPOA.

As noted, no sanctions under this section have been imposed.

Iran-North Korea-Syria Nonproliferation Act

The Iran Nonproliferation Act (P.L. 106-178, signed in March 2000) is now called the Iran-North Korea-Syria Nonproliferation Act (INKSNA) after amendments applying its provisions to North Korea and to Syria. It authorizes sanctions—for two years unless renewed—on foreign *persons* (individuals or corporations, not governments) that are determined in a report by the Administration to have assisted Iran's WMD programs. Sanctions imposed include (1) a prohibition on U.S. exportation of arms and dual use items to the sanctioned entity; and (2) a ban on U.S. government procurement and of imports to the United States from the sanctioned entity under Executive Order 12938 (of November 14, 1994). INKSNA also banned U.S. extraordinary payments to the Russian Aviation and Space Agency in connection with the international space station unless the President certified that the agency had not transferred any WMD or missile technology to Iran within the year prior.³⁰

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³⁰ The provision contains certain exceptions to ensure the safety of astronauts, but it nonetheless threatened to limit U.S. access to the international space station after April 2006, when Russia started charging the United States for transportation on its Soyuz spacecraft. Legislation in the 109th Congress (S. 1713, P.L. 109-112) amended the provision in order to facilitate continued U.S. access and extended INA sanctions provisions to Syria.

Implementation

Entities that have been sanctioned under this law are listed in the tables at the end of the report. Designations more than two years old are no longer active. The JCPOA required the United States to suspend INKSNA sanctions against "the acquisition of nuclear-related commodities and services for nuclear activities contemplated in the JCPOA," but no entities were "delisted" to implement the JCPOA.

Waiver and Termination

Section 4 gives the President the authority to not impose sanctions if the President justifies that decision to Congress. Section 5 provides for exemptions from sanctions if certain conditions are met, particularly that the government with jurisdiction over the entity cooperating to stop future such transfers to Iran.

Termination of this law would require congressional action.

Executive Order 13382 on Proliferation-Supporting Entities

Status: Order Remained in Force, but Numerous Entities "Delisted"

Executive Order 13382 (June 28, 2005) allows the President to block the assets of proliferators of weapons of mass destruction (WMD) and their supporters under the authority granted by the International Emergency Economic Powers Act (IEEPA; 50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), and Section 301 of Title 3, *United States Code*.

Implementation. The numerous entities sanctioned under the order for dealings with Iran are listed in the tables at the end of this report. Entities delisted and which were to be delisted in accordance with the JCPOA (in October 2023) are in italics and boldface type, respectively. All entities delisted to implement the JCPOA are to be relisted on November 5, 2018, according to the Treasury Department.

Arms Transfer and Missile Sanctions: The Countering America's Adversaries through Sanctions Act (CAATSA, P.L. 115-44)

The CAATSA law, signed on August 2, 2017, mandates sanctions on arms sales to Iran and on entities that "materially contribute" to Iran's ballistic missile program.

- Section 104 references implementation of E.O. 13382, which sanctions entities
 determined by the Administration to be assisting Iran's ballistic missile program.
 The section mandates that the Administration impose the same sanctions as in
 E.O. 13382 on any activity that materially contributes to Iran's ballistic missile
 program or any system capable of delivering WMD. The section also requires an
 Administration report every 180 days on persons (beginning on January 29,
 2018) contributing to Iran's ballistic missile program in the preceding 180 days.
- Section 107 mandates imposition of sanctions (the same sanctions as those contained in E.O. 13382) on any person that the President determines has sold or transferred to or from Iran, or for the use in or benefit of Iran: the weapons systems specified as banned for transfer to or from Iran in U.N. Security Council Resolution 2231. These include most major combat systems such as tanks, armored vehicles, warships, missiles, combat aircraft, and attack helicopters. The provision goes somewhat beyond prior law that mandates sanctions mainly on sales to Iran of "destabilizing numbers and types of advanced conventional

weapons." The imposition of sanctions is not required if the President certifies that a weapons transfer is in the national security of the United States; that Iran no longer poses a significant threat to the United States or U.S. allies; and that the Iranian government no longer satisfies the requirements for designation as a state sponsor of terrorism.

Sanctions on the Islamic Revolutionary Guard Corps (IRGC)

Numerous sanctions target Iran's Islamic Revolutionary Guard Corps (IRGC), and none was waived or terminated to implement the JCPOA. The IRGC plays a role in both internal and external defense, supports pro-Iranian movements in the region, and owns or controls economic entities in Iran that account for as much as 20% of Iran's economic output. Many of the IRGC's subordinate units, such as the IRGC Qods Force and the Basij militia, have been designated for sanctions under various Executive Orders, as have corporate entities owned or controlled by the IRGC, such as the large engineering firm Khatam ol-Anbia.

- The IRGC has been named as a proliferation-supporting entity under Executive Order 13382, a human rights abuser under E.O. 13553 and, in accordance with the Countering America's Adversaries through Sanctions Act (P.L. 115-44), it was named a terrorism-supporter under E.O. 13224 (October 13, 2017). The IRGC-Qods Force (IRGC-QF), the unit of the IRGC that assists pro-Iranian movements abroad, is named as a terrorism-supporting entity under Executive Order 13324 and a repressor of the Syrian people under E.O. 13572. Hundreds of IRGC-linked entities companies, facilitators and financial partners, and commanders are designated for sanctions under those and other Orders, as noted in the tables at the end of this report.
- IFCA (Section 1244) mandates that any entity that knowingly conducts transactions with a designated Iranian
 entity is subject to having its U.S.-based assets blocked.
- ITRSHRA (Section 302) imposes at least five out of 12 ISA sanctions on persons that materially assist, with financing or technology, the IRGC, or assist or engage in "significant" transactions with any of its affiliates that are sanctioned under Executive Order 13382, 13224, or similar Executive Orders—or which are determined to be affiliates of the IRGC. Section 302 did not amend ISA.
- ITRSHRA (Section 311) requires a certification by a contractor to the U.S. government that it is not
 knowingly engaging in a significant transaction with the IRGC, or any of its agents or affiliates that have been
 sanctioned under several executive orders discussed below. A contract may be terminated if it is determined
 that the company's certification of compliance was false.
- ITRSHRA (Section 301) requires the President to identify "officials, agents, or affiliates" of the IRGC and to
 impose sanctions in accordance with Executive Order 13382 or 13224. Some of these designations, including
 of National Iranian Oil Company (NIOC), were made by the Treasury Department on November 8, 2012.
- ITRSHRA (Section 303) requires the imposition of sanctions on agencies of foreign governments that
 provide technical or financial support, or goods and services to sanctioned (under U.S. executive orders or
 U.N. resolutions) members or affiliates of the IRGC. Sanctions include a ban on U.S. assistance or credits for
 that foreign government agency, a ban on defense sales to it, a ban on U.S. arms sales to it, and a ban on
 exports to it of controlled U.S. technology.
- Section 104 of CISADA sanctions foreign banks that conduct significant transactions with the IRGC or any of
 its agents or affiliates that are sanctioned under any executive order. It also sanctions any entity that assists
 Iran's Central Bank efforts to help the IRGC acquire WMD or support international terrorism.
- In October 2018, 20 economic entities, including a steel company and acid and zinc mining firms, were sanctioned under E.O 13224 for providing revenue to the Basij militia, an arm of the IRGC.
- On April 8, 2019, the Trump Administration named the IRGC as a Foreign Terrorist Organization (FTO) under Section 219 of the Immigration and Nationality Act (8 U.S.C. 819). In addition to the sanctions above, the FTO designation provides for criminal penalties for U.S. persons or any bank that knowingly provides "material support" to an FTO (ex. donations, facilitation of its activities).

Foreign Aid Restrictions for Named Suppliers of Iran

Some past foreign aid appropriations have withheld U.S. assistance to the Russian Federation unless it terminates technical assistance to Iran's nuclear and ballistic missiles programs. The provision applied to the fiscal year for which foreign aid is appropriated. Because U.S. aid to Russia generally has not gone to the Russian government, little or no funding was withheld as a result of the provision. The JCPOA makes no reference to any U.S. commitments to waive this sanction or to request that Congress not enact such a provision.

Sanctions on "Countries of Diversion Concern"

Title III of CISADA established authorities to sanction countries that allow U.S. technology that Iran could use in its nuclear and WMD programs to be re-exported or diverted to Iran. Section 303 of CISADA authorizes the President to designate a country as a "Destination of Diversion Concern" if that country allows substantial diversion of goods, services, or technologies characterized in Section 302 of that law to Iranian end-users or Iranian intermediaries. The technologies specified include any goods that could contribute to Iran's nuclear or WMD programs, as well as goods listed on various U.S. controlled-technology lists such as the Commerce Control List or Munitions List. For any country designated as a country of diversion concern, there would be prohibition of denial for licenses of U.S. exports to that country of the goods that were being re-exported or diverted to Iran.

Implementation: To date, no country has been designated a "Country of Diversion Concern." Some countries adopted or enforced anti-proliferation laws apparently to avoid designation.

Waiver and Termination

Waiver: The President may waive sanctions on countries designated as of Diversion Concern for 12 months, and additional 12-month periods, pursuant to certification that the country is taking steps to prevent diversions and re-exports.

Termination: The designation terminates on the date the President certifies to Congress that the country has adequately strengthened its export controls to prevent such diversion and re-exports to Iran in the future. The JCPOA makes no reference to waiving or terminating this sanction.

Financial/Banking Sanctions

U.S. efforts to shut Iran out of the international banking system were a key component of the 2010-2016 international sanctions regime.

Targeted Financial Measures

Status: Initiative Suspended during JCPOA Implementation

During 2006-2016, the Department of the Treasury used long-standing authorities to persuade foreign banks to cease dealing with Iran, in part by briefing them on Iran's use of the international financial system to fund terrorist groups and acquire weapons-related technology. According to a GAO report of February 2013, the Department of the Treasury made overtures to 145 banks in 60 countries, including several visits to banks and officials in the UAE, and convinced at least 80 foreign banks to cease handling financial transactions with Iranian banks. Upon implementation of the JCPOA, the Treasury Department largely dropped this initiative, and instead largely sought to encourage foreign banks to conduct normal transactions with Iran.

Ban on Iranian Access to the U.S. Financial System/Use of Dollars

Status: Remains in Force

There is no blanket ban on foreign banks or persons paying Iran for goods using U.S. dollars. But, U.S. regulations (ITRs, C.F.R. Section 560.516) ban Iran from direct access to the U.S. financial system. The regulations allow U.S. banks to send funds (including U.S. dollars) to Iran for allowed (licensed) transactions. However, the U.S. dollars cannot be directly transferred to an Iranian bank, but must instead be channeled through an intermediary financial institution, such as a European bank. Section 560.510 specifically allows for U.S. payments to Iran to settle or pay judgments to Iran, such as those reached in connection with the U.S.-Iran Claims Tribunal, discussed above. However, the prohibition on dealing directly with Iranian banks still applies.

On November 6, 2008, the Department of the Treasury broadened restrictions on Iran's access to the U.S. financial system by barring U.S. banks from handling any transactions with foreign banks that are handling transactions on behalf of an Iranian bank ("U-turn transactions"). This means a foreign bank or person that pays Iran for goods in U.S. dollars cannot access the U.S. financial system (through a U.S. correspondent account, which most foreign banks have) to acquire dollars for any transaction involving Iran. This ban remained in effect under the JCPOA implementation, and Iran argued that these U.S. restrictions deter European and other banks from reentering the Iran market, as discussed later in this report.

Recent Developments

Then-Treasury Secretary Lew in March and April 2016 suggested the Obama Administration was considering licensing transactions by foreign (non-Iranian) clearinghouses to acquire dollars that might facilitate transactions with Iran, without providing Iran with dollars directly.³² However, doing so was not required by the JCPOA and the Administration declined to take that step. Instead, the Obama Administration encouraged bankers to reenter the Iran market without fear of being sanctioned. The Trump Administration has not, at any time, expressed support for allowing Iran greater access to dollars. The reimposition of U.S. sanctions has further reduced the willingness and ability of foreign firms to use dollars in transactions with Iran.

Punishments/Fines Implemented against Some Banks.

The Department of the Treasury and other U.S. authorities has announced financial settlements (forfeiture of assets and imposition of fines) with various banks that have helped Iran (and other countries such as Sudan, Syria, and Cuba) access the U.S. financial system. The amounts were reportedly determined, at least in part, by the value, number, and duration of illicit transactions conducted, and the strength of the evidence collected by U.S. regulators.³³ (As noted above, the FY2016 Consolidated Appropriation, P.L. 114-113, provides for use of the proceeds of the settlements above to pay compensation to victims of Iranian terrorism.)

³¹ For text of the OFAC ruling barring U-Turn transactions, see https://www.treasury.gov/resource-center/sanctions/ Documents/fr73_66541.pdf.

³² See Katherine Bauer. "Potential U.S. Clarification of Financial Sanctions Regulations." April 5, 2016. http://www.washingtoninstitute.org/policy-analysis/view/potential-u.s.-clarification-of-financial-sanctions-regulations.

³³ Analyst conversations with U.S. banking and sanctions experts. 2010-2015.

Table 2. Major Settlements/Fines Paid by Banks for Violations

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Bank	Date	Amount Paid	Violation
UBS (Switzerland)	2004	\$100 million	Unauthorized movement of U.S. dollars to Iran and others
ABN Amro (Netherlands)	December 2005	\$80 million	Failing to fully report financial transactions involving Bank Melli
Credit Suisse (Switzerland)	December 2009	\$536 million	Illicitly processing Iranian transactions with U.S. banks
ING (Netherlands)	June 2012	\$619 million	Concealing movement of billions of dollars through the U.S. financial system for Iranian and Cuban clients.
Standard Chartered (UK)	August 2012	\$340 million	Settlement paid to New York State for processing transactions on behalf of Iran
Clearstream (Luxembourg)	January 2014	\$152 million	Helping Iran evade U.S. banking restrictions
Bank of Moscow (Russia)	January 2014	\$9.5 million	Illicitly allowing Bank Melli to access the U.S. financial system
BNP Paribas	June 2014	\$9 billion	Amount forfeited for helping Iran (and Sudan and Cuba) violate U.S. sanction.
Standard Chartered (UK)	April 2019	\$639 million	Dubai branch of Standard Chartered processed Iran-related transactions to or through Standard Chartered branch in New York.
Unicredit AG (Germany, Austria, Italy)	April 2019	\$1.3 billion	For illicitly processing transactions through the U.S. financial system on behalf of Islamic Republic of Iran Shipping Lines (IRISL)

Source: Various press reports

CISADA: Sanctioning Foreign Banks That Conduct Transactions with Sanctioned Iranian Entities

Status: Remained in force after JCPOA, but Iranian banks "delisted." Delisted banks will be "relisted" as of November 5, 2018.

Section 104 of CISADA requires the Secretary of the Treasury to forbid U.S. banks from opening new "correspondent accounts" or "payable-through accounts" (or force the cancellation of existing such accounts) for³⁴

• any foreign bank that transactions business with an entity that is sanctioned by Executive Order 13224 or 13382 (terrorism and proliferation activities, respectively). These orders are discussed above. A full list of such entities is at the end of this report, and entities "delisted" are in italics.

³⁴ Foreign banks that do not have operations in the United States typically establish correspondent accounts or payable-through accounts with U.S. banks as a means of accessing the U.S. financial system.

- any foreign bank determined to have facilitated Iran's efforts to acquire WMD or delivery systems or provide support to groups named as Foreign Terrorist Organizations (FTOs) by the United States.
- any foreign bank that facilitates "the activities of" an entity designated under by U.N. Security Council resolutions that sanction Iran.
- any foreign bank that transacts business with the IRGC or any of its affiliates designated under any U.S. Iran-related executive order.
- any foreign bank that does business with Iran's energy, shipping, and shipbuilding sectors, including with NIOC, NITC, and IRISL. (This provision was contained in Section 1244(d) of the Iran Freedom and Counterproliferation Act, IFCA, discussed below, but did not specifically amend CISADA. The provision was waived to implement the JCPOA.

One additional intent of the provision was to reduce the ability of Iran's pivotal import-export community (referred to in Iran as the "bazaar merchants" or "bazaaris") from obtaining "letters of credit" (trade financing) to buy or sell goods. The Department of the Treasury has authority to determine what constitutes a "significant" financial transaction.

Waiver and Termination

Under Section 401(a) of CISADA, the Section 104 sanctions provisions would terminate 30 days after the President certifies to Congress that Iran (1) has met the requirements for removal from the terrorism list, AND (2) has ceased pursuit, acquisition, or development of, and verifiably dismantled its nuclear weapons and other WMD programs.

The Secretary of the Treasury may waive sanctions under Section 104, with the waiver taking effect 30 days after the Secretary determines that a waiver is necessary to the national interest and submits a report to Congress describing the reason for that determination.

As noted, Section 104 was not waived to implement the JCPOA, but many entities with which transactions would have triggered sanctions under Section 104 have been "delisted" in accordance with the JCPOA. These entities are to be relisted as Specially Designated Nationals (SDNs) and therefore subject to secondary sanctioning by November 5, 2018.

Implementation of Section 104: Sanctions Imposed

On July 31, 2012, the United States sanctioned the Bank of Kunlun in China and the Elaf Islamic Bank in Iraq under Section 104 of CISADA. On May 17, 2013, the Department of the Treasury lifted sanctions on Elaf Islamic Bank in Iraq, asserting that the bank had reduced its exposure to the Iranian financial sector and stopped providing services to the Export Development Bank of Iran.

Iran Designated a Money-Laundering Jurisdiction/FATF

Status: Central Bank Remained Designated Under this Section during ICPOA

On November 21, 2011, the Obama Administration identified Iran as a "jurisdiction of primary money laundering concern" under Section 311 of the USA Patriot Act (31 U.S.C. 5318A), based on a determination that Iran's financial system, including the Central Bank, constitutes a threat to governments or financial institutions that do business with Iran's banks. The designation imposed

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³⁵ http://www.treasury.gov/press-center/press-releases/Pages/tg1367.aspx.

additional requirements on U.S. banks to ensure against improper Iranian access to the U.S. financial system.

The Administration justified the designation as implementation of recommendations of the Financial Action Task Force (FATF)—a multilateral standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT). In 2016, the FATF characterized Iran as a "high-risk and noncooperative jurisdiction" with respect to AMF/CFT issues.³⁶ On June 24, 2016, the FATF welcomed an "Action Plan" filed by Iran to address its strategic AML/CFT deficiencies and decided to suspend, for one year, "countermeasures"mostly voluntary recommendations of increased due diligence with respect to Iran transactionspending an assessment of Iran's implementation of its Action Plan. The FATF continued the suspension of countermeasures in June and November 2017, and February 2018,³⁷ but Iran did not implement pledged remedies such as acceding to the Convention for the Suppression of Financing of Terrorism. Iranian bodies, including its Supreme National Security Committee and its Majles (parliament) sought in May 2018 to condition accession on not applying to Iran's support for groups Iran supports, such as Hezbollah and Hamas.³⁸ On October 19, 2018, the FATF stated that Iran had only acted on 9 out of 10 of its guidelines, and that Iran's Majles had not completed legislation to adopt international standards. The FATF continued to suspend countermeasures and gave Iran until February 2019 to fully accede to all FATF guidelines.

On February 22, 2019, the FATF stated that countermeasures remained suspended but that: "If by June 2019, Iran does not enact the remaining legislation in line with FATF Standards, then the FATF will require increased supervisory examination for branches and subsidiaries of financial institutions based in Iran. The FATF also expects Iran to continue to progress with enabling regulations and other amendments."

On October 12, 2018, the Treasury Department Financial Crimes Enforcement Network (FINCEN) issued a warning to U.S. banks to guard against likely Iranian efforts to evade U.S. financial sanctions. Earlier, in January 1, 2013, OFAC issued an Advisory to highlight Iran's use of *hawalas* (traditional informal banking and money exchanges) in the Middle East and South Asia region to circumvent U.S. financial sanctions. Because the involvement of an Iranian client is often opaque, banks have sometimes inadvertently processed *hawala* transactions involving Iranians.

Use of the SWIFT System

Section 220 of the ITRSHRA required reports on electronic payments systems, such as the Brussels-based SWIFT (Society of Worldwide Interbank Financial Telecommunications), that do business with Iran. That law also authorizes—but neither it nor any other U.S. law or Executive Order mandates—sanctions against SWIFT or against electronic payments systems. Still, many transactions with Iran are subject to U.S. sanctions, no matter the payment mechanism.

³⁶ http://www.fatf-gafi.org/publications/high-riskandnon-cooperativejurisdictions/documents/public-statement-february-2016.html.

³⁷ http://www.fatf-gafi.org/publications/high-riskandnon-cooperativejurisdictions/documents/public-statement-june-2017.html.

³⁸ Katherine Bauer. "Pushing Iran to Take Steps against Terrorist Financing." Washington Institute for Near East Policy, February 20, 2018.

Cross-Cutting Secondary Sanctions: The Iran Freedom and Counter-Proliferation Act (IFCA)

Status: Waived to implement JCPOA; will go back into effect as specified.

The National Defense Authorization Act for FY2013 (H.R. 4310, P.L. 112-239, signed January 2, 2013)—Subtitle D, "The Iran Freedom and Counter-Proliferation Act" (IFCA) sanctions a wide swath of Iran's economy. (Its provisions on Iran's human rights record are discussed elsewhere.)

- Section 1244 of IFCA mandates the blocking of U.S.-based property of any entity (Iranian or non-Iranian) that provides goods, services, or other support to any Iranian entity designated by the Treasury Department as a "specially designated national" (SDN). The tables at the end of this report show that hundreds of Iranian entities are designated as SDNs under various Executive Orders. The Iranian entities designated for civilian economic activity were "delisted" to implement the JCPOA, but will be relisted on November 5, 2018.
- Section 1247 of IFCA prohibits from operating in the United States any bank that
 knowingly facilitates a financial transaction on behalf of an Iranian SDN. The
 section also specifically sanctions foreign banks that facilitate payment to Iran
 for natural gas unless the funds owed to Iran for the gas are placed in a local
 account. The section provides for a waiver for a period of 180 days.

Several sections of IFCA impose ISA sanctions on entities determined to have engaged in specified transactions below. (*The provisions apply ISA sanctions but do not amend ISA.*)

- Energy, Shipbuilding, and Shipping Sector. Section 1244 mandates 5 out of 12 ISA sanctions on entities that provide goods or services to Iran's energy, shipbuilding, and shipping sectors, or to port operations there—or which provide insurance for such transactions. The sanctions do not apply when such transactions involved purchases of Iranian oil by countries that have exemptions under P.L. 112-81, or to the purchase of natural gas from Iran. This section goes back into effect after a 180-day wind-down period (by November 4, 2018).
- Dealings in Precious Metals. Section 1245 imposes 5 out of 12 ISA sanctions on entities that provide precious metals to Iran (including gold) or semifinished metals or software for integrating industrial processes. The section affected foreign firms that transferred these items or other precious metals to Iran in exchange for oil or any other product. There is no exception to this sanction for countries exempted under P.L. 112-81. This section went back into effect after a 90-day wind-down period (August 6, 2018).
- Insurance for Related Activities. Section 1246 imposes 5 out of 12 ISA sanctions on entities that provide underwriting services, insurance, or reinsurance for any transactions sanctioned under any Executive Order on Iran, ISA, CISADA, the Iran Threat Reduction Act, INKSNA, other IFCA provisions, or any other Iran sanction, as well as to any Iranian SDN. (There is no exception for countries exempted under P.L. 112-81.) This provision goes back into effect after a 180-day wind-down period (by November 4, 2018).
- Exception for Afghanistan Reconstruction. Section 1244(f) of IFCA provides a sanctions exemption for transactions that provide reconstruction assistance for or further the economic development of Afghanistan.

• Basij-Related Industrial Designations. On October 16, 2018, OFAC designated as terrorism-related entities several Iranian industrial companies on the grounds that they provide the Basij security force with revenue to support its operations in the Middle East. The industrial firms—which were not previously designated and would not anyway be "relisted" as of November 5—were Technotar Engineering Company; Iran Tractor Manufacturing Company; Iran's Zinc Mines Development Company and several related zinc producers; and Esfahan Mobarakeh Steel Company, the largest steel producer in the Middle East. The designations mean that foreign firms that transact business with these Iranian industrial firms could be subject to U.S. sanctions under IFCA.

Implementation

On August 29, 2014, the State Department sanctioned UAE-based Goldentex FZE in accordance with IFCA for providing support to Iran's shipping sector. It was "delisted" from sanctions on Implementation Day of the JCPOA.

Waiver and Termination

Sections 1244 and 1245 of IFCA provide for a waiver of sanctions for 180 days, renewable for 180-day periods, if such a waiver is determined to be vital to U.S. national security. These sections were waived in order to implement the JPA. In addition, Section 5(a)(7) of ISA was waived to allow for certain transactions with NIOC and NITC. Sections 1244(i), 1245(g), 1246(e), and 1247(f) of IFCA were waived to implement the JCPOA on January 18, 2017, and that waiver was last renewed on January 12, 2018. IFCA goes back into full effect as specified above.

Executive Order 13608 on Sanctions Evasion

Executive Order 13608 of May 1, 2012, gives the Department of the Treasury the ability to identify and sanction (cutting them off from the U.S. market) foreign persons who help Iran (or Syria) evade U.S. and multilateral sanctions.

Several persons and entities have been designated for sanctions, as shown in the tables at the end of the report.

Sanctions on Iran's Cyber and Transnational Criminal Activities

Status: All in Force during JCPOA Period

The Trump Administration appears to be making increasing use of executive orders issued during the Obama Administration to sanction Iranian entities determined to be engaged in malicious cyberactivities or in transnational crime. Iranian entities have attacked, or attempted to attack, using cyberactivity, infrastructure in the United States, Saudi Arabia, and elsewhere. Iran's ability to conduct cyberattacks appears to be growing. Separately, the Justice Department has prosecuted Iranian entities for such activity. The section below discusses Executive Order 13694 on malicious cyberactivities and Executive Order 13581 on transnational crime.

Executive Order 13694 (April 1, 2015)

Executive Order 13694 blocks U.S.-based property of foreign entities determined to have engaged in cyber-enabled activities that (1) harm or compromise the provision of services by computers or computer networks supporting in the critical infrastructure sector; (2) compromise critical infrastructure; (3) disrupt computers or computer networks; or (4) cause misappropriation of funds, trade secrets, personal identifiers, or financial information for financial advantage or gain.

Executive Order 13581 (July 25, 2011)

Executive Order 13581 blocks the U.S.-based property of entities determined (1) to be a foreign person that constitutes a significant transnational criminal organization; (2) to have materially assisted any person sanctioned under this order; or (3) to be owned or controlled by or to have acted on behalf of a person sanctioned under the order.

Implementation

Iran-related entities sanctioned under the Orders are listed in the tables at the end of this report.

Divestment/State-Level Sanctions

Some U.S. laws require or call for divestment of shares of firms that conduct certain transactions with Iran. A divestment-promotion provision was contained in CISADA, providing a "safe harbor" for investment managers who sell shares of firms that invest in Iran's energy sector at levels that would trigger U.S. sanctions under the Iran Sanctions Act. As noted above, Section 219 of the ITRSHRA of 2012 requires companies to reports to the Securities and Exchange Commission whether they or any corporate affiliate has engaged in any transactions with Iran that could trigger sanctions under ISA, CISADA, and E.O 13382 and 13224.

Implementation: Numerous states have adopted laws, regulations, and policies to divest from—or avoid state government business with—foreign companies that conduct certain transactions with Iran. The JCPOA requires the United States to work with state and local governments to ensure that state-level sanctions do not conflict with the sanctions relief provided by the federal government under the JCPOA. Most states that have adopted Iran sanctions continue to enforce those measures.

Sanctions and Sanctions Exemptions to Support Democratic Change/Civil Society in Iran

Post-JCPOA Status: Virtually All Sanctions in This Section Remain in Effect. No Entities "Delisted." 39

A trend in U.S. policy and legislation since the June 12, 2009, election-related uprising in Iran has been to support the ability of the domestic opposition in Iran to communicate and to sanction Iranian officials that commit human rights abuses. Sanctions on the IRGC represent one facet of

Congressional Research Service

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³⁹ Sections 5-7 and 15 of Executive Order 13628 which have to do primarily with Iran's energy sector, were revoked, but the remaining sections, which concern human rights issues, remain in place.

that trend because the IRGC is a key suppressive instrument. Individuals and entities designated under the executive orders and provisions discussed below are listed in the tables at the end of this report. For those provisions that ban visas to enter the United States, the State Department interprets the provisions to apply to all members of the designated entity.⁴⁰

Expanding Internet and Communications Freedoms

Some laws and Administration action focus on expanding internet freedom in Iran or preventing the Iranian government from using the internet to identify opponents. Subtitle D of the FY2010 Defense Authorization Act (P.L. 111-84), called the "VOICE" (Victims of Iranian Censorship) Act, contained several provisions to increase U.S. broadcasting to Iran and to identify (in a report to be submitted 180 days after enactment) companies that are selling Iran technology equipment that it can use to suppress or monitor the internet usage of Iranians. The act authorized funds to document Iranian human rights abuses since the June 2009 Iranian presidential election. Section 1241 required an Administration report by January 31, 2010, on U.S. enforcement of sanctions against Iran and the effect of those sanctions on Iran.

Countering Censorship of the Internet: CISADA, E.O. 13606, and E.O. 13628

- Section 106 of CISADA prohibits U.S. government contracts with foreign companies that sell technology that Iran could use to monitor or control Iranian usage of the internet. The provisions were directed, in part, against Nokia (Finland) and Siemens (Germany) for reportedly selling internet monitoring and censorship technology to Iran in 2008.⁴¹ The provision was derived from the Reduce Iranian Cyber-Suppression Act (111th Congress, S. 1475 and H.R. 3284).
- On April 23, 2012, President Obama issued an executive order (13606) sanctioning persons who commit "Grave Human Rights Abuses by the Governments of Iran and Syria via Information Technology (GHRAVITY)." The order blocks the U.S.-based property and essentially bars U.S. entry and bans any U.S. trade with persons and entities listed in an Annex and persons or entities subsequently determined to be (1) operating any technology that allows the Iranian (or Syrian) government to disrupt, monitor, or track computer usage by citizens of those countries or assisting the two governments in such disruptions or monitoring; or (2) selling to Iran (or Syria) any technology that enables those governments to carry out such actions.
- Section 403 of the ITRSHRA sanctions (visa ban, U.S.-based property blocked) persons/firms determined to have engaged in censorship in Iran, limited access to media, or—for example, a foreign satellite service provider—supported Iranian government jamming or frequency manipulation. On October 9, 2012, the President issued Executive Order 13628 implementing Section 403 by blocking the property of persons/firms determined to have committed the censorship, limited free expression, or assisted in jamming communications. The order also specifies the sanctions authorities of the Department of State and of the Treasury.

⁴⁰ U.S. Department of the Treasury, Office of Public Affairs, Treasury Sanctions Iranian Security Forces for Human Rights Abuses, June 9, 2011.

⁴¹ Christopher Rhoads, "Iran's Web Spying Aided by Western Technology," Wall Street Journal, June 22, 2009.

Laws and Actions to Promote Internet Communications by Iranians

- On March 8, 2010, OFAC amended the Iran Transactions Regulations to allow for a general license for providing free mass market software to Iranians. The ruling incorporated major features of the Iran Digital Empowerment Act (H.R. 4301 in the 111th Congress). The OFAC determination required a waiver of the provision of the Iran-Iraq Arms Nonproliferation Act (Section 1606 waiver provision) discussed above.
- Section 103(b)(2) of CISADA exempts from the U.S. export ban on Iran equipment to help Iranians communicate and use the internet.
- On March 20, 2012, the Department of the Treasury amended U.S.-Iran trade regulations to permit several additional types of software and information technology products to be exported to Iran under general license, provided the products were available at no cost to the user. 42 The items included personal communications, personal data storage, browsers, plug-ins, document readers, and free mobile applications related to personal communications.
- On May 30, 2013, the Department of the Treasury amended the trade regulations further to allow for the sale, *on a cash basis* (no financing), to Iran of equipment that Iranians can use to communicate (e.g., cellphones, laptops, satellite internet, website hosting, and related products and services).

Measures to Sanction Human Rights Abuses and Promote the Opposition

Some legislation has sought to sanction regime officials involved in suppressing the domestic opposition in Iran or in human rights abuses more generally. Much of this legislation centers on amendments to Section 105 of CISADA.

- Sanctions against Iranian Human Rights Abusers. Section 105 of CISADA bans travel and freezes the U.S.-based assets of those Iranians determined to be human rights abusers. On September 29, 2010, pursuant to Section 105, President Obama issued Executive Order 13553 providing for CISADA sanctions against Iranians determined to be responsible for or complicit in post-2009 Iran election human rights abuses. Those sanctioned under the provisions are listed in the tables at the end of this report.
- Section 105 terminates if the President certifies to Congress that Iran has (1) unconditionally released all political prisoners detained in the aftermath of the June 2009 uprising; (2) ceased its practices of violence, unlawful detention, torture, and abuse of citizens who were engaged in peaceful protest; (3) fully investigated abuses of political activists that occurred after the uprising; and (4) committed to and is making progress toward establishing an independent judiciary and respecting human rights.
- Sanctions on Sales of Anti-Riot Equipment. Section 402 of the ITRSHRA amended Section 105 by adding provisions that sanction (visa ban, U.S. property blocked) any person or company that sells the Iranian government goods or technologies that it can use to commit human rights abuses against its people.

⁴² Fact Sheet: Treasury Issues Interpretive Guidance and Statement of Licensing Policy on Internet Freedom in Iran, March 20, 2012

- Such goods include firearms, rubber bullets, police batons, chemical or pepper sprays, stun grenades, tear gas, water cannons, and like goods. In addition, ISA sanctions are to be imposed on any person determined to be selling such equipment to the IRGC.
- Sanctions against Iranian Government Broadcasters/IRIB. Section 1248 of IFCA
 (Subtitle D of P.L. 112-239) mandates inclusion of the Islamic Republic of Iran
 Broadcasting (IRIB), the state broadcasting umbrella group, as a human rights
 abuser. IRIB was designated as an SDN on February 6, 2013, under E.O. 13628
 for limiting free expression in Iran. On February 14, 2014, the State Department
 waived IFCA sanctions under Sections 1244, 1246, or 1247, on any entity that
 provides satellite connectivity services to IRIB. The waiver has been renewed
 each year since.
- Sanctions against Iranian Profiteers. Section 1249 of IFCA amends Section 105
 by imposing sanctions on any person determined to have engaged in corruption
 or to have diverted or misappropriated humanitarian goods or funds for such
 goods for the Iranian people. The measure is intended to sanction Iranian
 profiteers who are, for example, using official connections to corner the market
 for vital medicines. This provision, which remains in forces, essentially codifies a
 similar provision of Executive Order 13645.
- The Countering America's Adversaries through Sanctions Act (CAATSA, P.L. 115-44) Provision. Section 106 authorizes (but does not require) the imposition of the same sanctions as those prescribed in E.O. 13553 on persons responsible for extrajudicial killings, torture, or other gross violations of internationally recognized human rights against Iranians who seek to expose illegal activity by officials or to defend or promote human rights and freedoms in Iran. The persons to be sanctioned are those named in a report provided 90 days after CAATSA enactment (by October 31, 2017) and annually thereafter. The provision is similar to E.O. 13553 but, in contrast, applies broadly to Iranian human rights abuses and is not limited to abuses connected to suppressing the June 2009 uprising in Iran. Additional designations of Iranian human rights abusers under E.O. 13533 were made subsequent to the enactment of CAATSA and the October 31, 2017, CAATSA report deadline.
- Separate Visa Bans. On July 8, 2011, the State Department imposed visa restrictions on 50 Iranian officials for participating in political repression in Iran, but it did not name those banned on the grounds that visa records are confidential. The action was taken under the authorities of Section 212(a)(3)(C) of the Immigration and Nationality Act, which renders inadmissible to the United States a foreign person whose activities could have serious consequences for the United States. On May 30, 2013, the State Department announced it had imposed visa restrictions on an additional 60 Iranian officials on similar grounds.⁴³
- High Level Iranian Visits. There are certain exemptions in the case of high level
 Iranian visits to attend U.N. meetings in New York. The U.N. Participation Act
 (P.L. 79-264) provides for U.S. participation in the United Nations and as host
 nation of U.N. headquarters in New York, and visas are routinely issued to heads
 of state and their aides attending these meetings. In September 2012, the State
 Department refused visas for 20 members of Iranian President Ahmadinejad's

⁴³ http://www.state.gov/r/pa/prs/ps/2013/05/210102.htm.

traveling party on the grounds of past involvement in terrorism or human rights abuses. Still, in line with U.S. obligations under the act, then-President Ahmadinejad was allowed to fly to the United States on Iran Air, even though Iran Air was at the time a U.S.-sanctioned entity, and his plane reportedly was allowed to park at Andrews Air Force base.

U.N. Sanctions

U.N. Sanctions on Iran, enacted by the Security Council under Article 41 of Chapter VII of the U.N. Charter, 44 applied to all U.N. member states. During 2006-2008, three U.N. Security Council resolutions—1737, 1747, and 1803—imposed sanctions on Iran's nuclear program and weapons of mass destruction (WMD) infrastructure. Resolution 1929, adopted on June 9, 2010, was key for its assertion that major sectors of the Iranian economy support Iran's nuclear program—giving U.N. member states authorization to sanction civilian sectors of Iran's economy. It also imposed strict limitations on Iran's development of ballistic missiles and imports and exports of arms.

Resolution 2231 and U.N. Sanctions Eased

U.N. Security Council Resolution 2231 of July 20, 2015

- endorsed the JCPOA and superseded all prior Iran-related resolutions as of Implementation Day (January 16, 2016).
- lifted all U.N. sanctions discussed above. The Resolution did not continue the mandate of the "the panel of experts" and the panel ended its operations.
- "calls on" Iran not to develop ballistic missiles "designed to be capable" of
 delivering a nuclear weapon for a maximum of eight years from Adoption Day
 (October 18, 2015). The restriction expires on October 18, 2023. And, 2231 is far
 less restrictive on Iran's missile program than is Resolution 1929. No specific
 sanctions are mandated in the Resolution if Iran conducted missile tests
 inconsistent with the Resolution. The JCPOA did not impose any specific
 missile-related requirements.
- requires Security Council approval for Iran to export arms or to purchase any arms (major combat systems named in the Resolution) for a maximum of five years from Adoption Day (until October 18, 2020). The JCPOA does not impose arms requirements.

No change to the status of Resolution 2231 is anticipated as a consequence of the May 8, 2018, U.S. announcement that it will cease participating in the JCPOA.

Iran Compliance Status

U.N. and International Atomic Energy Agency reports since the JCPOA began implementation have stated that Iran is complying with its nuclear obligations under the JCPOA. That assessment

⁴⁴ Security Council resolutions that reference Chapter VII of the U.N. Charter represent actions taken with respect to threats to international peace and acts of aggression. Article 41 of that Chapter, in general, provides for enforcement of the resolution in question through economic and diplomatic sanctions, but not through military action.

was corroborated by U.S. intelligence leaders in January 29, 2019, testimony before the Senate Select Committee on Intelligence.⁴⁵

U.N. reports on Iranian compliance with Resolution 2231⁴⁶ have noted assertions by several U.N. Security Council members, including the United States, that Iranian missile tests have been inconsistent with the Resolution. U.S. officials have called some of Iran's launches of its Khorramshahr missile as violations of the Resolution. The reports required by Resolution 2231, as well as those required by other Resolutions pertaining to various regional crises, such as that in Yemen, also note apparent violations of the Resolution 2231 restrictions on Iran's exportation of arms. The Security Council is responsible for prescribing penalties on Iran for violations, and no U.N. Security Council actions have been taken against Iran for these violations to date.

U.N. List of Sanctioned Entities

Under Paragraph 6(c) of Annex B of Resolution 2231, entities sanctioned by the previous Iranrelated Resolutions would continue to be sanctioned for up to eight years from Adoption Day
(until October 2023). An attachment to the Annex listed 36 entities for which this restriction
would no longer apply (entities "delisted") as of Implementation Day. Most of the entities
immediately delisted were persons and entities connected to permitted aspects of Iran's nuclear
program and its civilian economy. According to press reports, two entities not on the attachment
list, Bank Sepah and Bank Sepah International PLC, also were delisted on Implementation Day
by separate Security Council action. ⁴⁷ Paragraph 6(c) provides for the Security Council to be able
to delist a listed entity at any time, as well as to add new entities to the sanctions list. Delisted
entities are in italics in the table of U.N.-listed sanctioned entities at the end of the report.

⁴⁵ https://www.dni.gov/index.php/newsroom/congressional-testimonies/item/1947-statement-for-the-record-worldwide-threat-assessment-of-the-us-intelligence-community.

⁴⁶ The report is reprinted in, Iran Watch, at http://www.iranwatch.org/library/multilateral-organizations/united-nations/un-secretary-general/third-report-secretary-general-implementation-security-council-resolution-2231.

⁴⁷ http://www.wsj.com/articles/u-s-signed-secret-document-to-lift-u-n-sanctions-on-iranian-banks-1475193723.

Table 3. Summary of Provisions of U.N. Resolutions on Iran Nuclear Program (1737, 1747, 1803, 1929, and 2231)

Resolution 1737 required Iran to suspend uranium enrichment, to suspend construction of the heavy-water reactor at Arak, ratify the "Additional Protocol" to Iran's IAEA Safeguards Agreement. (1737) No longer applicable.

Assets frozen of Iranian persons and entities named in annexes to the resolutions, and countries required to ban the travel of named Iranians. (Initial list in Resolution 1737, and additional designations in subsequent resolutions).

Transfer to Iran of nuclear, missile, and dual use items to Iran prohibited, except for use in light-water reactors (1737 and 1747). Resolution 2231 delegates to a Joint Commission the authority to approve Iran's applications to purchase dual-use items.

Resolution 1747 prohibited Iran from exporting arms. Resolution 2231 requires Iran to obtain Security Council approval to export arms for a maximum of five years.

Resolution 1929 prohibited Iran from investing abroad in uranium mining, related nuclear technologies or nuclear capable ballistic missile technology, and prohibits Iran from developing, including testing, nuclear-capable ballistic missiles. No longer applicable.

1929 mandated that countries not export major combat systems to Iran, but did not bar sales of missiles that are not on the U.N. Registry of Conventional Arms. Resolution 2231 makes arms sales to Iran and exportation of arms from Iran subject to approval by the U.N. Security Council, for a maximum of five years from Adoption Day (until October 2020).

1929 called for restraint on transactions with Iranian banks, particularly Bank Melli and Bank Saderat. Not applicable under Resolution 2231.

Resolution called for "Vigilance" (but not a ban) on making international lending to Iran and providing trade credits and other financing. Not applicable under Resolution 2231.

Resolution 1929 called on countries to inspect cargoes carried by Iran Air Cargo and Islamic Republic of Iran Shipping Lines—or by any ships in national or international waters—if there are indications they carry cargo banned for carriage to Iran. Searches in international waters would require concurrence of the country where the ship is registered. Resolution 2231 requires U.N. member states to continue to enforce all remaining restrictions on shipment of banned items to Iran.

A Sanctions Committee, composed of the 15 members of the Security Council, monitored implementation of all Iran sanctions and collected and disseminated information on Iranian violations and other entities involved in banned activities. A "panel of experts" was empowered by 1929 to assist the U.N. sanctions committee in implementing the resolution and previous Iran resolutions, and to suggest ways of more effective implementation. Resolution 2231 ended the panel of experts work.

Source: Text of U.N. Security Council resolutions 1737, 1747, 1803, 1929, and 2231. http://www.un.org.

Sanctions Application under Nuclear Agreements

The following sections discuss sanctions relief provided under the November 2013 interim nuclear agreement (JPA) and, particularly, the JCPOA. Later sections discuss the degree to which Iran is receiving the expected benefits of sanctions relief.

Sanctions Eased by the JPA

U.S. officials said that the JPA provided "limited, temporary, targeted, and reversible" easing of international sanctions. Under the JPA (in effect January 20, 2014-January 16, 2016)⁴⁸

 Iran's oil customers were not required reduce their oil purchases from Iran because waivers were issued for Section 1245(d)(1) of the National Defense

⁴⁸ The Administration sanctions suspensions and waivers are detailed at http://www.state.gov/p/nea/rls/220049.htm.

Authorization Act for FY2012 (P.L. 112-81) and Section 1244c(1) of IFCA. The Waivers of ITRSHRA and ISA provisions were issued to permit transactions with NIOC. The European Union amended its regulations to allow shipping insurers to provide insurance for ships carrying oil from Iran.⁴⁹

- A waiver of Section 1245(d)(1) of IFCA allowed Iran to receive directly \$700 million per month in hard currency from oil sales and \$65 million per month to make tuition payments for Iranian students abroad (paid directly to the schools).
- Executive Orders 13622 and 13645 and several provisions of U.S.-Iran trade regulations were suspended. Several sections of IFCA were waived to enable Iran to sell petrochemicals and trade in gold and other precious metals, and to conduct transactions with foreign firms involved in Iran's automotive manufacturing.
- Executive Order 13382 provisions and certain provisions of U.S.-Iran trade
 regulations were suspended for equipment sales to Iran Air. The United States
 licensed some safety-related repairs and inspections for certain Iranian airlines
 and issued a new "Statement of Licensing Policy" to enable U.S. aircraft
 manufacturers to sell equipment to Iranian airlines.
- The JPA required that the P5+1 "not impose new nuclear-related sanctions ... to the extent permissible within their political systems." ⁵⁰

Sanctions Easing under the JCPOA and U.S. Reimposition

Under the JCPOA, sanctions relief occurred at Implementation Day (January 16, 2016), following IAEA certification that Iran had completed stipulated core nuclear tasks. U.S. secondary sanctions were waived or terminated, but most sanctions on direct U.S.-Iran trade. The secondary sanctions eased included⁵¹ (1) sanctions that limited Iran's exportation of oil and sanction foreign sales to Iran of gasoline and energy sector equipment, and which limit foreign investment in Iran's energy sector; (2) financial sector sanctions; and (3) sanctions on Iran's auto sector and trading in the *rial*. The EU lifted its ban on purchases of oil and gas from Iran; and Iranian banks were readmitted to the SWIFT electronic payments system. All U.N. sanctions were lifted.

All of the U.S. sanctions that were eased will go back into effect on November 4, 2018, in accordance with the May 8, 2018, announcement that the United States will cease participating in the JCPOA. The Administration has stated that the purpose of reimposing the sanctions is to deny Iran the revenue with which to conduct regional malign activities and advance its missile, nuclear, and conventional weapons programs.

The sanctions that went back into effect on August 7, 2018 (90-day wind-down period) are on:

- the purchase or acquisition of U.S. bank notes by Iran;
- Iran's trade in gold and other precious metals;
- transactions in the Iranian *rial*;
- activities relating to Iran's issuing of sovereign debt;
- transactions with Iran in graphite, aluminum, steel, coal, and industrial software;

⁴⁹ Daniel Fineren, "Iran Nuclear Deal Shipping Insurance Element May Help Oil Sales," Reuters, November 24, 2013.

⁵⁰ White House Office of the Press Secretary. "Fact Sheet: First Step Understandings Regarding the Islamic Republic of Iran's Nuclear Program," November 23, 2013.

⁵¹ http://iranmatters.belfercenter.org/blog/translation-iranian-factsheet-nuclear-negotiations; and author conversations with a wide range of Administration officials, think tank, and other experts, in Washington, DC, 2015.

- importation of Iranian luxury goods to the United States; and
- the sale to Iran of passenger aircraft (and aircraft with substantial U.S. content).

The sanctions that went back into effect on November 5, 2018 are on:

- petroleum-related transactions with Iran.
- · port operators and energy, shipping, and shipbuilding sectors; and
- transactions by foreign banks with Iran's Central Banks (including the provision that restricts Iran's access to hard currency held in banks abroad).

U.S. Laws Waived and Executive Orders Terminated, and Reimposition⁵²

The laws below required waivers to implement U.S. commitments under the JCPOA, and all waivers were revoked in concert with the Trump Administration exit from the accord. All the provisions discussed below went back into effect on November 5, 2018.

- Iran Sanctions Act. The blanket energy/economic-related provisions of the ISA of P.L. 104-172, as amended. (Section 4(c)(1)(A) waiver provision.) The WMDrelated provision of ISA was not waived. The existing six-month waiver of ISA was last renewed on January 12, 2018, and was to expire on July 12, 2018.
- FY2012 NDAA. Section 1245(d) of the National Defense Authorization Act for FY2012 (P.L. 112-81) imposes sanctions on foreign banks of countries that do not reduce Iran oil imports. The latest 120-day waiver was issued by the Trump Administration on January 12, 2018, and was to expire on May 12, 2018.
- Iran Threat Reduction and Syria Human Rights Act. Sections 212 and 213 (the economy-related provisions) of Iran Threat Reduction and Syria Human Rights Act (P.L. 112-158) provisions. The human rights-related provisions of the law were not waived. The existing six-month waiver period was renewed on January 12, 2018, and was to expire on July 12, 2018.
- Iran Freedom and Counter-proliferation Act. Sections 1244, 1245, 1246, and 1247 of the Iran Freedom and Counter-Proliferation Act (Subtitle D of P.L. 112-239). The latest 180-day waiver period was renewed on January 12, 2018, and was to expire on July 11, 2018.
- The core provision of CISADA (P.L. 111-195) that sanctions foreign banks was not waived, but most listed Iranian banks were "delisted" to implement the JCPOA, thereby making this CISADA provision largely moot. The Administration relisted all delisted Iranian banks on November 5, 2018.
- Executive Orders: 13574, 13590, 13622, 13645, and Sections 5-7 and 15 of Executive Order 13628 were revoked outright by Executive Order 13716.⁵³ The Orders were reinstated on August 6, 2018, in the issuing of a new Executive Order, 13846.
- The United States "delisted" for sanctions the specified Iranian economic entities and personalities listed in Attachment III of the JCPOA, including the National Iranian Oil Company (NIOC), various Iranian banks, and many energy and

⁵² http://www.politico.com/story/2015/07/full-text-iran-deal-120080.html.

⁵³ For more information on these Executive Orders and their provisions, see CRS Report RS20871, *Iran Sanctions*, by Kenneth Katzman; and CRS Report R43311, *Iran: U.S. Economic Sanctions and the Authority to Lift Restrictions*, by Dianne E. Rennack.

shipping-related institutions. That step enabled foreign companies/banks to resume transactions with those entities without risking being penalized by the United States. The tables at the end of the report depict in italics those entities delisted. Entities that were to be delisted on "Transition Day" (October 2023) are in bold type. The Administration relisted these entities for secondary sanctions, with selected exceptions (such as the Atomic Energy Agency Organization of Iran and 23 of its subsidiaries), on November 5, 2018. The continued de-listing of the nuclear entities was in order to allow European and other U.S. partners to continue providing civilian nuclear assistance to Iran that is permitted under the JCPOA.

• The JCPOA required the U.S. Administration, by "Transition Day," to request that Congress lift virtually all of the sanctions that were suspended under the JCPOA. No outcome of such a request is mandated. The JCPOA requires all U.N. sanctions to terminate after 10 years of adoption ("Termination Day"). The U.S. related provisions are rendered moot by the U.S. exit from the JCPOA.

Exceptions and Waivers Provided by the Trump Administration

Even though it has reimposed all U.S. sanctions on Iran, the Trump Administration has issued some exceptions that are provided for under the various U.S. sanctions laws, including:

- As noted above, eight countries were given the SRE to enable them to continue transactions with Iran's Central Bank and to purchase Iranian oil. At an April 10 hearing of the Senate Foreign Relations Committee, Secretary Pompeo appeared to indicate that the SREs would be renewed for the eight countries that received them when the evaluation period concludes on May 3.⁵⁴
- It is unclear whether the Administration will renew waivers under IFCA and various anti-proliferation laws (discussed above) issued to allow international technical assistance to Iran's three nuclear sites permitted to operate under the JCPOA – the Fordow facility, the Bushehr nuclear power reactor, and the Arak heavy water plant.⁵⁵
- The Administration has apparently waived Section 1247(e) of IFCA to enable Iraq to continue paying for purchases of natural gas from Iran. The waiver term for that section is up to 180 days longer than the reported 30 days or 90 day waiver periods the State Department is providing Iraq.
- The Administration has issued the permitted IFCA exception for Afghan reconstruction to enable India to continue work at Iran's Chahbahar Port.
- The Administration has renewed the licenses of certain firms to enable them to continue developing the Rhum gas field in the North Sea that Iran partly owns.

U.S. Sanctions that Remained in Place during JCPOA

The JCPOA did not commit the United States to suspend U.S. sanctions on Iran for terrorism or human rights abuses, on foreign arms sales to Iran or sales of proliferation-sensitive technology

⁵⁴ https://www.washingtonpost.com/world/national-security/pompeo-accuses-hawkish-lawmakers-of-grandstanding-on-iran-sanctions/2019/04/13/d01e5338-5df1-11e9-842d-7d3ed7eb3957 story.html?utm term=.50a7d97aad5d

⁵⁵ Fresh U.S. Divide on Iran Emerges over Expiring Nuclear Waivers. Bloomberg News, April 11, 2019.

such as ballistic missile technology, or on U.S.-Iran direct trade (with the selected exceptions of the latter discussed above). The sanctions below remained in place during JCPOA implementation and remain in effect now:

- E.O. 12959, the ban on U.S. trade with and investment in Iran;
- E.O. 13224 sanctioning terrorism entities, any sanctions related to Iran's
 designation as a state sponsor or terrorism, and any other terrorism-related
 sanctions. The JCPOA does not commit the United States to revoke Iran's
 placement on the terrorism list;
- E.O. 13382 sanctioning entities for proliferation;
- the Iran-Iraq Arms Non-Proliferation Act;
- the Iran-North Korea-Syria Non-Proliferation Act (INKSNA);⁵⁶
- the section of ISA that sanctions provision to Iran of WMD-and arms related technology to Iran;
- Executive Orders E.O. 13438 on Iran's interference in Iraq and E.O. 13572 on repression in Syria;
- Executive Orders (E.O. 13606 and 13628) and the provisions of CISADA,
 ITRSHRA, and IFCA that pertain to human rights or democratic change in Iran;
- sanctions under various executive orders on the IRGC, military, proliferationrelated, and human rights- and terrorism-related entities, which were not "delisted" from sanctions;
- Treasury Department regulations barring Iran from access to the U.S. financial system. Foreign banks can pay Iran in dollars out of their existing dollar supply, and the Treasury Department revised its guidance in October 2016 to stress that such transactions are permitted.⁵⁷

Other Mechanisms to "Snap-Back" Sanctions on Iran

Sanctions might have been reimposed by congressional action in accordance with President Trump's withholding of certification of Iranian compliance with the JCPOA. Such certification under the Iran Nuclear Agreement Review Act (INARA, P.L. 114-17), was withheld in October 2017 and January and April of 2018. Congress had the opportunity to act on legislation, under expedited procedures, to reimpose sanctions that were suspended. Congress did not take such action.⁵⁸

Additionally, the JCPOA (paragraph 36 and 37) contains a mechanism for the "snap back" of U.N. sanctions if Iran does not satisfactorily resolve a compliance dispute. According to the JCPOA (and Resolution 2231), the United States (or any veto-wielding member of the U.N. Security Council) would be able to block a U.N. Security Council resolution that would continue the lifting of U.N. sanctions despite Iran's refusal to resolve the dispute. In that case "... the provisions of the old U.N. Security Council resolutions would be reimposed, unless the U.N. Security Council decides otherwise." There are no indications that the Administration plans to try to snap back U.N. sanctions under this process. However, some observers maintain that the

⁵⁶ The JCPA does commit the United States to terminate sanctions with respect to some entities designated for sanctions under INKSNA.

 $^{^{57}\} https://www.treasury.gov/resource-center/sanctions/Programs/Documents/jcpoa_faqs.pdf.$

 $^{^{58}}$ For more information on this option, see CRS Report R44942, *U.S. Decision to Cease Implementing the Iran Nuclear Agreement*, by Kenneth Katzman, Paul K. Kerr, and Valerie Heitshusen.

Administration assertions in 2019 that Iran was not forthcoming with the IAEA about its past nuclear weapons research could potentially indicate that the Administration will trigger the snap-back mechanism.

International Implementation and Compliance⁵⁹

During 2010-2016, converging international views on Iran produced global consensus to pressure Iran through sanctions. In addition to asserting that the international community needed to ensure that Iran did not develop a nuclear weapon, some countries joined the sanctions regime to head off unwanted U.S. or other military action against Iran. Some countries cooperated in order to preserve their close relationships with the United States. This section assesses international cooperation and compliance with U.S. sanctions, and cooperation with U.S. sanctions reimposed as a consequence of the May 8, 2018, U.S. exit from the JCPOA. All the JCPOA parties publicly opposed the U.S. decision to exit the JCPOA and have sought to stay engaged in the Iran market in order to continue to provide the JCPOA's economic benefits to Iran.

A comparison between U.S., U.N., and EU sanctions against Iran is contained in **Table 4** below. Broader issues of Iran's relations with the countries discussed in this section can be found in CRS Report R44017, *Iran's Foreign and Defense Policies*, by Kenneth Katzman.

European Union (EU)

After the passage of Resolution 1929 in June 2010, European Union (EU) sanctions on Iran became nearly as extensive as those of the United States—a contrast from most of the 1990s, when the EU countries refused to join the 1995 U.S. trade and investment ban on Iran and (along with Japanese creditors) rescheduled \$16 billion in Iranian debt bilaterally. In July 2002, Iran tapped international capital markets for the first time since the Islamic revolution, selling \$500 million in bonds to European banks and, during 2002-2005, there were negotiations between the EU and Iran on a "Trade and Cooperation Agreement" (TCA) that would have lowered the tariffs or increased quotas for Iranian exports to the EU countries. 60

Under the JCPOA, EU sanctions, most of which were imposed in 2012, were lifted, including:

- the ban on oil and gas imports from Iran. EU oil imports from Iran subsequently returned nearly to the 2011 levels of about 600,000 barrels per day.
- a ban on insurance for shipping oil or petrochemicals from Iran and a freeze on the assets of several Iranian firms involved in shipping.
- a ban on trade with Iran in gold, precious metals, diamonds, and petrochemicals.
- a freeze of the assets of Iran's Central Bank (except for approved civilian trade).
- a ban on transactions between European and all Iranian banks and on short-term export credits, guarantees, and insurance.
- a ban on exports to Iran of graphite, semi-finished metals such as aluminum and steel, industrial software, shipbuilding technology, oil storage capabilities, and flagging or classification services for Iranian tankers and cargo vessels.

⁵⁹ Note: CRS has no mandate or capability to "judge" compliance of any country with U.S. or other sanctions against Iran. This section is intended to analyze some major trends in third country cooperation with U.S. sanctions.

⁶⁰ During the active period of talks, which began in December 2002, there were working groups focused not only on the TCA terms and proliferation issues but also on Iran's human rights record, Iran's efforts to derail the Middle East peace process, Iranian-sponsored terrorism, counter-narcotics, refugees, migration issues, and the Iranian opposition PMOI.

- The cutoff of 14 EU-sanctioned Iranian banks from the Brussels-based SWIFT electronic payments system was lifted, and the Iranian banks resumed accessing the system in February 2016.
- A large number of entities that had been sanctioned by EU Council decisions and regulations over the years were "delisted" by the EU on Implementation Day.
 The EU did not relist any entities in concert with the U.S. exit from the JCPOA.

The following EU sanctions have always remained in place:

- an embargo on sales to Iran of arms, missile technology, other proliferationsensitive items, and gear for internal repression.
- a ban on 84 Iranian persons and one entity—all designated for human rights abuses or supporting terrorism—from visiting EU countries, and a freeze on their EU-based assets.

U.S. JCPOA Exit-Driven Divestment

The EU countries have not reimposed sanctions on Iran in concert with the U.S. exit from the JCPOA, and the EU has instead sought to protect their economic relations with Iran. However, to avoid risk to their position in the large U.S. market, more than 100 companies—mostly in Europe—have announced they are leaving Iran. Press reports indicate that European exports to Iran have fallen as well, including German exports down about 4% in the first eight months of 2018. In some cases, European companies have stopped doing business with Iran after being threatened with U.S. sanctions by U.S. diplomats. ⁶¹ And, as noted in the table above, only two EU countries were still buying Iranian oil at the end of 2018—and their purchases were lower than earlier in the year—suggesting that European refiners are trying to avoid any risk of U.S. sanctions.

Italy and Greece were given SRE sanctions exemptions on November 5, 2018 but stopped importing Iranian oil in late 2018 and are unlikely to do so now that the SREs have ended (May 2, 2019).

Some of the 100+ European companies that have ended investments in or transactions with Iran that have ended to avoid reimposed U.S. sanctions include:⁶²

- Oil Importation. All European importations of oil from Iran have stopped since late 2018.
- Cars. Renault and Citroen of France suspended their post-JCPOA \$1 billion investments in a joint venture (with two Iranian firms) to boost Renault's car production capacity in Iran to 350,000 cars per year. On August 6, 2018, Daimler (manufacturer of Mercedes Benz autos) announced it was suspending its activities in Iran. Volkswagen followed suit one month later.
- *Buses.* Scania of Sweden established a factory in Iran to supply the country with 1,350 buses, but it is not clear whether this venture is still operating.
- Other Industry. German industrial giant Siemens signed an agreement in March 2016 with Iranian firm Mapna to transfer technology to produce gas turbines in Iran, and other contracts to upgrade Iran's railways. Siemens said in late 2018

⁶¹ https://www.businesstimes.com.sg/government-economy/us-puts-squeeze-on-european-firms-doing-business-withiran.

^{62 &}quot;Iran Nuclear Deal: The EU's Billion-Dollar Deals at Risk," BBC News, May 11, 2018.

- that it would pursue no new Iranian business. Italy's Danieli industrial conglomerates and Gruppo Ventura have exited the Iran market.
- Banking. Several banks have announced since the U.S. JCPOA exit a cessation of transactions with Iran: DZ Bank and Allianz of Germany; Oberbank of Austria; and Banque Wormser Freres of France. In July 2018, at U.S. request, Germany's central bank (Deutsche Bundesbank) introduced a rule change that blocked Iran's withdrawal of \$400 million in cash from the Europaische-Iranische Handlesbank (EIH). EIH is reportedly at least partly owned by Iran and has often partnered on transactions with the Bundesbank. (EIH was "de-listed" from sanctions by the United States to implement the JCPOA, but was relisted on November 5, 2018.)⁶³
- Energy. On energy issues: Total SA has exited a nearly \$5 billion energy investment in South Pars gas field, and it is transferring its stake to its joint venture partner, China National Petroleum Corporation. As noted above, European countries have reduced their purchases of Iranian oil. OMV of Austria has announced it would halt energy development work.Norway's Saga Energy (Norway is not in the EU) signed a \$3 billion deal to build solar power plants in Iran, and Italy's FS signed a \$1.4 billion agreement to build a high speed railway between Qom and Arak. These deals are still active.
- Shipping. Hapag-Lloyd of Germany and Denmark's AP Moller-Maersk have ceased shipping services to Iran.
- *Telecommunications*. Germany telecommunications firm Deutsche Telekom announced in September 2018 that it would end its business in Iran.
- Flights. Although air service is not subject to U.S. sanctions per se, Air France and British Air announced in September 2018 that they would cease service to Iran due to lack of demand.
- Rhum Gas Field. One project, the Rhum gas field in the North Sea that is partly owned by Iranian Oil Company (a subsidiary of NIOC), has been able to continue operating. In part because the field supplies about 5% of Britain's demand for natural gas, in October 2018, the Trump Administration renewed the license of BP and Serica Energy to continue providing goods and services to the field, despite the Iranian involvement in the project.⁶⁴

European Counter-efforts/Special Purpose Vehicle/INSTEX

The EU countries, in an attempt to persuade Iran to continue to adhere to the JCPOA, have undertaken several steps that run counter to the Trump Administration's reimposition of Iran sanctions. On August 6, 2018, a 1996 EU "blocking statute" took effect which seeks to protect EU firms from reimposed U.S. sanctions. In September 2018, EU countries announced small amounts of development assistance to Iran, apparently in order to demonstrate that the EU is making good faith efforts to provide Iran the economic benefits of the JCPOA. With the blocking statute and aid widely assessed as unlikely to satisfy Iran, EU countries sought to design a mechanism under which EU countries could continue to trade with Iran with relative immunity from U.S. sanctions. On September 25, 2018, Germany, France, and Britain, joined by Russia and China, as well as Iran, endorsed the creation of a "special purpose vehicle" (SPV) —an entity that would facilitate trade without utilizing dollar-denominated transactions with Iran, and without

⁶³ Germany's Central Bank Imposes Rule to Stop Cash Delivery to Tehran. Jerusalem Post, August 6, 2018.

⁶⁴ "U.S. Grants BP, Serica Lic4ense to Run Iran-Owned North Sea Field." Reuters, October 9, 2018.

exposure to the U.S. market, and thereby presumably not be subject to U.S. sanctions. In a joint statement, France, Britain, and Germany announced the formal registration of the SPV, formally termed the Instrument for Supporting Trade Exchanges (INSTEX). It is based in France, with German governance, and financial support from the three governments. It will initially focus on the sectors most essential to Iran, including medicines, medical devices, and food, and perhaps eventually provide a platform for non-European countries to trade with Iran in oil and other products. The operation of INSTEX depends on Iran setting up a counterparty vehicle in Europe and Iran has not, to date, established such an institution.

Secretary of State Michael Pompeo denounced the plan as counterproductive, and Vice President Mike Pence, in mid-February 2019, as an outright attempt to undermine U.S. sanctions against Iran. Amid reported agitation among Iran regime hardliners to exit the JCPOA because of the failure of the EU to prevent harm to the Iranian economy, Iranian officials indicated the announcement represented a positive first step.

EU Antiterrorism and Anti-proliferation Actions

While attempting to preserve civilian economic engagement with Iran, the European countries have sought to support U.S. efforts to counter Iran's terrorism and proliferation activities.

- In December 2018, Albania expelled Iran's ambassador and one other Iranian diplomat for involvement in a terrorism plot that was thwarted.
- In January 2019, the EU added Iran's intelligence service (MOIS) and two intelligence operatives to its terrorism-related sanctions list in response to allegations of Iranian terrorism plotting in Europe.
- Germany followed that move by denying landing rights to Iran's Mahan Air, which the United States has designated as a terrorism supporting entity.

SWIFT Electronic Payments System

The management of the Brussels-based Swift electronic payments system has sought to balance financial risks with the policies of the EU governments. In March 2012, SWIFT acceded to an EU request to expel sanctioned Iranian banks. ⁶⁶ Some Iranian banks were still able to conduct electronic transactions with the European Central Bank via the "Target II" system. EU diplomats indicated they would not comply with U.S. requests to ask SWIFT to expel Iranian banks again, and no EU request to SWIFT to again expel sanctioned Iranian banks was made. However, SWIFT is run by an independent board and seeks to avoid risk of U.S. penalties. In late 2018, the system again disconnected the Iranian banks that were "relisted" for U.S. sanctions as of November 5, 2018.

China and Russia

Russia and China, two permanent members of the U.N. Security Council and parties to the JCPOA, historically have imposed only those sanctions required by Security Council resolutions. Both governments opposed the reimposition of U.S. secondary sanctions by the Trump Administration. Many observers expect that, because companies in both countries have limited U.S. exposure and are strongly influenced by their governments, much of Iran's trade and

 $^{^{65}\} https://www.gov.uk/government/news/joint-statement-on-the-new-mechanism-to-facilitate-trade-with-iran.$

⁶⁶ Avi Jorish, "Despite Sanctions, Iran's Money Flow Continues," Wall Street Journal, June 25, 2013.

economic engagement will shift to China and Russia from EU countries, Japan, and South Korea. 67

Russia

Increasingly close politically primarily on the issue of the conflict in Syria, Iran and Russia have discussed expanding energy and trade cooperation. The two countries reportedly agreed on broad energy development deals during President Putin's visit to Tehran in late October 2017, with an estimated investment value of up to \$30 billion, 68 although implementation remains uncertain. In December 2018, Iran signed a free trade deal with the Russia-led "Eurasian Economic Union," suggesting Russian intent not to abide by reimposed U.S. sanctions on Iran.

In April 2015, Russia lifted its own restriction on delivering the S-300 air defense system that it sold Iran in 2007 but refused to deliver after Resolution 1929 was adopted—even though that Resolution technically did not bar supply of that defensive system. In April 2016, Russia began delivering the five S-300 batteries. Iran's Defense Minister visited Russia in February 2016 to discuss possible future purchases of major combat systems. No sales have been announced.

China

China is a major factor in the effectiveness of any sanctions regime on Iran because China is Iran's largest oil customer. During 2012-2016, China was instrumental in reducing Iran's total oil exports because it cut its buys from Iran to about 435,000 barrels per day from its 2011 average of 600,000 barrels per day. The State Department asserted that, because China was the largest buyer of Iranian oil, percentage cuts by China had a large impact in reducing Iran's oil sales by volume and China merited an SRE. After sanctions were lifted in early 2016, China increased its purchases of Iranian oil to levels that sometimes exceeded those of 2011. Several Chinese energy firms that invested in Iran's energy sector put those projects on hold in 2012, but resumed or considered resuming work after sanctions were eased in 2016. Chinese firms are also taking over some EU country energy investments that have been divested after the reimposition of U.S. sanctions.

Since the reimposition of U.S. sanctions, China appears to have reduced its oil imports from Iran somewhat (see chart). The Administration gave China a SRE sanctions exception on November 5, 2018, in part to recognize import reductions but also possibly to avoid further complicating U.S. relations with China. Some assess that China might continue importing at least some Iranian oil despite the ending of the SRE as of May 2, 2019, in large part on the expectation that the Trump Administration will be hesitant to impose actual sanctions on Chinese banks for continuing to engage with Iran on oil payments.

Sanctions have complicated Iran-China banking and trade relations. During 2012-2016, China settled much of its trade balance with Iran with goods rather than hard currency, which was highly favorable to China financially. Iran's automotive sector obtains a significant proportion of its parts from China, including from China-based Geelran and Chery companies, and Iran's auto parts imports from China often fluctuate depending on the availability of trade financing. Iran and China also have a separate escrow account to pay for China's infrastructure projects in Iran, such as the long Niayesh Tunnel, funded by about \$20 billion of Iran's hard currency reserves. However, suggesting that reimposed U.S. sanctions have again complicated Iran-China banking relations, China's Kunlun Bank—an affiliate of China's energy company CNPC and which was

^{67 &#}x27;Tran's Door to the West is Slamming Shut, and That Leaves China," Bloomberg News, May 10, 2018.

⁶⁸ https://www.yahoo.com/news/putin-visits-tehran-talks-syria-nuclear-deal-133507932.html.

sanctioned under CISADA in 2012 as the main channel for money flows between the two countries—reportedly stopped accepting Euro and then China currency-denominated payments from Iran in November 2018. ⁶⁹ Existing Iranian accounts at the bank presumably can still be used to pay for Iranian imports from China.

In the days after JCPOA Implementation Day, China's President Xi Jinping visited Iran and other Middle East countries, and stated that Iran is a vital link in an effort to extend its economic influence westward through its "One Belt, One Road" initiative. Chinese firms and entrepreneurs are integrating Iran into this vision by modernizing Iran's rail and other infrastructure, particularly where that infrastructure links to that of neighboring countries, including the Sultanate of Oman, funded by loans from China. To Iran's place in this initiative offers China's government and firms further incentive to avoid cooperating with reimposed U.S. sanctions.

In April 2018, the Commerce Department (Bureau of Industry and Security, BIS, which administers Export Administration Regulations) issued a denial of export privileges action against China-based ZTE Corporation and its affiliates. The action was taken on the grounds that ZTE did not uphold the terms of March 2017 settlement agreement with BIS over ZTE's shipment of prohibited U.S. telecommunications technology to Iran (and North Korea). On March 27, 2019, OFAC announced a \$1.9 million settlement with a Chinese subsidiary of the U.S. Black and Decker tool company for unauthorized exports of tools and parts to Iran.⁷¹

Japan/Korean Peninsula/Other East Asia

During 2010-2016, Japan and South Korea enforced sanctions on Iran similar to those imposed by the United States and the EU. Both countries cut imports of Iranian oil sharply after 2011, and banks in the two countries restricted Iran's access to the foreign exchange assets Iran held in their banks. From 2016-2018, both countries increased importation of Iranian oil, and Iran has been able to access funds in banks in both countries. Japan exports to Iran significant amounts of chemical and rubber products, as well as consumer electronics. South Korean firms have been active in energy infrastructure construction in Iran, and its exports to Iran are mainly iron, steel, consumer electronics, and appliances.

Both countries—and their companies—have historically been unwilling to undertake transactions with Iran that could violate U.S. sanctions, and firms in both countries have said they will comply with reimposed U.S. sanctions. South Korea, in particular, sought Administration concurrence to continue to import Iranian condensates (a petroleum product sometimes considered as crude oil), on which South Korea depends. Both countries reduced their Iranian oil purchases to zero in October 2018 and both countries received SRE sanctions exceptions on November 5. Japan resumed some Iranian oil importation in early 2019, and South Korea has been purchasing about 200,000 barrels per day of Iranian condensates. Both countries are widely assessed as likely to cease energy transactions with Iran entirely as a result of the Administration's decision to end SREs as of May 2, 2019.

⁶⁹ "As U.S. Sanctions Loom, China's Bank of Kunlun to Stop Receiving Iran Payments—Sources." Reuters, October 23, 2018.

⁷⁰ Thomas Erdbrink. "China's Push to Link East and West Puts Iran at 'Center of Everything." New York Times, July 25, 2017.

⁷¹ OFAC Crystallizes Expectations for Sanctions Compliance. April 1, 2019.

The following firms have announced their postures following the U.S. exit from the JCPOA:

- Daelim of South Korea terminated a \$2 billion contract to expand an Iranian oil refinery. In late October, Hyundai cancelled a \$500 million contract to build a petrochemical plant in Iran, citing "financing difficulties."
- Car companies Mazda and Toyota of Japan and Hyundai of South Korea have suspended joint ventures to produce cars in Iran.
- Among banks, South Korea's Woori Bank and Industrial Bank of Korea have partly suspended transactions with Iran. Nomura Holdings of Japan has taken a similar position.
- The South Korean conglomerate POSCO withdrew from a 2016 deal to build a steel plant in Iran's free trade zone at the port of Chahbahar.

North Korea

North Korea, like Iran, has been subject to significant international sanctions. North Korea has never pledged to abide by international sanctions against Iran, and it reportedly cooperates with Iran on a wide range of WMD-related ventures, particularly the development of ballistic missiles. A portion of the oil that China buys from Iran (and from other suppliers) is reportedly sent to North Korea, but it is not known if North Korea buys any Iranian oil directly. The potential for North Korea to try to buy Iranian oil illicitly increased in the wake of the adoption in September 2017 of U.N. Security Council sanctions that limit North Korea's importation of oil, but there are no publicly known indications that it is doing so. While serving as Iran's president in 1989, the current Supreme Leader, Ayatollah Ali Khamene'i, visited North Korea. North Korea's titular head of state Kim Yong Nam attended President Rouhani's second inauguration in August 2017, and during his visit signed various technical cooperation agreements of unspecified scope.⁷²

Taiwan

Taiwan has generally been a small buyer of Iranian oil. It resumed imports of Iranian oil after sanctions were eased in 2016. Taiwan received an SRE as of November 5, 2018 but has bought no Iranian oil since late 2018. It is unlikely to resume any Iranian oil imports now that the SREs have ended as of May 2, 2019.

South Asia

India

During 2011-2016, India cited U.N. Security Council resolutions on Iran as justification to cooperate with U.S. secondary sanctions to achieve a nuclear agreement with Iran. Its private sector assessed Iran as a "controversial market"—a term describing markets that entail reputational and financial risks. India's central bank ceased using a Tehran-based regional body, the Asian Clearing Union, to handle transactions with Iran, and the two countries agree to settle half of India's oil buys from Iran in India's currency, the rupee. Iran used the rupee accounts to buy India's wheat, pharmaceuticals, rice, sugar, soybeans, auto parts, and other products.

⁷² https://www.thedailybeast.com/north-koreas-deadly-partnership-with-iran.

India reduced its imports of Iranian oil substantially after 2011, in the process incurring significant costs to retrofit refineries that were handling Iranian crude. However, after sanctions were eased in 2016, India's oil imports from Iran increased to as much as 800,000 bpd in July 2018—well above 2011 levels. Indian firms resumed work that had been ended or slowed during 2012-2016. India also paid Iran the \$6.5 billion it owed for oil purchased during 2012-2016.

India's cooperation with reimposed U.S. sanctions is mixed. Indian leaders assert that Iran did not violate the JCPOA and sanctions should not be reimposed on it. ⁷⁴ In June 2018, the two countries again agreed to use rupee accounts for their bilateral trade. Nonetheless, India's purchases of Iranian oil appear to have fallen from levels of most of 2018, but volumes remain substantial, as shown in the table above. India received the SRE exception on November 5, 2018. Because some Indian banks do not have or seek a presence in the United States, it is possible that India and Iran will work out alternative payment arrangements under which India will continue importing at least some Iranian oil despite the end of the SRE as of May 2, 2019.

In 2015, India and Iran agreed that India would help develop Iran's Chahbahar port that would enable India to trade with Afghanistan unimpeded by Pakistan. With sanctions lifted, the project no longer entails risk to Indian firms involved. In May 2016, Indian Prime Minister Narendra Modi visited Iran and signed an agreement to invest \$500 million to develop the port and related infrastructure. Construction at the port is proceeding. During a late June 2018 visit to India, U.S. Ambassador to the United Nations Nikki Haley said that "We know the port has to happen and the United States is going to work with India to do that." This suggested the Administration might use the "Afghanistan reconstruction" exception under Section 1244(f) of IFCA to allow for firms to continue developing it.

Pakistan

One test of Pakistan's compliance with sanctions was a pipeline project that would carry Iranian gas to Pakistan—a project that U.S. officials on several occasions stated would be subject to ISA sanctions. Despite that threat, agreement on the \$7 billion project was finalized on June 12, 2010, and construction was formally inaugurated in a ceremony attended by the Presidents of both countries on March 11, 2013. In line with an agreed completion date of mid-2014, Iran reportedly completed the pipeline on its side of the border. China's announcement in April 2015 of a \$3 billion investment in the project seemed to remove financial hurdles to the line's completion, and the JCPOA removed sanctions impediments to the project. However, during President Hassan Rouhani's visit to Pakistan in March 2016, Pakistan still did not commit to complete the line, and observers note that there are few indications of progress on the project. In 2009, India dissociated itself from the project over concerns about the security of the pipeline, the location at which the gas would be transferred to India, pricing of the gas, and tariffs.

Turkey/South Caucasus

Iran has substantial economic relations with Turkey and the countries of the South Caucasus.

^{73 &}quot;India Seeks to Pay \$6.5 Billion to Iran for Oil Imports." Economic Times of India. May 16, 2016.

⁷⁴ CRS conversations with Indian officials and U.S. experts on India. 2017-18.

^{75 &}quot;U.S. Envoy Haley tells Modi Important to Cut Imports of Iranian Oil." Reuters, June 27, 2018.

⁷⁶ Asia Times, March 21, 2014, http://www.atimes.com/atimes/South_Asia/SOU-02-210314.html.

Turkey

Turkey buys about 40% of its oil from Iran, and bought about 6% of its total gas imports from Iran in 2017. Turkey reduced purchases of Iranian oil during 2012-2016, but its buys returned to 2011 levels after sanctions on Iran were eased in 2016. Turkey's leaders have said that the country will not cooperate with reimposed U.S. sanctions, but its oil import volumes from Iran have fallen since late 2018. Turkey received an SRE sanctions exemption on November 5, 2018, and its officials strongly indicated in late April 2019 that Turkey expected to receive another SRE as of the May 2, 2019 expiration. Turkey's insistence on being allowed to buy Iranian oil without fear of U.S. penalty - as well as its overall dependence on Iranian oil - might underpin a decision by Turkey to continue buying at least some Iranian oil after the May 2 SRE expiration.

Turkey also is Iran's main gas customer via a pipeline built in 1997, which at first was used for a swap arrangement under which gas from Turkmenistan was exported to Turkey. Direct Iranian gas exports to Turkey through the line began in 2001 (with additional such exports through a second pipeline built in 2013), but no ISA sanctions were imposed on the grounds that the gas supplies were crucial to Turkey's energy security. Prior to the October 2012 EU ban on gas purchases from Iran, this pipeline was a conduit for Iranian gas exports to Europe (primarily Bulgaria and Greece).

Pre-JCPOA, in response to press reports that Turkey's Halkbank was settling Turkey's payments to Iran for energy with gold, U.S. officials testified on May 15, 2013, that the gold going from Turkey to Iran consists mainly of Iranian private citizens' purchases of Turkish gold to hedge against the value of the *rial*. A U.S. criminal case involved a dual Turkish-Iranian gold dealer, Reza Zarrab, arrested in the United States in 2016 for allegedly violating U.S. sanctions prohibiting helping Iran deal in precious metals.

Among past cases of possible Turkish violations of Iran sanctions, on November 7, 2016, the U.S. Attorney for New York's Southern District indicted several individuals for using money services businesses in Turkey and in the UAE for conspiring to conceal from U.S. banks transactions on behalf of and for the benefit of sanctioned Iranian entities, including Mahan Air. 77 On January 6, 2014, the Commerce Department blocked a Turkey-based firm (3K Aviation Consulting and Logistics) from re-exporting two U.S.-made jet engines to Iran's Pouya Airline. 78

Caucasus and Caspian Sea

The rich energy reserves of the Caspian Sea create challenges for U.S. efforts to deny Iran financial resources. The Clinton and George W. Bush Administrations cited potential ISA sanctions to deter oil pipeline routes involving Iran—thereby successfully promoting an the alternate route from Azerbaijan (Baku) to Turkey (Ceyhan), which became operational in 2005. Section 6 of Executive Order 13622 exempts from sanctions any pipelines that bring gas from Azerbaijan to Europe and Turkey.

Agreements reached in 2018 between Russia and the Caspian Sea states on the legal division of the sea could spawn new energy development in the Caspian. Iran's energy firms will undoubtedly become partners in joint ventures to develop the Caspian's resources, and Iran's involvement in such projects will require the Administration to determine whether to impose sanctions.

⁷⁷ https://www.justice.gov/usao-sdny/pr/manhattan-united-states-attorney-announces-superseding-indictment-charging-turkish-and.

^{78 &}quot;US Acts to Block Turkish Firm from Sending GE Engines to Iran," Reuters, January 6, 2014.

Iran's relations with Azerbaijan—even though that country is inhabited mostly by Shiite Muslims—are hindered by substantial political and ideological differences. Iran and Azerbaijan have in recent years tried to downplay these differences for joint economic benefit, and they have been discussing joint energy and infrastructure projects among themselves and with other powers, including Russia.

Iran and Armenia—Azerbaijan's adversary—have long enjoyed extensive economic relations: Armenia is Iran's largest direct gas customer, after Turkey. In May 2009, Iran and Armenia inaugurated a natural gas pipeline between the two, built by Gazprom of Russia. No determination of ISA sanctions was issued. Armenia has said its banking controls are strong and that Iran is unable to process transactions illicitly through Armenia's banks. However, observers in the South Caucasus assert that Iran is using Armenian banks operating in the Armenia-occupied Nagorno-Karabakh territory to circumvent international financial sanctions.

Persian Gulf States and Iraq81

The Gulf Cooperation Council states (GCC: Saudi Arabia, UAE, Qatar, Kuwait, Bahrain, and Oman) are oil exporters and close allies of the United States. As Iranian oil exports decreased after 2012, the Gulf states supplied the global oil market with additional oil. Since the U.S. exit from the JCPOA, U.S. officials have worked with Gulf oil exporters to ensure that the global oil market is well supplied even as Iranian oil exports fall. And the State Department's SRE announcement on April 22, 2019 indicated that the Administration is looking to Saudi Arabia and the UAE, in particular, to keep the global oil market well supplied after SREs end on May 2, 2019. Still, in order not to antagonize Iran, the Gulf countries maintain relatively normal trade with Iran. Some Gulf-based shipping companies, such as United Arab Shipping Company reportedly continued to pay port loading fees to such sanctioned IRGC-controlled port operators as Tidewater.⁸²

The UAE has attracted U.S. scrutiny because of the large presence of Iranian firms there, and several UAE-based firms have been sanctioned, as noted in the tables at the end of the report. U.S. officials praised the UAE's March 1, 2012, ban on transactions with Iran by Dubai-based Noor Islamic Bank, which Iran reportedly used to process oil payments. Some Iranian gas condensates (120,000 barrels per day) were imported by Emirates National Oil Company (ENOC) and refined mostly into jet fuel. Subsequent to the May 8, 2018, U.S. exit from the JCPOA, ENOC officials said they were trying to find alternative supplies of the hydrocarbon products it buys from Iran. 83

Iran and several of the Gulf states have had discussions on various energy and related projects, but few have materialized because of broad regional disputes between Iran and the Gulf states. Kuwait and Iran have held talks on the construction of a 350-mile pipeline that would bring Iranian gas to Kuwait, but the project does not appear to be materializing. Bahrain's discussions of purchasing Iranian gas have floundered over sharp political differences.⁸⁴ Qatar and Iran share

⁷⁹ Louis Charbonneau, "Iran Looks to Armenia to Skirt Banking Sanctions," *Reuters*, August 21, 2012.

⁸⁰ Information provided to the author by regional observers. October 2013.

⁸¹ The CRS Report RL32048, *Iran: Internal Politics and U.S. Policy and Options*, by Kenneth Katzman, discusses the relations between Iran and other Middle Eastern states.

⁸² Mark Wallace, "Closing U.S. Ports to Iran-Tainted Shipping. Op-ed," Wall Street Journal, March 15, 2013.

⁸³ Some Top Oil Buyers Are Thinking about Shunning Iran Oil, op. cit.

⁸⁴ http://www.kuwaittimes.net/read_news.php?newsid=NDQ0OTY1NTU4; http://english.farsnews.com/newstext.php?nn=8901181055.

the large gas field in the Gulf waters between them, and their economic relations have become closer in light of the isolation of Qatar by three of its GCC neighbors, Saudi Arabia, UAE, and Bahrain. The only GCC state that has moved forward with economic joint ventures with Iran is Oman, particularly in the development of Oman's priority project to expand its port at Al Duqm port, which Oman and Iran envision as a major hub for regional trade. In September 2015, the two countries also recommitted to a gas pipeline joint venture.

Omani banks, some of which operate in Iran, were used to implement some of the financial arrangements of the JPA and JCPOA. S As a consequence, a total of \$5.7 billion in Iranian funds had built up in Oman's Bank Muscat by the time of implementation of the JCPOA in January 2016. In its efforts to easily access these funds, Iran obtained from the Office of Foreign Assets Control (OFAC) of the Treasury Department a February 2016 special license to convert the funds (held as Omani rials) to dollars as a means of easily converting the funds into Euros. Iran ultimately used a different mechanism to access the funds as hard currency, but the special license issuance resulted in a May 2018 review by the majority of the Senate Permanent Subcommittee on Investigation to assess whether that license was consistent with U.S. regulations barring Iran access to the U.S. financial system.

Iraq

Iraq's attempts to remain close to its influential neighbor, Iran, have complicated Iraq's efforts to rebuild its economy yet avoid running afoul of the United States and U.S. sanctions on Iran. As noted above, in 2012, the United States sanctioned an Iraqi bank that was a key channel for Iraqi payments to Iran, but lifted those sanctions when the bank reduced that business. Iraq presented the United States with a sanctions-related dilemma in July 2013, when it signed an agreement with Iran to buy 850 million cubic feet per day of natural gas through a joint pipeline that enters Iraq at Diyala province and would supply several power plants. No sanctions were imposed on the arrangement, which was agreed while applicable sanctions were in effect. In May 2015, the Treasury Department sanctioned Iraq's Al Naser Airlines for helping Mahan Air (sanctioned entity) acquire nine aircraft.⁸⁷

The Trump Administration reportedly is seeking to accommodate Iraq's need for Iranian electricity supplies and other economic interactions. As of October 2018, Iraq reportedly has discontinued crude oil swaps with Iran—about 50,000 barrels per day—in which Iranian oil flowed to the Kirkuk refinery and Iran supplied oil to Iraq's terminals in the Persian Gulf.

The Administration reportedly has given Iraq waiver permission—apparently under Section 1247 of IFCA—to buy the Iranian natural gas that runs Iraq's power plants. That section provides for waivers of up to 180 days, but press reports indicate that the Administration has limited the waiver period to a total of 90 days from December 2018, in order to give Iraq time to line up alternative supplies and equipment to generate electricity. 88 That period expired in March 2019

⁸⁵ Omani banks had a waiver from U.S. sanctions laws to permit transferring those funds to Iran's Central Bank, in accordance with Section 1245(d)(5) of the National Defense Authorization Act for Fiscal Year 2012 (P.L. 112-81). For text of the waiver, see a June 17, 2015, letter from Assistant Secretary of State for Legislative Affairs Julia Frifield to Senate Foreign Relations Committee Chairman Bob Corker, containing text of the "determination of waiver."

^{86 &}quot;Obama Misled Congress, Tried and Failed to Give Iran Secret Access to US Banks Before the Deal." Business Insider, June 6, 2018; Permanent Subcommittee on Investigations of the U.S. Senate. Majority Report. "Review of U.S. Treasury Department's License to Convert Iranian Assets Using the U.S. Financial System." May 2018.

⁸⁷ Eli Lak, "Iran Sanctions Collapsing Already," Bloomberg News, May 11, 2015.

⁸⁸ U.S. Grants Iraq Sanctions Relief in Bid to Boost Business Deals. Wall Street Journal, December 21, 2018.

and the waiver authority apparently has been extended. Iranian support to the Iraqi government has not been sanctioned, even though Iranian arms exports remain prohibited by Resolution 2231.

Syria and Lebanon

Iran has extensive economic relations with both Syria and Lebanon, countries where Iran asserts that core interests are at stake. The compliance of Syrian or Lebanese banks and other institutions with international sanctions against Iran was limited even during 2012-2015. Iran reportedly uses banks in Lebanon to skirt financial sanctions, according to a wide range of observers, and these banks are among the conduits for Iran to provide financial assistance to Hezbollah as well as to the regime of Syrian President Bashar Al Assad. In January 2017, Iran and Syria signed a series of economic agreements giving Iranian firms increased access to Syria's mining, agriculture, and telecommunications sectors, as well as management of a Syrian port.⁸⁹

Africa and Latin America

During the presidency of Ahmadinejad, Iran looked to several Latin American and African countries to try to circumvent international sanctions. For the most part, however, Iran's trade and other business dealings with these regions are apparently too modest to weaken the effect of international sanctions significantly.

World Bank and WTO

The united approach to sanctions on Iran during 2010-2016 carried over to international lending to Iran. The United States representative to international financial institutions is required to vote against international lending, but that vote, although weighted, is not sufficient to block international lending. No new loans have been approved to Iran since 2005, including several environmental projects under the Bank's "Global Environmental Facility" (GEF). The initiative slated more than \$7.5 million in loans for Iran to dispose of harmful chemicals. On The 2016 lifting of sanctions increased international support for new international lending to Iran, but the U.S. exit from the JCPOA will likely lead to differences between the United States and other lenders over extending any new loans to Iran.

Earlier, in 1993, the United States voted its 16.5% share of the World Bank against loans to Iran of \$460 million for electricity, health, and irrigation projects, but the loans were approved. To block that lending, the FY1994-FY1996 foreign aid appropriations (P.L. 103-87, P.L. 103-306, and P.L. 104-107) cut the amount appropriated for the U.S. contribution to the bank by the amount of those loans, contributing to a temporary halt in new bank lending to Iran. But, in May 2000, the United States' allies outvoted the United States to approve \$232 million in loans for health and sewage projects. During April 2003-May 2005, a total of \$725 million in loans were approved for environmental management, housing reform, water and sanitation projects, and land management projects, in addition to \$400 million in loans for earthquake relief.

WTO Accession

An issue related to sanctions is Iran's request to join the World Trade Organization (WTO). Iran began accession talks in 2006 after the George W. Bush Administration dropped its objection to Iran's application as part of an effort to incentivize Iran to reach an interim nuclear agreement.

⁸⁹ Iran Signs Phone, Gas Deals with Syria. Agence France Presse, January 17, 2017.

⁹⁰ Barbara Slavin, "Obama Administration Holds Up Environmental Grants to Iran," Al Monitor, June 23, 2014.

The lifting of sanctions presumably paves the way for talks to accelerate, but the accession process generally takes many years. Accession generally takes place by consensus of existing WTO members. Iran's accession might be complicated by the requirement that existing members trade with other members; as noted above, the U.S. ban on trade with Iran remains in force. The Trump Administration does not advocate Iran's admission to that convention.

Table 4. Comparison Between U.S., U.N., and EU and Allied Country Sanctions (Prior to Implementation Day)

		· · · · · · · · · · · · · · · · · · ·
U.S. Sanctions	U.N. Sanctions	EU and Other Allied Countries
General Observation: Most sweeping sanctions on Iran of virtually any country in the world	As of 2010, U.N. sanctions were intended to give countries justification to cooperate with U.S. secondary sanctions. Post-JCPOA: Resolution 2231 is the only operative Resolution on Iran.	EU closely aligned its sanctions tightening with that of the United States. Most EU sanctions lifted in accordance with the JCPOA, although some sanctions on arms, dual-use items, and human rights remain.
		Japan, South Korean, and China sanctions also became extensive but were almost entirely lifted in concert with the JCPOA.
Ban on U.S. Trade with, Investment in, and Financing for Iran: Executive Order 12959 bans (with limited exceptions) U.S.	U.N. sanctions did not at any time ban civilian trade with Iran or general civilian sector investment in Iran.	No comprehensive EU ban on trade in civilian goods with Iran was imposed at any time.
firms from exporting to Iran, importing from Iran, or investing in Iran.		Japan and South Korea did not ban normal civilian trade with Iran.
Sanctions on Foreign Firms that Do Business with Iran's Energy Sector: The Iran Sanctions Act, P.L. 104-172, and subsequent laws and executive orders, discussed throughout the report, mandate sanctions on virtually any type of transaction with/in Iran's energy sector.	No U.N. equivalent existed. However, Resolution 1929 "not[es] the potential connection between Iran's revenues derived from its energy sector and the funding of Iran's proliferation-sensitive nuclear activities." This wording was interpreted as providing U.N. support for countries to ban their companies from dealing with Iran's energy sector.	With certain exceptions, the EU banned almost all dealings with Iran's energy sector after 2011. These sanctions now lifted. Japanese and South Korean measures banned new energy projects in Iran and called for restraint on ongoing projects. South Korea in December 2011 cautioned its firms not to sell energy or petrochemical equipment to Iran. Both cut oil purchases from Iran sharply. These sanctions now lifted.
Ban on Foreign Assistance:	No U.N. equivalent	EU measures of July 27, 2010,
U.S. foreign assistance to Iran—other than purely humanitarian aid—is banned under §620A of the Foreign Assistance Act, which bans U.S. assistance to countries on the		banned grants, aid, and concessional loans to Iran. Also prohibited financing of enterprises involved in Iran's energy sector. These sanctions now lifted.
U.S. list of "state sponsors of terrorism." Iran is also routinely denied direct U.S. foreign aid under the annual foreign operations appropriations acts (most recently in §7007 of division H of P.L. III-8).		Japan and South Korea measures did not specifically ban aid or lending to Iran.

EU and Other Allied U.S. Sanctions U.N. Sanctions Countries Ban on Arms Exports to Iran: As per Resolution 1929 (paragraph EU sanctions include a 8), as superseded by Resolution comprehensive ban on sale to Iran Iran is ineligible for U.S. arms of all types of military equipment, 2231, Security Council approval is exports under several laws, as required to sell Iran major weapons not just major combat systems. discussed in the report. systems. Arms embargo remains post-ICPOA. No similar Japan and South Korean measures announced, but neither has exported arms to Iran. Restriction on Exports to Iran U.N. resolutions on Iran banned the EU banned the sales of dual use of "Dual Use Items": export of many dual-use items to items to Iran, including ballistic Iran. Resolution 2231 sets up a missile technology, in line with Primarily under $\S6(j)$ of the Export procurement network for the P5+1 U.N. resolutions. These Administration Act (P.L. 96-72) and to approve of all purchases for Iran's restrictions generally remain post-§38 of the Arms Export Control ongoing nuclear program. ICPOA. Act, there is a denial of license applications to sell Iran goods that Japan and S. Korea have announced could have military applications. full adherence to strict export control regimes when evaluating sales to Iran. These restrictions generally remain post-JCPOA. Sanctions Against Lending to Resolution 1747 (oper. paragraph 7) The July 27, 2010, measures requested, but did not mandate, that prohibited EU members from Iran: countries and international financial providing grants, aid, and Under §1621 of the International institutions refrain from making concessional loans to Iran, Financial Institutions Act (P.L. 95grants or loans to Iran, except for including through international 118), U.S. representatives to development and humanitarian financial institutions. Sanctions international financial institutions, purposes. (No longer applicable.) lifted post-JCPOA. such as the World Bank, are required to vote against loans to Japan and South Korea banned Iran by those institutions. medium- and long-term trade financing and financing guarantees. Short-term credit was still allowed. These sanctions now lifted. Sanctions Against the Sale of Resolution 1737 (oper. paragraph The EU measures imposed July 27, Weapons of Mass Destruction-12) imposed a worldwide freeze on 2010, commit the EU to freezing Related Technology to Iran: the assets of WMD-related entities the assets and property of Iranian WMD-related entities named in an named in the U.N. resolutions, as Several laws and regulations provide Annex to the Resolution. Each well as numerous other named for sanctions against entities, Iranian subsequent resolution expanded the Iranian entities. Most of these or otherwise, that are determined list of Iranian entities subject to restrictions remain. to be involved in or supplying Iran's these sanctions. WMD programs (asset freezing, ban Japan and South Korea froze assets on transaction with the entity). of U.N.-sanctioned entities. Most of these restrictions have been lifted Ban on Transactions with No direct equivalent, but Resolution No direct equivalent, but many of **Terrorism Supporting Entities:** 1747 (oper. paragraph 5) bans Iran the Iranian entities named as from exporting any arms. Resolution blocked by the EU, Japan, and Executive Order 13224 bans 2231 continues that restriction for a South Korea overlap or transactions with entities maximum of five years. complement Iranian entities named determined by the Administration as terrorism supporting by the to be supporting international United States. terrorism. Numerous entities, including some of Iranian origin, Japan and S. Korea did not impose have been designated. specific terrorism sanctions on

U.S. Sanctions

U.N. Sanctions

EU and Other Allied Countries

Human Rights Sanctions:

CISADA provides for a prohibition on travel to the U.S., blocking of U.S.-based property, and ban on transactions with Iranians determined to be involved in serious human rights abuses against Iranians since the June 12, 2009, presidential election there, or with persons selling Iran equipment to commit such abuses.

No U.N. sanctions were imposed on Iran for terrorism or human rights abuses.

EU sanctions include 87 named Iranians subject to a ban on travel to the EU countries. The EU also retains a ban on providing equipment that can be used for internal repression.

Japan and South Korea have announced bans on named Iranians involved in WMD programs.

Restrictions on Iranian Shipping:

Under Executive Order 13382, the U.S. Department of the Treasury has named Islamic Republic of Iran Shipping Lines and several affiliated entities as entities whose U.S.-based property is to be frozen.

Resolution 1803 and 1929 authorize countries to inspect cargoes carried by Iran Air and Islamic Republic of Iran Shipping Lines (IRISL)—or any ships in national or international waters—if there is an indication that the shipments include goods whose export to Iran is banned.

These resolutions no longer apply.

The EU measures announced July 27, 2010, bans Iran Air Cargo from access to EU airports. The measures also freeze the EU-based assets of IRISL and its affiliates. Insurance and reinsurance for Iranian firms are banned. These sanctions now lifted.

Japan and South Korean measures took similar action against IRISL and Iran Air. Sanctions now lifted.

Banking Sanctions:

During 2006-2011, several Iranian banks have been named as proliferation or terrorism supporting entities under Executive Orders 13382 and 13224, respectively (see Table 4 at end of report).

CISADA prohibits banking relationships with U.S. banks for any foreign bank that conducts transactions with Iran's Revolutionary Guard or with Iranian entities sanctioned under the various U.N. resolutions.

FY2012 Defense Authorization (P.L. 112-81) prevents U.S. accounts with foreign banks that process transactions with Iran's Central Bank (with specified exemptions).

No direct equivalent However, two Irania

However, two Iranian banks were named as sanctioned entities under the U.N. Security Council resolutions. U.N. restrictions on Iranian banking now lifted. The EU froze Iran Central Bank assets January 23, 2012, and banned all transactions with Iranian banks unless authorized on October 15, 2012.

Brussels-based SWIFT expelled sanctioned Iranian banks from the electronic payment transfer system. This restriction has been lifted.

Japan and South Korea took similar measures South Korea imposed the 40,000 Euro threshhold requiring authorization. Japan and S. Korea froze the assets of 15 Iranian banks; South Korea targeted Bank Mellat for freeze. These sanctions now lifted.

Ballistic Missiles: U.S. proliferations laws provide for sanctions against foreign entities that help Iran with its nuclear and

ballistic missile programs.

Resolution 1929 (paragraph 9) prohibited Iran from undertaking "any activity" related to ballistic missiles capable of delivering a nuclear weapon. Resolution 223 I calls on Iran not to develop or launch ballistic missiles designed to be capable of carrying a nuclear weapon.

EU measures on July 27, 2010, required adherence to this provision of Resolution 1929. EU has retained ban on providing ballistic missile technology to Iran in post-JCPOA period.

Effectiveness of Sanctions on Iranian Behavior

It can be argued that the question "are sanctions on Iran 'working'?" should be assessed based on an analysis of the goals of the sanctions. The following sections try to assess the effectiveness of Iran sanctions according to a number of criteria.

Effect on Iran's Nuclear Program and Strategic Capabilities

The international sanctions regime of 2011-2016 is widely credited with increasing Iran's willingness to accept restraints on its nuclear program, at least for a long period of time, as stipulated in the JCPOA. Hassan Rouhani was elected president of Iran in June 2013 in part because of his stated commitment to achieving an easing of sanctions and ending Iran's international isolation. Still, as to the long-term effects of sanctions, the intelligence community assesses that it "does not know" whether Iran plans to eventually develop a nuclear weapon. 91

To date, Iran has remained in the JCPOA despite the U.S. exit from it. 92 But, Iranian leaders have not, to date, taken up the Trump Administration's stated offer for negotiations on a new agreement that would cover not only Iran's nuclear program but also its missile program and its regional malign activities. Both President Trump and President Rouhani have publicly said they would accept bilateral talks without conditions, but both leaders generally indicate that the other's demands are too extensive to make such a meeting productive.

There is little evidence that even the strict sanctions of 2011-2016 slowed Iran's nuclear program or its missile program. And, even though U.S. and EU sanctions remain on Iran's missile programs, U.S. intelligence officials have testified that Iran continues to expand the scale, reach, and sophistication of its ballistic missile arsenal. Still, some U.S. officials have asserted that Iran's nuclear and missile programs might have advanced faster were sanctions not imposed. 93

Sanctions have apparently prevented Iran from buying significant amounts of major combat systems since the early 1990s. Iran has been able to acquire defensive systems; Russia delivered the S-300 air defense system in April 2016. However, Iran's indigenous arms industry has grown over the past two decades. ⁹⁴ U.S. intelligence directors testified in January 2019 that Iran continues to field increasingly lethal weapons systems, including more advanced naval mines and ballistic missiles, small submarines, armed UAVs (unmanned aerial vehicles), coastal defense cruise missile batteries, attack craft, and anti-ship ballistic missiles. ⁹⁵

Effects on Iran's Regional Influence

Neither the imposition, lifting, or reimposition of strict sanctions has appeared to affect Iran's regional behavior. Iran intervened extensively in Syria, Iraq, and Yemen during the 2012-2016 period when sanctions had a significant adverse effect on Iran's economy. Iran apparently is able to manufacture domestically the weaponry it suppliers to such entities, and sanctions do not

^{91 &}quot;Worldwide Threat Assessment of the U.S. Intelligence Community." Testimony before the Senate Select Committee on Intelligence. May 11, 2017. This language was not contained in the 2018 version of the testimony

⁹² This possibility is examined in detail in: CRS Report R43333, Iran Nuclear Agreement and U.S. Exit, by Paul K. Kerr and Kenneth Katzman and CRS In Focus IF10916, Iran: Efforts to Preserve Economic Benefits of the Nuclear Deal, by Cathleen D. Cimino-Isaacs, Kenneth Katzman, and Derek E. Mix.

⁹³ Speech by National Security Adviser Tom Donilon at the Brookings Institution, November 22, 2011.

⁹⁴ Department of Defense, Annual Report of Military Power of Iran, April 2012.

⁹⁵ Worldwide Threat Assessment of the U.S. Intelligence Community, January 29, 2019.

appear to be an effective tool to limit such Iranian efforts. Iran has remained engaged in these regional conflicts since sanctions were eased in early 2016.

On the other hand, press reports in March and April 2019 note that Iran has scaled back payments to Hezbollah and to various pro-Iranian fighters in Syria, perhaps as a reflection of Iranian financial difficulties. An alternate explanation is that Iran is adjusting its expenditures in the Syria conflict to the reduced activity on the battlefield there.

The Administration asserts that the easing of sanctions caused Iran to expand its regional activities. Explaining the withdrawal from the JCPOA, President Donald Trump stated that Iran's defense budget had increased 40% since Implementation Day. The President stated on August 6, 2018, the day that many U.S. sanctions were reimposed on Iran, that "Since the deal [JCPOA] was reached, Iran's aggression has only increased. The regime has used the windfall of newly accessible funds it received under the JCPOA to build nuclear-capable missiles, fund terrorism, and fuel conflict across the Middle East and beyond.... The reimposition of nuclear-related sanctions through today's actions further intensifies pressure on Tehran to change its conduct." The Administration points to reports that Iran is cutting back its payments to regional allies, particularly Hezbollah, as evidence that its "maximum pressure" campaign on Iran is working.

In terms of congressional oversight, a provision of the FY2016 Consolidated Appropriation (P.L. 114-113) required an Administration report to Congress on how Iran has used the financial benefits of sanctions relief. And, a provision of the Iran Nuclear Agreement Review Act (P.L. 114-17) requires that a semiannual report on Iran's compliance with the JCPOA include information on any Iranian use of funds to support acts of terrorism.

Political Effects

No U.S. Administration, including the Trump Administration, has asserted that sanctions on Iran are intended to bring about the change of Iran's regime, although some experts assert that this might be a desired U.S. goal. Iranians seeking reintegration with the international community and sanctions relief helped propel the relatively moderate Rouhani to election victories in both 2013 and 2017. Many Iranians cheered the finalization of the JCPOA on July 15, 2015, undoubtedly contributing to Supreme Leader Khamene'i's acceptance of the deal.

Still, the IRGC and other hardliners control domestic security and the judiciary, and these factions have criticized Rouhani for remaining in the JCPOA despite the U.S. exit. In July 2018, the IRGC and Iran's parliament (*Majles*) called for cabinet changes to address economic mismanagement and, in September 2018, the *Majles* compelled Rouhani to be questioned about the economic situation. In July 2018, Rouhani replaced Iran's Central Bank governor as an apparent gesture to indicate responsiveness to economic concerns expressed by members of Iran's political establishment. Still, there does not appear to be an imminent threat to Rouhani's grip on his office. In February 2019, apparently under pressure from hardliners, Foreign Minister Mohammad Javad Zarif announced his resignation, but Rouhani—apparently as a challenge to the hardliners—did not accept the resignation and reinstated him. The security forces have continued to arrest U.S. and dual nationals and to prosecute Rouhani allies on various charges.

Some assert that the sanctions are sustaining the periodic unrest that has erupted in Iran since late 2017. In 2018 and thus far in 2019, labor strikes and unrest among women protesting the strict public dress code have continued, although not at a level that appears to threaten the regime. Still,

⁹⁶ Statement from the President on the Reimposition of United States Sanctions with Respect to Iran. August 6, 2018.

⁹⁷ https://en.radiofarda.com/a/iran-rouhani-irgc-demands/29413585.html.

some protesters have reportedly complained that much of the country's money is being unwisely spent on regional interventions rather than on the domestic economy.

Economic Effects

Sanctions took a substantial toll on Iran's economy, and sanctions relief caused Iran's economy to rebound, although perhaps not to the extent that Iranians expected. The effects of the U.S. exit from the JCPOA have begun to register on Iran's economy.

- GDP and Employment Trends. At the height of the sanctions regime in April 2015, then-Treasury Secretary Jacob Lew said that Iran's gross domestic product (GDP) was 15%-20% smaller than it would have been had global sanctions not been imposed in 2011. The unemployment rate rose to about 20% by 2014, and many additional Iranians were working but unpaid or partially paid. In 2015, Iran's GDP was about \$400 billion at the official exchange rate (\$1.4 trillion if assessed on a purchasing power parity [PPP] basis). The 2016 lifting of sanctions enabled Iran to achieve 7% annual growth during 2016-2018. The reimposition of U.S. sanctions in mid-2018 have caused Iran's GDP to decline 2% from March 2018-March 2019 and it will decline by 5% during March 2019-March 2020. The downturn might be even worse than predicted if Iran's global oil customers fully comply with the ending of the SRE sanctions waivers as of May 2, 2019.
- Oil Exports. As noted in Table 1, 2010-2016 sanctions reduced Iran's crude oil sales about 60% from the 2.5 mbd level of 2011, causing Iran to lose over \$160 billion in oil revenues during that time. Iran earned \$120 billion from oil sales in 2011; but only about \$35 billion in 2013, 2014, and 2015. The JCPOA sanctions relief enabled Iran to increase its oil export volumes to nearly 2011 levels but the 2018 reimposition of U.S. sanctions has driven Iran's oil exports to about 1.2 mbd. The Trump Administration said in an April 2019 factsheet that the reimposition of sanctions has cost Iran \$10 billion in lost oil revenues. The April 22, 2019 announced end to SREs was, as noted, an effort to cause Iran's oil exports to fall as close to zero as possible, although that result might not necessarily be achieved if some of Iran's oil customers, such as China and Turkey, decide to continue Iran oil importation.
- Banking. Global banks were slow to reenter the Iran market after the 2016 easing of sanctions because of (1) reported concerns that the United States might still sanction such transactions under remaining sanctions provisions; (2) a lack of transparency in Iran's financial sector; (3) lingering concerns over past financial penalties for processing Iran-related transactions in the U.S. financial system (see above); and (4) extra costs and procedures caused by the inability to process Iran-related transactions through the U.S. financial system and/or easily use dollars in Iran-related transactions. Those banks that did reenter the Iran market have, as a consequence of the U.S. exit from the JCPOA, stopped, limited, or are considering stopping their transactions with Iran.
- **Shipping Insurance**. Iran was able after 2016 to obtain shipping insurance as a result of U.S. waivers given to numerous insurers, as discussed above. However,

⁹⁸ Department of the Treasury. Remarks of Secretary Jacob J. Lew at the Washington Institute for Near East Policy 30th Anniversary Gala. April 29, 2015.

^{99 &}quot;Foreign Investors Flock to Iran as U.S. Firms Watch on the Sidelines." Wall Street Journal, March 27, 2017.

¹⁰⁰ Forecast Says Sharp Drop in Iran's Economic Growth Rate. Radio Farda, September 2, 2018.

- as of August 7, 2018, U.S.-based shipping reinsurers no longer have active U.S. waivers, harming Iran's ability to obtain shipping insurance.
- Hard Currency Accessibility. The 2011-2015 sanctions regime prevented Iran from accessing the hard currency it was being paid for its oil. By January 2016, the total of Iranian hard currency reserves held in foreign banks stood at about \$115 billion, 101 and Iranian officials stated in February 2016 that they had gained access to the funds. Iran regained access to the SWIFT electronic payments system in early 2016, enabling Iran to move money internationally. Of this amount, about \$60 billion is owed to creditors such as China (\$20 billion) or to repay nonperforming loans extended to Iranian energy companies working in the Caspian and other areas in Iran's immediate neighborhood. Iran has kept most of its available reserves abroad for cash management purposes and to pay for imports, but Iran's foreign exchange reserves will again be restricted by foreign banks as U.S. sanctions go back into effect, making it likely that Iran will try to repatriate funds before the wind-down period ends on November 4, 2018.
- Currency Decline. Sanctions caused the value of the *rial* on unofficial markets to decline about 60% from January 2012 until the 2013 election of Rouhani stabilized the *rial* at about 35,000 to the dollar. However, the reimposition of sanctions in 2018 caused the *rial* value to plummet to 150,000 to the dollar by the November 5, 2018, reimposition of all U.S. sanctions. The value of the *rial* later recovered somewhat to about 100,000 to one at the beginning of 2019. The downturn has made it difficult for Iranian merchants to import goods or properly price merchandise, and the government responded by banning the importation of about 1,400 different goods in order to preserve its supply of hard currency.
- *Inflation*. The drop in value of the currency caused inflation to accelerate during 2011-2013. The estimated actual inflation rate was between 50% and 70% (a higher figure than that acknowledged by Iran's Central Bank). The sanctions relief of the JPA reduced the inflation rate to about 15% and inflation slowed to the single digits by June 2016, meeting the Central Bank's stated goal. However, in 2017, the inflation rate reportedly increased back to double digits, and turmoil surrounding the possible U.S. exit from the JCPOA caused inflation to increase to about 15% by late June 2018. It increased significantly, to nearly 40%, by the end of 2018. However, in 2018.
- Industrial/Auto Production and Sales. Iran's light-medium manufacturing sector has been expanding in recent years, but is dependent on imported parts. Sanctions complicated obtaining trade credit and created difficulties for Iranian manufacturers, who had to prepay for imported parts often through circuitous mechanisms. Iran's production of automobiles fell by about 60% from 2011 to 2013. Press reports say that the auto sector, and manufacturing overall, rebounded since sanctions were lifted, but is declining again in light of the announced divestments by French auto makers following the U.S. exit from the JCPOA. Researchers at Iran's parliament estimated in September 2018 that auto

¹⁰¹ CRS conversation with Department of the Treasury officials. July 2015.

^{102 &}quot;A Year after Iran Deal, Oil Flows but the Money's Stuck." op. cit.

¹⁰³ https://tradingeconomics.com/iran/inflation-cpi. Administration Factsheet, April 2019.

- production would decline 45% by March 2019, and other industrial production would drop by 5%.¹⁰⁴
- *U.S.-Iran Trade.* U.S.-Iran trade remains negligible. In 2015, the last full year before JCPOA implementation, the United States sold \$281 million in goods to Iran and imported \$10 million worth of Iranian products. The slight relaxation of the U.S. import ban stemming from the JCPOA likely accounts for the significant increase in imports from Iran in 2016 to \$86 million. U.S. imports from Iran were about \$63 million in 2017 and about that same amount in 2018. U.S. exports to Iran remained low for all of 2016 and 2017 (\$172 million and \$137 million, respectively) but spiked to \$440 million for 2018.

Iran's Economic Coping Strategies

Iran had some success mitigating the economic effect of sanctions, and which will likely be used to try to cope with reimposed U.S. sanctions.

Promoting a Broader Range of Exports. Over the past 10 years, Iran has promoted sales of nonoil products such as minerals, cement, urea fertilizer, and other agricultural and basic industrial goods. Such "nonoil" exports now generate much of the revenue that funds Iran's imports. ¹⁰⁵

Oil Products/Condensate Sales. Iran has increased sales of oil products such as petrochemicals and condensates, earning about \$4.7 billion in revenue from that source by 2016. Ondensates are not generally included in figures for Iran's export of crude oil.

Reallocation of Investment Funds and Import Substitution. Sanctions compelled some Iranian manufacturers to increase domestic production of some goods as substitutes for imports. This trend was hailed by Iranian economists and Supreme Leader Khamene'i, who has long maintained that Iran should build a "resistance economy" less dependent on imports and foreign investment.

Partial Privatization/IRGC in the Economy. Over the past few years, portions of Iran's state-owned enterprises have been transferred to the control of quasi-governmental or partially private entities. Some of them are incorporated as holding companies, foundations, or investment groups. Based on data from the Iranian Privatization Organization, there are about 120 such entities that account for a significant proportion of Iran's GDP.¹⁰⁷ Rouhani has sought to push the IRGC out of Iran's economy through divestment, to the extent possible. However, a substantial part of the economy remains controlled by government-linked conglomerates, including the IRGC. Although estimates vary widely, the IRGC's corporate affiliates are commonly assessed as controlling at least 20% of Iran's economy, although there is little available information on the degree of IRGC-affiliated ownership stakes.¹⁰⁸

Subsidy Reductions. In 2007, the Ahmadinejad government began trying to wean the population off of generous subsidies by compensating families with cash payments of about \$40 per month. Gasoline prices were raised to levels similar to those in other regional countries, and far above the subsidized price of 40 cents per gallon. Rouhani has continued to reduce subsidies, including by

¹⁰⁵ Testimony of Patrick Clawson before the Senate Banking Committee. January 21, 2015.

¹⁰⁴ Radio Farda, op .cit.

^{106 &}quot;Iran Reaps Less Cash from Eased Sanctions Than Predicted," op. cit.

¹⁰⁷ Kevan Harris, "Iran's Political Economy Under and After the Sanctions," Washington Post blogs, April 23, 2015.

¹⁰⁸ https://www.thenational.ae/world/us-sanctions-on-revolutionary-guards-causes-iran-investment-rethink-1.733028.

raising gasoline and staple food prices further and limiting the cash payments to only those families who could claim financial hardship. Rouhani also has improved collections of taxes and of price increases for electricity and natural gas utilities. 109

Import Restrictions/Currency Controls. To conserve hard currency, Iran has at times reduced the supply of hard currency to importers of luxury goods, such as cars or cellphones, in order to maintain hard currency supplies to importers of essential goods. These restrictions eased after sanctions were lifted in 2016 but have been reimposed in 2018 to deal with economic unrest and the falling value of the *rial*.

Effect on Energy Sector Long-Term Development

The Iran Sanctions Act (ISA) was enacted in large part to reduce Iran's oil and gas production capacity over the longer term by denying Iran the outside technology and investment to maintain or increase production. U.S. officials estimated in 2011 that Iran had lost \$60 billion in investment in the sector as numerous major firms pulled out of Iran. Iran says it needs \$130 billion-\$145 billion in new investment by 2020 to keep oil production capacity from falling. Further development of the large South Pars gas field alone requires \$100 billion. 111

During 2012-2016, there was little development activity at Iran's various oil and gas development sites, as energy firms sought to avoid sanctions (see Table 4). Some work abandoned by foreign investors was assumed by domestic companies, particularly those linked to the IRGC. However, the Iranian firms are not as technically capable as the international firms that have withdrawn. The lifting of sanctions in 2016 lured at least some foreign investors back into the sector, encouraged by Iran's more generous investment terms under a concept called the "Iran Petroleum Contract." That contract gives investing companies the rights to a set percentage of Iran's oil reserves for 20-25 years. It Iran signed a number of new agreements with international energy firms since mid-2016 but, as noted in the tables and other information above, major energy firms have begun to divest in response to the U.S. exit from the JCPOA.

Sanctions relief also opened opportunities for Iran to resume developing its gas sector. Iran has used its gas development primarily to reinject into its oil fields rather than to export. Iran exports about 3.6 trillion cubic feet of gas, primarily to Turkey and Armenia. Sanctions have rendered Iran unable to develop a liquefied natural gas (LNG) export business. However, it was reported in March 2017 that the Philippine National Oil Company is seeking to build a 2-million-ton LNG plant in Iran, suggesting that patent issues do not necessarily preclude Iran from pursuing LNG.

¹⁰⁹ Patrick Clawson testimony, January 21, 2015, op. cit.

¹¹⁰ Khajehpour presentation at CSIS, op. cit.

^{111 &}quot;Iran Faces Steep Climb to Join Gas Superpowers by 2017," International Oil Daily, April 29, 2014.

¹¹² Thomas Erdbrink. "New Iran Battle Brews over Foreign Oil Titans." New York Times, February 1, 2016.

Table 5. Post-1999 Major Investments in Iran's Energy Sector

		Company(ies)/Status		Output/
Date	Field/Project	(If Known)	Value	Goal
Feb. 1999	Doroud (oil)	Total (France)/ENI (Italy)	\$1 billion	205,000 bpd
	Total and ENI exempted from sanctions because of pledge to exit Iran			
Apr. 1999	Balal (oil)	Total/ Bow Valley	\$300 million	40,000 bpd
Dec./May 2016	Initial development completed in 2004	(Canada)/ENI Thailand PTTEP		
20.0	Dec. 2016: Thailand PTTEP signed agreement with NIOC to study further development.	THAIIANG FTTEF		
	May 2016: KOGAS signed a memorandum of understanding (MoU) to assess the field.	KOGAS (South Korea)		
Nov. 1999	Soroush and Nowruz (oil)	Royal Dutch Shell	\$800 million	190,000 bpd
	Royal Dutch exempted from sanctions because of pledge to exit Iran market	(Netherlands)/Japex (Japan)		
Apr. 2000	Anaran bloc (oil)	Lukoil (Russia) and Statoil	\$105 million	65,000
	Lukoil and Statoil invested in 2000 but abandoned work in 2009. As of Dec. 2016, Lukoil reportedly is considering returning to the project.	(Norway)		
Jul. 2000	South Pars Phases 4 and 5 (gas)	ENI	\$1.9 billion	2 billion cu.
	On stream as of 2005. ENI exempted from sanctions based on pledge to exit Iran market			ft./day (cfd)
Mar. 2001	Caspian Sea oil exploration—construction of submersible drilling rig for Iranian partner	GVA Consultants (Sweden)	\$225 million	NA
Jun. 2001	Darkhovin (oil)	ENI	\$1 billion	100,000 bpd
	ENI exited in 2013 and doing so enabled the firm to be exempted from U.S. sanctions	Field in production		
May 2002	Masjid-e-Soleyman (oil)	Sheer Energy (Canada)/CNPC (China))/ Naftgaran Engineering (Iran)	\$80 million	25,000 bpd
Sept. 2002	South Pars Phases 9 and 10 (gas) On stream as of early 2009	GS Engineering and Construction Corp. (South Korea)	\$1.6 billion	2 billion cfd
Oct. 2002	South Pars Phases 6, 7, and 8	Statoil (Norway)	\$750 million	3 billion cfd
	Field began producing late 2008; operational control handed to NIOC in 2009. Statoil exempted from sanctions upon pledge to divest			
Jan. 2004	Azadegan (oil)—South and North	Inpex (Japan)	\$200 million	260,000 bpd,
Dec. 2016	Oct. 2010: original investor Inpex sold its stake and was exempted from ISA investigation. China National Petroleum Corp. took a	CNPC (China)	(Inpex stake); China \$2.5	of which 80,000 is from N. Azadegan.
		Royal Dutch Shell/Petronas (Malaysia)	billion	
	majority stake in South and North Azadegan fields in January 2009. However, in 2014, Iran	(Maiaysia)		
	cancelled the contracts for for nonperformance Dec. 2016: Royal Dutch Shell and Petronas			
	signed a MoU to assess S. Azadegan for possibly taking the project over.			
	_	L	1	l

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/ Goal
Jan. 2004	Tusan Block	Petrobras (Brazil)	\$178 million	
	Oil found in block in Feb. 2009, but not in commercial quantity, according to the firm.			
Oct. 2004	Yadavaran (oil)	Sinopec (China), deal	\$2 billion	300,000 bpd
	In 2014, Iran says Sinopec has "experienced problems with regards to progress" on the field, which also extends into Iraq.	finalized Dec. 9, 2007		
Dec. 2016	December 2016: Royal Dutch Shell signed MoU to assess taking over developing the field.			
2005	Saveh bloc (oil)	PTT (Thailand)		
	GAO report, cited below			
Jun. 2006	Garmsar bloc (oil)	Sinopec (China)	\$20 million	
	Deal finalized in June 2009			
	("China's Sinopec signs a deal to develop oil block in Iran—report," Forbes, 20 June 2009, http://www.forbes.com/feeds/afx/2006/06/20/ afx2829188.html.)			
Jul. 2006	Arak Refinery expansion	Sinopec (China); JGC	\$959 million	Expansion to
	(GAO reports; Fimco FZE Machinery website; http://www.fimco.org/index.php?option=com_content&task=view&id=70&Itemid=78.)	(Japan). Work continued by Hyundai Heavy Industries (S. Korea)	(major initial expansion; extent of Hyundai work unknown)	produce 250,000 bpd
Sept. 2006	Khorramabad block (oil)	Norsk Hydro and Statoil	\$49 million	no estimates
	Seismic data gathered, but no production is planned. (Statoil factsheet, May 2011)	(Norway).		
Dec. 2006	North Pars Gas Field (offshore gas). Includes gas purchases	China National Offshore Oil Co. Work suspended in 2011, but reportedly resumed in 2016.	\$16 billion	3.6 billion cfd
Feb. 2007	LNG Tanks at Tombak Port	Daelim (S. Korea)	\$320 million	200,000 ton
	Contract to build three LNG tanks at Tombak, 30 miles north of Assaluyeh Port.			capacity
	(May not constitute "investment" in pre-2010 version of ISA, because that definition did not specify LNG as "petroleum resource" of Iran.)			
Feb. 2007	South Pars Phases 13 and 14	Royal Dutch Shell, Repsol	\$4.3 billion	
	Deadline to finalize (May 2009) not met; firms submitted revised proposals to Iran in June 2009. State Department said on September 30, 2010, that Royal Dutch Shell and Repsol will not pursue this project any further.	(Spain)		
Mar. 2007	Esfahan refinery upgrade	Daelim (S. Korea)		NA
Jul. 2007	S. Pars Phases 22, 23, and 24	Turkish Petroleum	\$12. billion	2 billion cfd
•	Pipeline to transport Iranian gas to Turkey, and on to Europe and building three power plants in Iran. Contract not finalized to date.	Company (TPAO)		

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/ Goal
Dec. 2007	Golshan and Ferdowsi onshore and offshore gas and oil fields and LNG plant Contract modified but reaffirmed December 2008 (GAO reports; Oil Daily, January 14,	Petrofield Subsidiary of SKS Ventures (Malaysia)	\$15 billion	3.4 billion cfd of gas/250,000 bpd of oil
2007	Jofeir Field (oil) GAO report cited below. Belarusneft, a subsidiary of Belneftekhim, sanctioned under ISA on March 29, 2011. Naftiran sanctioned on September 29, 2010, for this and other activities.	Belarusneft (Belarus) under contract to Naftiran. No production to date	\$500 million	40,000 bpd
2008	Dayyer Bloc (Persian Gulf, offshore, oil) GAO reports.	Edison (Italy)	\$44 million	
Feb. 2008	Lavan field (offshore natural gas)	PGNiG (Polish Oil and Gas Company, Poland), divested to Iranian firms in 2011	\$2 billion	
Mar. 2008	Danan Field (on-shore oil) "PVEP Wins Bid to Develop Danan Field." Iran Press TV, March 11, 2008.	Petro Vietnam Exploration and Production Co. (Vietnam)		
Apr. 2008	Iran's Kish Gas Field Includes pipeline from Iran to Oman.	Oman (cofinancing of project)	\$7 billion	I billion cfd
Apr. 2008	Moghan 2 (onshore oil and gas, Ardebil province)	INA (Croatia), but firm withdrew in 2014	\$40-\$140 million	
2008	Kermanshah petrochemical plant (new construction) GAO reports.	Uhde (Germany)		300,000 metric tons/yr
Jun. 2008	Resalat Oilfield Status of work unclear.	Amona (Malaysia). Joined in June 2009 by CNOOC and another China firm, COSL.	\$1.5 billion	47,000 bpd
Jan. 2009	Bushehr Polymer Plants Production of polyethelene at two polymer plants in Bushehr Province. Product exported	Sasol (South Africa), but firm withdrew in 2014		Capacity is I million tons per year.
Mar. 2009	Phase 12 South Pars (gas)—Incl. LNG terminal construction and Farsi Block gas field/Farzad-B bloc.	Indian firms: Oil and Natural Gas Corp. of India (ONGC); Oil India Ltd., India Oil Corp. Ltd./minor stakes by Sonanagol (Angola) and PDVSA (Venezuela).	\$8 billion	20 million tonnes of LNG annually by 2012
Aug. 2009	Abadan refinery Upgrade and expansion; building a new refinery at Hormuz on the Persian Gulf coast.	Sinopec	Up to \$6 billion if new refinery is built	

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/ Goal
Oct. 2009	South Pars Gas Field—Phases 6-8, Gas Sweetening Plant	G and S Engineering and Construction (South Korea)	\$1.4 billion	
	CRS conversation with Embassy of S. Korea in Washington, DC, July 2010.			
	Contract signed but then abrogated by S . Korean firm.			
Nov. 2009	South Pars Phase I2—Part 2 and Part 3	Daelim (S. Korea)—Part 2;	\$4 billion (\$2	
	("Italy, South Korea To Develop South Pars Phase 12." Press TV [Iran], November 3, 2009, http://www.presstv.com/pop/Print/?id=110308.)	Tecnimont (Italy)—Part 3	bn each part)	
Feb.	South Pars Phase II	Total SA (France) and	\$4.7 billion	
2010/July 2017	Project originally awarded to CNPC in 2010, but CNPC exited the project in October 2012. In July 2017, Total took over the project as operator, with CNPC as minority partner (30%). Iran's Petropars has a 20% stake as well. In November 2018, Total exited and CNPC became operator. CNPC exited in December 2018, leaving production status unclear.	CNPC (China), with Iran Petropars		
2011	Azar Gas Field	Gazprom (Russia)		
	Iran cancelled Gazprom's contract due to Gazprom's failure to fulfill its commitments.			
Dec. 2011	Zagheh Oil Field	Tatneft (Russia)	\$1 billion	55,000
	Preliminary deal signed December 2011			barrels per day
Jul. 2016	Aban Oil Field	Zarubezhneft (Russia)		
	Zarubezhneft signed a MoU to assess the field.			
Jul. 2016	Paydar Garb Oil Field	Zarubezhneft (Russia)		
	Zarubezhneft signed a MoU to assess the field.			
Nov. 2016	Parsi and Rag E-Sefid Schlumberger signed a MoU to assess the fields.	Schlumberger (France)		
Nov. 2016	South Pars Phase II	Total SA (France)/CNPC	\$4.8 billion	1.8 billion cu
	Total has announced it will divest in response to U.S. reimposition of sanctions in 2018	(China) and Petropars		ft/day
Nov. 2016	Sumar Oil Field	PGNiG (Poland)		
	Polish Oil and Gas Company (PGNiG) signed a MoU to assess the field for six months.			
Nov. 2016	Karanj	Pergas (consortium of 15		
	International Pergas Consortium signed a MoU to assess this field.	firms from Norway, Britain, and Iran)		
Dec. 2016	Changuleh Oil Field	Gazprom (Russia), PTTEP		
	Companies signed MoU's to assess field.	(Thailand), and DNO (Norway)		
Dec. 2016	Kish Gas Field	Royal Dutch Shell		

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/ Goal
	Royal Dutch Shell signed MoU to assess the field			
Dec. 2016	Chesmekosh Gas Field Gazprom signed MoU to assess the field	Gazprom (Russia) and Petronas (Malaysia)		
Mar. 2017	Shadegan Oil Field Khuzestan province (southern Iran). Currently producing about 65,000 bpd.	Tatneft (Russia)		500,000 bpd max.

Sources: Various oil and gas journals, as well as CRS conversations with some U.S. and company officials. Some information comes from various GAO reports, the latest of which was January 13, 2015 (GAO-15-258R).

Notes: CRS has no mandate, authority, or means to determine violations of the Iran Sanctions Act, and no way to confirm the status of any of the reported investments. The investments are private agreements between Iran and the firms involved, which are not required to reveal the terms of their arrangements. Reported \$20 million+investments in oil and gas fields, refinery upgrades, and major project leadership are included in this table. Responsibility for a project to develop Iran's energy sector is part of ISA investment definition.

Effect on Gasoline Availability and Importation

As the enactment of U.S. sanctions on the sale of gasoline to Iran became increasingly likely in 2010, several suppliers apparently stopped selling gasoline to Iran. ¹¹³ Others ceased after the enactment of CISADA. Gasoline deliveries to Iran fell from about 120,000 barrels per day before CISADA to about 30,000 barrels per day immediately thereafter, although importation later increased to about 50,000 barrels per day. In 2017, Iranian officials said Iran had become largely self-sufficient in gasoline production.

Human Rights-Related Effects

It is difficult to draw any direct relationship between sanctions and Iran's human rights practices. Recent human rights reports by the State Department and the U.N. Special Rapporteur on Iran's human rights practices generally assess that there has been some modest improvement in some of Iran's practices in recent years, particularly relaxation of enforcement of the public dress code for women. But the altered policies cannot necessarily be attributed to sanctions relief.

Since at least 2012, foreign firms have generally refrained from selling the Iranian government equipment to monitor or censor social media use. Such firms include German telecommunications firm Siemens, Chinese internet infrastructure firm Huawei, and South African firm MTN Group. In October 2012, Eutelsat, a significant provider of satellite service to Iran's state broadcasting establishment, ended that relationship after the EU sanctioned the then head of the Islamic Republic of Iran Broadcasting (IRIB), Ezzatollah Zarghami. However, the regime retains the ability to monitor and censor social media use.

Humanitarian Effects

During 2012-2016, sanctions produced significant humanitarian-related effects, particularly in limiting the population's ability to obtain expensive Western-made medicines, such as chemotherapy drugs. Some of the scarcity was caused by banks' refusal to finance such sales, even though doing so was not subject to any sanctions. Some observers say the Iranian

¹¹³ Information in this section derived from Javier Blas, "Traders Cut Iran Petrol Line," Financial Times, March 8, 2010

government exaggerated reports of medicine shortages to generate opposition to the sanctions. Other accounts say that Iranians, particularly those with connections to the government, took advantage of medicine shortages by cornering the import market for key medicines. However, some of these shortages resurfaced in 2018 following the reimposition of sanctions by the Trump Administration. For example, reports in 2018 indicated that the reimposition of U.S. sanctions may be inhibiting the flow of humanitarian goods to the Iranian people and reportedly contributing to shortages in medicine to treat ailments such as multiple sclerosis and cancer. Other reports indicate that Cargill, Bunge, and other global food traders have halted supplying Iran because of the evaporation of available transactions financing. 115

EU officials have called on the United States to produce a "white list" that would "give clear guidelines about what channels European banks and companies should follow to conduct legitimate [humanitarian] transactions with Iran without fear of future penalties." ¹¹⁶ Iranian officials have also accused U.S. sanctions of hampering international relief efforts for victims of vast areas of flooding in southwestern Iran in the spring of 2019.

Other reports say that pollution in Tehran and other big cities is made worse by sanctions because Iran produces gasoline itself with methods that cause more impurities than imported gasoline. As noted above, Iran's efforts to deal with environmental hazards and problems might be hindered by denial of World Bank lending for that purpose.

In the aviation sector, some Iranian pilots complained publicly that U.S. sanctions caused Iran's passenger airline fleet to deteriorate to the point of jeopardizing safety. Since the U.S. trade ban was imposed in 1995, 1,700 passengers and crew of Iranian aircraft have been killed in air accidents, although it is not clear how many of the crashes, if any, were due to difficultly in acquiring U.S. spare parts. 117

Air Safety

Sanctions relief ameliorated at least some of the humanitarian difficulties discussed above. In the aviation sector, several sales of passenger aircraft have been announced, and licensed by the Department of the Treasury, since Implementation Day. However, as noted, the licenses are being revoked and deliveries will not proceed beyond November 2018.

- In February 2016, Iran Air—which was delisted from U.S. sanctions as of Implementation Day—announced it would purchase 118 Airbus commercial aircraft at an estimated value of \$27 billion. Airbus received an OFAC license and three of the aircraft have been delivered. Airbus has said it will not deliver any more aircraft to Iran because its U.S. Treasury Department license is revoked.
- In December 2016, Boeing and Iran Air finalized an agreement for Boeing to sell
 the airline 80 passenger aircraft and lease 29 others. Boeing received a specific
 license for the transaction. The deal has a total estimated value of about \$17

¹¹⁴ https://www.washingtonpost.com/world/middle_east/fresh-sanctions-on-iran-are-already-choking-off-medicine-imports-economists-say/2018/11/17/c94ce574-e763-11e8-8449-1ff263609a31_story.html; https://www.bloomberg.com/news/articles/2018-11-21/trump-s-sanctions-are-proving-a-bitter-pill-for-iran-s-sick; https://www.csmonitor.com/World/Middle-East/2018/1029/In-Iran-US-sanctions-are-being-felt-with-harsher-measures-to-come.

^{115 &}quot;Global Traders Halt New Iran Food Deals as U.S. Sanctions Bite." Reuters, December 21, 2018.

¹¹⁶ https://www.theguardian.com/world/2018/nov/02/iran-sanctions-us-european-humanitarian-supplies.

¹¹⁷ Thomas Erdbink, "Iran's Aging Airliner Fleet Seen As Faltering Under U.S. Sanctions," July 14, 2012.

- billion, with deliveries scheduled to start later in 2018. The Boeing sale is to include 30 of the 777 model. None were delivered, and Boeing cancelled planned deliveries to Iran after its export licenses were revoked.
- In April 2017, Iran's Aseman Airlines signed a tentative agreement to buy at least 30 Boeing MAX passenger aircraft. No U.S. license for this sale was announced prior to the U.S. exit from the JCPOA. The airline is owned by Iran's civil service pension fund but managed as a private company.
- In June 2017, Airbus agreed to tentative sales of 45 A320 aircraft to Iran's
 Airtour Airline, and of 28 A320 and A330 aircraft to Iran's Zagros Airlines. No
 U.S. license for the sale was announced prior to the U.S. exit from the JCPOA.
- ATR, owned by Airbus and Italy's Leonardo, sold 20 aircraft to Iran Air. It
 delivered eight aircraft by the time of the U.S. JCPOA exit. It reportedly has been
 given temporary U.S. Treasury Department licenses to deliver another five after
 the August 6, 2018, initial sanctions reimposition in which its U.S. export
 licenses were to be revoked.

Post-JCPOA Sanctions Legislation

The JCPOA, its implications, and related Iran issues have been the subject of legislation. The JCPOA states that as long as Iran fully complies with the JCPOA, the sanctions that were suspended or lifted shall not be reimposed on other bases (such as terrorism or human rights).

Key Legislation in the 114th Congress

The Obama Administration stated that it would adhere to that provision but that some new sanctions that seek to limit Iran's military power, its human rights abuses, or its support for militant groups might not necessarily violate the JCPOA. During 2015-2016, supporters of the bills below asserted that they addressed weaknesses of the agreement or unrelated Iran issues, or increased oversight of the JCPOA.

Iran Nuclear Agreement Review Act (P.L. 114-17)

The Iran Nuclear Agreement Review Act of 2015 (INARA, P.L. 114-17) provided for a 30- or 60-day congressional review period after which Congress could pass legislation to approve or to disapprove of the JCPOA, or do nothing. No such legislation of disapproval was enacted.

There are several certification and reporting requirements under INARA:

- Material Breach Report. The President must report a potentially significant
 Iranian breach of the agreement within 10 days of acquiring credible information
 of such. Within another 30 days, the President must determine whether this is a
 material breach and whether Iran has cured the breach.
- Certification Report. The President is required to certify, every 90 days, that Iran is "transparently, verifiably, and fully implementing" the agreement, and that Iran has not taken any action to advance a nuclear weapons program. The latest certification was submitted on July 17, 2017, and another one was due on October 15, 2017. On October 13, 2017, the Administration declined to make that certification, on the grounds that continued sanctions relief is not appropriate and proportionate to Iran's measures to terminate its illicit nuclear program (Section (d)(6)(iv)(I) of INARA).

- If a breach is reported, or if the President does not certify compliance, Congress may initiate within 60 days "expedited consideration" of legislation that would reimpose any Iran sanctions that the President had suspended through use of waiver or other authority. That 60-day period is to expire on December 12, 2017.
- Semiannual Report. INARA also requires an Administration report every 180
 days on Iran's nuclear program, including not only Iran's compliance with its
 nuclear commitments but also whether Iranian banks are involved in terrorism
 financing; Iran's ballistic missile advances; and whether Iran continues to support
 terrorism.

Visa Restriction

The FY2016 Consolidated Appropriation (P.L. 114-113) contained a provision amending the Visa Waiver Program to require a visa to visit the United States for any person who has visited Iraq, Syria, or any terrorism list country (Iran and Sudan are the two aside from Syria still listed) in the previous five years. Iran argued that the provision represented a violation of at least the spirit of the JCPOA by potentially deterring European businessmen from visiting Iran. The Obama Administration issued a letter to Iran stating it would implement the provision in such a way as not to not impinge on sanctions relief, and allowances for Iranian students studying in the United States were made in the implementing regulations. Another provision of that law requires an Administration report to Congress on how Iran has used the benefits of sanctions relief.

President Trump has issued and amended executive orders that, in general, prohibit Iranian citizens (as well as citizens from several other countries) from entering the United States. This marked a significant additional restriction beyond the FY2016 Consolidated Appropriation.

Iran Sanctions Act Extension

The 114th Congress acted to prevent ISA from expiring in its entirety on December 31, 2016. The Iran Sanctions Extension Act (H.R. 6297), which extended ISA until December 31, 2026, without any other changes, passed the House on November 15 by a vote of 419-1 and then passed the Senate by 99-0. President Obama allowed the bill to become law without signing it (P.L. 114-277), even though the Administration considered it unnecessary because the President retains ample authority to reimpose sanctions on Iran. Iranian leaders called the extension a breach of the JCPOA, ¹¹⁸ but the JCPOA's "Joint Commission" did not determine it breached the JCPOA.

Reporting Requirement on Iran Missile Launches

The conference report on the FY2017 National Defense Authorization Act (S. 2943, P.L. 114-328) contained a provision (Section 1226) requiring a quarterly report to Congress on Iran's missile launches the imposition of U.S. sanctions with respect to Iran's ballistic missile launches until December 31, 2019. The conference report on the FY2018 NDAA (P.L. 115-91) extended that reporting requirement until December 31, 2022. The report is to include efforts to sanction entities or individuals that assist those missile launches.

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¹¹⁸ An Iranian letter to the U.N. Security Council submitted July 20, 2015, indicates Iran's view that "reintroduction or reimposition, including through extension, of the sanctions and restrictive measures will constitute significant nonperformance which would relieve Iran from its commitments in whole or in part." Iran Letter to the President of the U.N. Security Council, July 20, 2015, (S/2015/550).

Other 114th Congress Legislation

Some Iran sanctions legislation in the 114th Congress appeared to be intended to address Iran's objectionable behavior, but was not enacted:

- The Iran Policy Oversight Act (S. 2119) and the Iran Terror Finance
 Transparency Act (H.R. 3662) contained a provision that would add certification
 requirements for the Administration to remove designations of Iranian entities
 sanctioned. The House passed the latter bill but then vacated its vote.
- The IRGC Terrorist Designation Act (H.R. 3646 and S. 2094) required a report on whether the IRGC meets the criteria for designation as a Foreign Terrorist Organization (FTO). The Obama Administration argued that the law that set up the FTO designations (Section 219 of the Immigration and Nationality Act [8 U.S.C. 1189]) applies such designations only to groups, rather than armed forces of a nation-state (which the IRGC is). Bills with similar provisions—H.R. 380, S. 67, and H.R. 478—were introduced in the 115th Congress.
- Prohibiting Assistance to Nuclear Iran Act (H.R. 3273) would prohibit the use of U.S. funds to provide technical assistance to Iran's nuclear program. The provision appeared to conflict with the provision of the JCPOA that calls on the P5+1 to engage in peaceful nuclear cooperation with Iran (Paragraph 32).
- The Justice for Victims of Iranian Terrorism Act (H.R. 3457, S. 2086) would prohibit the President from waiving U.S. sanctions until Iran completed paying judgments issued for victims of Iranian or Iran-backed acts of terrorism. The House passed it on October 1, 2015, by a vote of 251-173, despite Obama Administration assertions that the bill would contradict the JCPOA.¹¹⁹
- H.R. 3728 would amend ITRSHRA to make mandatory (rather than voluntary) sanctions related to the use by Iranian banks of electronic bank transfer systems such as SWIFT.
- The IRGC Sanctions Act (H.R. 4257) would require congressional action to approve an Administration request to remove a country from the terrorism list and would require certification that any entity to be "delisted" from sanctions is not a member, agent, affiliate, or owned by the IRGC.
- The Iran Ballistic Missile Sanctions Act of 2016 (S. 2725) would require that specified sectors of Iran's economy (automotive, chemical, computer science, construction, electronic, energy metallurgy, mining, petrochemical, research, and telecommunications) be subject to U.S. sanctions, if those sectors are determined to provide support for Iran's ballistic missile program. The provision appeared to violate the JCPOA by reimposing sanctions on major sectors of Iran's civilian economy. In the 115th Congress, S. 15 and key sections of S. 227 and H.R. 808 (Iran Nonnuclear Sanctions Act of 2017) mirror S. 2725.
- H.R. 4992, which passed the House on July 14, 2016, by a vote of 246-181, and
 the related Countering Iranian Threats Act of 2016 (S. 3267), would, among their
 central provisions, require foreign banks and dollar clearinghouses to receive a
 U.S. license for any dollar transactions involving Iran. That provision would

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¹¹⁹ For more information on the issue of judgments for victims of Iranian terrorism, see CRS Report RL31258, Suits Against Terrorist States by Victims of Terrorism, by Jennifer K. Elsea.

- appear to represent a new restriction on foreign transactions with Iran, and the Obama Administration opposed it as a violation of the JCPOA.
- H.R. 5631, the Iran Accountability Act, which passed the House on July 14, 2016, by a vote of 246-179, would remove some waiver authority for certain provisions of several Iran sanctions laws and would require sanctions on sectors of Iran's civilian economy determined to have supported Iran's ballistic missile program. The latter provision appeared to contradict the JCPOA.
- H.R. 5119, which passed the House by a vote of 249-176, would prohibit the
 U.S. government from buying additional heavy water from Iran and appeared
 intended to block additional U.S. purchases similar to one in April 2016 in which
 the United States bought 32 metric tons from Iran at a cost of about \$8.6 million.
- Several bills and amendments in the 114th Congress sought to block or impede the sale of the Boeing aircraft to Iran by preventing the licensing, financing, or Ex-Im Bank loan guarantees for the sale. These included H.R. 5715, H.R. 5711, and several amendments to the House version of the FY2017 Financial Services and General Government Appropriations Act (H.R. 5485). That act passed the House on July 7, 2016, by a vote of 239-185, and H.R. 5711 passed by the House on November 17, 2016, by a vote of 243-174. The Obama Administration opposed the measures as a JCPOA violation.

The Trump Administration and Major Iran Sanctions Legislation

Even before the Trump Administration pulled the United States out of the JCPOA, Congress acted on or considered additional Iran sanctions legislation. Some of the legislation appeared to avoid violating U.S. JCPOA commitments. Because the Trump Administration has exited the pact, there is increased potential for the 116th Congress to consider legislation that sanctions those Iranian economic sectors that could not be sanctioned under the JCPOA.

The following is some of the Iran sanctions legislation enacted or considered in the 115th Congress.

The Countering America's Adversaries through Sanctions Act of 2017 (CAATSA, P.L. 115-44)

A bill, S. 722, which initially contained only Iran-related sanctions, was reported out by the Senate Foreign Relations Committee on May 25, 2017. After incorporating an amendment adding sanctions on Russia, the bill was passed by the Senate on June 15, 2017, by a vote of 98-2. A companion measure, H.R. 3203, was introduced in the House subsequent to the Senate passage of S. 722, and contained Iran-related provisions virtually identical to the engrossed Senate version of S. 722. Following a reported agreement among House and Senate leaders, H.R. 3364, with additional sanctions provisions related to North Korea (and provisions on Iran remaining virtually unchanged from those of the engrossed S. 722), was introduced and passed both chambers by overwhelming margins. President Trump signed it into law on August 2, 2017 (P.L. 115-44), accompanied by a signing statement expressing reservations about the degree to which provisions pertaining to Russia might conflict with the President's constitutional authority.

CAATSA's Iran-related provisions are analyzed above. Overall, CAATSA does not appear to conflict with the JCPOA insofar as it does not reimpose U.S. secondary sanctions on Iran's civilian economic sectors. The JCPOA did not require the United States to refrain from imposing additional sanctions—as CAATSA does—on Iranian proliferation, human rights abuses,

terrorism, or the IRGC. Section 108 of CAATSA requires an Administration review of all designated entities to assess whether such entities are contributing to Iran's ballistic missile program or contributing to Iranian support for international terrorism.

Other Legislation in the 115th Congress

- H.R. 1698. The Iran Ballistic Missiles and International Sanctions Enforcement Act, passed the House on October 26, 2017, by a vote of 423-2. It would amend the remaining active (not waived) section of ISA (Section 5b) to clarify that assistance to Iran's ballistic missile program is included as subject to sanctions. The provision would apply the sanctions to foreign governments determined to be assisting Iran's missile programs, and would apply several ISA sanctions to foreign entities, including foreign governments, that sell to or import from Iran the major combat systems banned for sale to Iran in Security Council Resolution 2231. This represents a more specific list of banned items than the "destabilizing numbers and types" of weaponry the sale to Iran of which can be sanctioned under ISA and several other U.S. laws discussed above.
- H.R. 1638. On November 14, 2017, the House Financial Services Committee
 ordered reported H.R. 1638, the Iranian Leadership Asset Transparency Act,
 requiring the Treasury Secretary to report to Congress on the assets and equity
 interests held by named Iranian persons including: the Supreme Leader, the
 President, various IRGC and other security commanders, and members of various
 leadership bodies.
- H.R. 4324. The House Financial Services Committee also ordered reported on November 14, 2017, the Strengthening Oversight of Iran's Access to Finance Act. The bill required Administration reports on whether financing of Iranian commercial passenger aircraft purchases poses money-laundering or terrorism risks or benefits Iranian persons involved in Iranian proliferation or terrorism. Some argued that the bill might affect the willingness of the Treasury Department to license aircraft sales to Iran, and in so doing the United States to potentially breach its JCPOA commitment to sell such aircraft to Iran.¹²⁰
- Following President Trump's October 13, 2017, statement on Iran, then-Senate
 Foreign Relations Committee Chairman Bob Corker and Senator Tom Cotton
 released an outline of legislation that would reimpose waived U.S. sanctions if, at
 any time—including after JCPOA restrictions expire—Iran breaches JCPOAstipulated restrictions. The bill draft, which was not introduced, included
 sanctions triggers based on Iranian missile developments.
- H.R. 5132. The Iranian Revolutionary Guard Corps Economic Exclusion Act. This bill mandated Administration reports on whether specified categories of entities are owned or controlled by the IRGC, or conduct significant transactions with the IRGC. The bill would define an entity as owned or controlled by the IRGC even if the IRGC's ownership interest is less than 50%—a lower standard than the usual practice in which ownership is defined as at least 50%. The bill requires Administration investigation of several specified entities as potentially owned or controlled by the IRGC, including several telecommunications, mining, and machinery companies, and requires a report on whether the Iran Airports Company violates E.O. 13224 by facilitating flight operations by Mahan Air,

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¹²⁰ Author conversations with experts in Washington, DC, November, 2017, and various press reports.

- which is a designated SDN under E.O. 13224. Whereas the bill's provisions do not mandate any sanctions on entities characterized within, the bill appears to establish a process under which the Administration could name as SDNs entities in Iran's civilian economic sectors, including civil aviation.
- H.R. 6751. The Banking Transparency for Sanctioned Persons Act of 2018, would require reporting to Congress on any license given to a bank to provide financial services to a state sponsor of terrorism.
- H.R. 4591, S. 3431, and H.R. 4238. Several bills would essentially codify
 Executive Order 13438 by requiring the blocking of U.S.-based property and
 preventing U.S. visas for persons determined to be threatening the stability of
 Iraq—legislation apparently directed at Iran's Shiite militia allies in Iraq. The
 latter two bills specifically mention the Iraqi groups As'aib Ahl Al Haq and
 Harakat Hizballah Al Nujabi as entities that the Administration should so
 sanction. H.R. 4591 passed the House on November 27, 2018.

116th Congress

- As the 116th Congress began work in 2019, press reports indicated that several Senators and at least one House Member planned to introduce legislation to greatly expand U.S. secondary sanctions on Iran's financial sector. Among the reported provisions were (1) mandatory imposition of sanctions on the SWIFT electronic payments system if it does not expel sanctioned Iranian banks from its network; (2) amending IFCA to sanction any significant transactions with Iran's financial sector (in addition to energy, shipping, and shipbuilding sectors in the current law); (3) requiring the Treasury Department to issue a final rule that would sanction any international transaction with Iran's Central Bank; and (4) sanctioning foreign persons that supply or provide other help to Iran's efforts to establish a digital currency.
- Several bills similar or virtually identical to those introduced previously have been introduced, imposing sanctions on Iranian proxies in Iraq and elsewhere.
 These bills include H.R. 361, the Iranian Proxies Terrorist Sanctions Act of 2019, and H.R. 571, the Preventing Destabilization of Iraq Act of 2019.
- The Iranian Revolutionary Guard Corps Exclusion Act (see above), has been introduced in the Senate.

Other Possible U.S. and International Sanctions¹²²

There are a number of other possible sanctions that might receive consideration—either in a global or multilateral framework. These possibilities are analyzed in CRS In Focus IF10801, *Possible Additional Sanctions on Iran*, by Kenneth Katzman.

¹²¹ https://www.politico.com/story/2018/11/01/gop-trump-iran-policy-956660.

¹²² See CRS In Focus IF10801, Possible Additional Sanctions on Iran, by Kenneth Katzman.

Table 6. Entities Sanctioned Under U.N. Resolutions and U.S. Laws and Executive Orders

Persons listed are identified by the positions they held when designated; some have since changed. For U.S. executive order, names in italics are entities and individuals that were delisted to implement the JCPOA. Entities in boldface were to be delisted on Transition Day (October 2023). However, all delisted entities will be relisted on November 5, 2018, and no entities will be delisted.

U.N. Security Council Resolutions

Entities in italics were "delisted" on Implementation Day. Entities in standard font to remain listed until Transition Day (October 2023), unless removed earlier by Security Council

Entities Sanctioned by Resolution 1737 (resolution no longer active)

- Farayand Technique (centrifuge program)
- Defense Industries Organization (DIO)
- 7th of Tir (DOI subordinate)
- Shahid Hemmat Industrial Group (SHIG)—missile program
- Shahid Bagheri Industrial Group (SBIG)—missile program
- Fajr Industrial Group—missile program
- Gen. Mohammad Mehdi Nejad Mouri (Malak Ashtar University of Defense Technology rector)
- Bahmanyar Morteza Bahmanyar (AIO official)
- Reza Gholi Esmaeli (AOI Official)
- Ahmad Vahid Dastjerdi (Head of AOI)
- Maj. Gen. Yahya Rahim Safavi (Commander in Chief, IRGC)
- Gen. Hosein Salimi (Commander, IRGC Air Force)
- Atomic Energy Organization of Iran (AEIO)
- Mesbah Energy Company (Arak supplier)
- Mohammad Qanadi, AEIO Vice President
- Behman Asgarpour (Arak manager)
- Ehsan Monajemi (Natanz construction manager)
- Jafar Mohammadi (Adviser to AEIO)
- Dawood Agha Jani (Natanz official)
- Ali Hajinia Leilabadi (Director of Mesbah Energy)

Entities/Persons Added by Resolution 1747 (resolution no longer active)

- Ammunition and Metallurgy Industries Group (controls 7th of Tir)
- Parchin Chemical Industries (branch of DIO)
- Sanam Industrial Group (subordinate to AIO)
- Ya Mahdi Industries Group
- Sho'a Aviation (produces İRGC light aircraft for asymmetric warfare)
- Qods Aeronautics Industries (produces UAV's, para-gliders for IRGC asymmetric warfare)
- Pars Aviation Services Company (maintains IRGC Air Force equipment)
- Gen. Mohammad Baqr Zolqadr (IRGC officer serving as deputy Interior Minister)
- Brig. Gen. Mohammad Hejazi (Basij commander)

- Brig. Gen. Qasem Soleimani (Qods Force commander)
- Fereidoun Abbasi-Davani (senior defense scientist)
- Mohasen Fakrizadeh-Mahabai (defense scientist)
- Mohsen Hojati (head of Fajr Industrial Group)
- Ahmad Derakshandeh (head of Bank Sepah)
- Brig. Gen. Mohammad Reza Zahedi (IRGC ground forces commander)
- Naser Maleki (head of SHIG); Brig. Gen. Morteza Reza'i (Deputy commander-in-chief, IRGC)
- Vice Admiral Ali Akbar Ahmadiyan (chief of IRGC Joint Staff)

- Karaj Nuclear Research Center
- Novin Energy Company; Cruise Missile Industry Group
- Kavoshyar Company (subsidiary of AEIO)
- Bank Sepah and Bank Sepah International PLC (funds AIO and subordinate entities in missile activities) *
- Esfahan Nuclear Fuel Research and Production Center and Esfahan Nuclear Technology Center
- Seyed Jaber Safdari (Natanz manager)
- Amir Rahimi (head of Esfahan nuclear facilities); Mehrdada Akhlaghi Ketabachi (head of SBIG)
- * Bank Sepah and Bank Sepah International were delisted on Implementation Day by a separate decision the Security Council. They were not named on the Resolution 2231 attachment of entities to be delisted on that day. No information has been publicized whether Ahmad Derakshandeh, the head of Bank Sepah, was also delisted.

Entities Added by Resolution 1803 (resolution no longer active)

Requires that countries report when the following persons enter or transit their territories:

- Amir Moayyed Alai (centrifuge program management)
- Mohammad Fedai Ashiani (Natanz complex technician)
- Abbas Rezaee Ashtiani (senior AEIO official)
- Haleh Bakhtian
- Morteza Behzad (centrifuge component production)
- M. Javad Karimi Sabet (head of Novin Energy)
- Hamid-Reza Mohajerani (manager at Esfahan uranium conversion facility)
- Brig. Gen. Mohammad Reza Naqdi (military official, for trying to circumvent U.N. sanctions)
- Houshang Nobari (Natanz)

- Mohammad Eslami (Defense Industries Training and Research Institute)
- Seyyed Hussein Hosseini (AEIO, involved in Arak)
- Abbas Rashidi (Natanz)
- Ghasem Soleymani (Saghand uranium mine)

Travel banned for five Iranians sanctioned under Resolutions 1737 and 1747.

Adds entities to the sanctions list:

- Electro Sanam Co.
- Abzar Boresh Kaveh Co. (centrifuge production)
- Barzaganin Tejaral Tavanmad Saccal
- Jabber Ibn Hayan (AEIO laboratory)
- Khorasan Metallurgy Industries
- Niru Battery Manufacturing Co. (Makes batteries for Iranian military and missile systems)
- Ettehad Technical Group (AIO front co.)
- Industrial Factories of Precision
- Joza Industrial Co.
- Pishgam (Pioneer) Energy Industries
- -Tamas Co. (uranium enrichment)
- Safety Equipment Procurement (AIO front, missiles)

Entities Added by Resolution 1929 (resolution no longer active)

Over 40 entities added; makes mandatory a previously nonbinding travel ban on most named Iranians of previous resolutions. Adds one individual banned for travel—AEIO head Javad Rahiqi.

- Amin Industrial Complex; Armament Industries Group
- Defense Technology and Science Research Center (owned or controlled by Ministry of Defense)
- Doostan International Company
- Farasakht Industries
- First East Export Bank, PLC
- Kaveh Cutting Tools Company
- M. Babaie Industries
- -Shahid Karrazi Industries
- Malek Ashtar University (subordinate of Defense Technology and Science Research Center, above)
- Ministry of Defense Logistics Export (sells Iranian made arms to customers worldwide)
- Mizan Machinery Manufacturing
- Peiman Industrial Services Corp.;
- Sabalan Company; Sahand Aluminum Parts Industrial Company
- Shahid Sattari Industries

- -Shahid Sayyade Shirazi Industries (acts on behalf of the DIO)
- -Special Industries Group (DIO
- subordinate)
- -Tiz Pars (cover name for SHIG)
- -Yazd Metallurgy Industries
- Modern Industries Technique Company
- Nuclear Research Center for Agriculture and Medicine (research component of the AEIO)

The following Revolutionary Guard affiliated firms (several are subsidiaries of Khatam ol-Anbiya, the main Guard construction affiliate):

- Fater Institute
- Garaghe Sazendegi Ghaem
- Gorb Karbala - Gorb Nooh
- Hara Company
- Sepasad Engineering Company
- Imensazan Consultant Engineers Institute
- Khatam ol-Anbiya
- Omran Sahel

- Makin

- Oriental Oil Kish
- Rah Sahel
- Rahab Engineering Institute
- Sahel Consultant Engineers
- Sepanir

The following entities owned or controlled by Islamic Republic of Iran Shipping Lines (IRISL): Irano Hind Shipping Company; IRISL Benelux; and South Shipping Line Iran.

European Union Iran Designations

Terrorism-related

Hamid Abdollahi

Manssor Arbabsiar—for alleged plot to assassinate Saudi Ambassador in Washington

Assadollah Asadi-for alleged terrorist plot in Europe

Hashemi Moghadam—for alleged terrorist plot in Europe

Abdul Reza Shahlai—for alleged plot to assassinate Saudi Ambassador in Washington

Gholam Ali Shakuri—for alleged plot to assassinate Saudi Ambassador in Washington

Qasem Soleimani—IRGC-QF commander

Directorate for Internal Security of the Iranian Ministry of Intelligence and Security

Hezbollah Military Wing

Congressional Research Service

Palestinian Islamic Jihad

Human-Rights Related

87 persons, mostly IRGC, Basij, Law Enforcement Forces commanders, as well as security militia chiefs such as Hossein Allahkaram of Ansar-e-Hezbollah. List also includes judicial officials such as Seyeed Hassan Shariati (head of Mashhad judiciary); Ghorban Ali Dorri-Najafabadi (former prosecutor-general); officials of Tehran revolutionary court; Supreme Court officials; Evin prison officials; province-level prosecutors; and others.

The full list is at link: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:02011D0235-20180413&qid=1555351537619&from=EN

Entities Designated Under U.S. Executive Order 13382

(many designations coincide with designations under U.N. resolutions)

(many designations contained man designations and of an article contains)	
Entity	Date Named
Shahid Hemmat Industrial Group (Iran)	June 2005, September 2007
Shahid Bakeri Industrial Group (Iran)	June 2005, February 2009
Atomic Energy Organization of Iran (AEOI). AEOI and 23 subsidaries remain delisted for secondary sanctions under E.O. 13382 but are still designated as Iran-owned or controlled entities.	June 2005
Novin Energy Company (Iran) and Mesbah Energy Company (Iran)	January 2006
Four Chinese entities: Beijing Alite Technologies, LIMMT Economic and Trading Company, China Great Wall Industry Corp, and China National Precision Machinery Import/Export Corp.	June 2006
Sanam Industrial Group (Iran) and Ya Mahdi Industries Group (Iran)	July 2006
Bank Sepah (Iran)	January 2007
Kalaye Electic Company	February 2007
Defense Industries Organization (Iran)	March 2007
Pars Trash (Iran, nuclear program), Farayand Technique (Iran, nuclear program), Fajr Industries Group (Iran, missile program), Mizan Machine Manufacturing Group (Iran, missile program).	June 2007
Aerospace Industries Organization (AIO) (Iran); Korea Mining and Development Corp. (N. Korea).	September 2007
Islamic Revolutionary Guard Corps (IRGC); Ministry of Defense and Armed Forces Logistics; Bank Melli (Iran's largest bank, widely used by Guard); Bank Melli Iran Zao (Moscow); Melli Bank PC (U.K.); Bank Kargoshaee; Arian Bank (joint venture between Melli and Bank Saderat). Based in Afghanistan; Bank Mellat (provides banking services to Iran's nuclear sector); Mellat Bank SB CJSC (Armenia). Reportedly has \$1.4 billion in assets in UAE; Persia International Bank PLC (U.K.); Khatam ol Anbiya Gharargah Sazendegi Nooh (main IRGC construction and contracting arm, with \$7 billion in oil, gas deals); Oriental Oil Kish (Iranian oil exploration firm); Ghorb Karbala; Ghorb Nooh (synonymous with Khatam ol Anbiya); Sepasad Engineering Company (Guard construction affiliate); Omran Sahel (Guard construction affiliate); Sahel Consultant Engineering (Guard construction affiliate); Hara Company; Gharargahe Sazandegi Ghaem	October 21, 2007
Individuals: Bahmanyar Morteza Bahmanyar (AIO, Iran missile official, see above under Resolution 1737); Ahmad Vahid Dastjerdi (AIO head, Iran missile program); Reza Gholi Esmaeli (AIO, see under Resolution 1737); Morteza Reza'i (deputy commander, IRGC). See also Resolution 1747; Mohammad Hejazi (Basij commander). Also, Resolution 1747; Ali Akbar Ahmadian (Chief of IRGC Joint Staff). Resolution 1747; Hosein Salimi (IRGC Air Force commander). Resolution 1737; Qasem Soleimani (Qods Force commander). Resolution 1747.	October 21, 2007
Future Bank (Bahrain-based but allegedly controlled by Bank Melli)	March 12, 2008
Yahya Rahim Safavi (former IRGC Commander in Chief); Mohsen Fakrizadeh-Mahabadi (senior Defense Ministry scientist); Dawood Agha-Jani (head of Natanz enrichment site); Mohsen Hojati (head of Fajr Industries, involved in missile program); Mehrdada Akhlaghi Ketabachi (heads Shahid Bakeri Industrial Group); Naser Maliki (heads Shahid Hemmat Industrial Group); Tamas Company (involved in uranium enrichment); Shahid Sattari Industries (makes equipment for Shahid Bakeri); 7th of Tir (involved in developing centrifuge technology); Ammunition and Metallurgy Industries Group (partner of 7th of Tir); Parchin Chemical Industries (deals in chemicals used in ballistic missile	July 8, 2008

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programs)

Karaj Nuclear Research Center; Esfahan Nuclear Fuel Research and Production Center (NFRPC); Jabber August 12, 2008 Ibn Hayyan (reports to Atomic Energy Org. of Iran, AEIO); Safety Equipment Procurement Company; Joza Industrial Company (front company for Shahid Hemmat Industrial Group, SHIG) Islamic Republic of Iran Shipping Lines (IRISL) and 18 affiliates, including Val Fajr 8; Kazar; Irinvestship; September 10, 2008 Shipping Computer Services; Iran o Misr Shipping; Iran o Hind; IRISL Marine Services; Iriatal Shipping; South Shipping; IRISL Multimodal; Oasis; IRISL Europe; IRISL Benelux; IRISL China; Asia Marine Network; CISCO Shipping; and IRISL Malta Firms affiliated to the Ministry of Defense, including Armament Industries Group; Farasakht September 17, 2008 Industries; Iran Aircraft Manufacturing Industrial Co.; Iran Communications Industries; Iran Electronics Industries; and Shiraz Electronics Industries (SEI) Export Development Bank of Iran (EDBI). Provides financial services to Iran's Ministry of Defense and October 22, 2008 Armed Forces Logistics; Banco Internacional de Desarollo, C.A., Venezuelan-based Iranian bank, sanctioned as an affiliate of the Export Development Bank. Assa Corporation (alleged front for Bank Melli involved in managing property in New York City on December 17, 2008 behalf of Iran) 11 Entities Tied to Bank Melli: Bank Melli Iran Investment (BMIIC); Bank Melli Printing and Publishing; March 3, 2009 Melli Investment Holding; Mehr Cayman Ltd.; Cement Investment and Development; Mazandaran Cement Co.; Shomal Cement; Mazandaran Textile; Melli Agrochemical; First Persian Equity Fund; BMIIC Intel. IRGC General Rostam Qasemi, head of Khatem ol-Anbiya Construction Headquarters (main IRGC February 10, 2010 corporate arm) and several entities linked to Khatem ol-Anbiya, including Fater Engineering Institute, Imensazen Consultant Engineers Institute, Makin Institute, and Rahab Institute - Post Bank of Iran June 16, 2010 - IRGC Air Force; IRGC Missile Command - Rah Sahel and Sepanir Oil and Gas Engineering (for ties to Khatem ol-Anibya IRGC construction - Mohammad Ali Jafari—IRGC Commander-in-Chief since September 2007 - Mohammad Reza Naqdi—Head of the IRGC's Basij militia force that suppresses dissent (since October 2009) - Ahmad Vahedi-Defense Minister - Javedan Mehr Toos, Javad Karimi Sabet (procurement brokers or atomic energy managers)

- Five front companies for IRISL: Hafiz Darya Shipping Co.; Soroush Sarzamin Asatir Ship Management Co.; Safiran Payam Darya; and Hong Kong-based Seibow Limited and Seibow Logistics.

Also identified on June 16 were 27 vessels linked to IRISKL and 71 new names of already designate

- Naval Defense Missile Industry Group (SAIG, controlled by the Aircraft Industries Org that

Also identified on June 16 were 27 vessels linked to IRISKL and 71 new names of already designated IRISL ships.

Several Iranian entities were also designated as owned or controlled by Iran for purposes of the ban on U.S. trade with Iran.

 $\label{eq:condition} \textit{Europaisch-Iranische Handelsbank} \; (\text{EIH}) \; \text{for providing financial services to Bank Sepah}, \; \\ \textit{Mellat, EDBI,} \; \text{and others.}$

Pearl Energy Company (formed by First East Export Bank, a subsidiary of Bank Mellat, Pearl Energy Services, SA, Ali Afzali (high official of First East Export Bank), IRISL front companies: Ashtead Shipping, Byfleet Shipping, Cobham Shipping, Dorking Shipping, Effingham Shipping, Farnham Shipping, Gomshall Shipping, and Horsham Shipping (all located in the Isle of Man).- IRISL and affiliate officials: Mohammad

Hosein Dajmar, Gholamhossein Golpavar, Hassan Jalil Zadeh, and Mohammad Haji Pajand.

Bonyad (foundation) Taavon Sepah, for providing services to the IRGC; Ansar Bank (for providing financial services to the IRGC); Mehr Bank (same justification as above); Moallem Insurance Company

(for providing marine insurance to IRISL, Islamic Republic of Iran Shipping Lines)

Bank of Industry and Mine (BIM)

 $\label{thm:thm:main} \mbox{Tidewater Middle East Company; Iran Air; Mehr-e Eqtesad Iranian Investment Co.}$

For proscribed nuclear activities, including centrifuge development and heavy water research: By State—Nuclear Reactor Fuels Company; Noor Afzar Gostar Company; Fulmen Group; Yasa Part.

September 7, 2010

November 30, 2010

December 21, 2010

May 17, 2011 June 23, 2011

November 21, 2011

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manages Iran's missile programs)

By Treasury—Javad Rahiqi; Modern Industries Technique Company; Iran Centrifuge Technology Company (TESA); Neka Novin; Parto Sanat; Paya Partov; Simatic Development Co

Iran Maritime Industrial Company SADRA (owned by IRGC engineering firm Khatem-ol-Anbiya, has offices in Venezuela); Deep Offshore Technology PJS (subsidiary of the above); Malship Shipping Agency and Modality Ltd (both Malta-based affiliates of IRISL); Seyed Alaeddin Sadat Rasool (IRISL legal adviser); Ali Ezati (IRISL strategic planning and public affairs manager)

March 28, 2012

Electronic Components Industries Co. (ECI) and Information Systems Iran (ISIRAN); Advanced Information and Communication Technology Center (AICTC) and Hamid Reza Rabiee (software engineer for AICTC); Digital Medical Lab (DML) and Value Laboratory (owned or controlled by Rabiee or AICTC); Ministry of Defense Logistics Export (MODLEX); Daniel Frosh (Austria) and International General Resourcing FZE)—person and his UAE-based firm allegedly supply Iran's missile industry.

July 12, 2012

National Iranian Oil Company; Tehran Gostaresh, company owned by Bonyad Taavon Sepah; Imam Hossein University, owned by IRGC; Baghyatollah Medical Sciences University, owned by IRGC or providing services to it.

November 8, 2012

Atomic Energy Organization of Iran (AEOI) chief Fereidoun Abbasi Davani; Seyed Jaber Safdari of Novin Energy, a designated affiliate of AEOI; Morteza Ahmadi Behzad, provider of services to AEOI (centrifuges); Pouya Control—provides goods and services for uranium enrichment; Iran Pooya—provides materials for manufacture of IR-1 and IR-2 centrifuges; Aria Nikan Marine Industry—source of goods for Iranian nuclear program; Amir Hossein Rahimyar—procurer for Iran nuclear program; Mohammad Reza Rezvanianzadeh—involved in various aspects of nuclear program; Faratech—involved in Iran heavy water reactor project; Neda Industrial Group—manufacturer of equipment for Natanz enrichment facility; Tarh O Palayesh—designer of elements of heavy water research reactor; Towlid Abzar Boreshi Iran—manufacturer for entities affiliated with the nuclear program.

December 13, 2012

SAD Import Export Company (also designated by U.N. Sanctions Committee a few days earlier for violating Resolution 1747 ban on Iran arms exports, along with Yas Air) for shipping arms and other goods to Syria's armed forces; Marine Industries Organization—designated for affiliation with Iran Ministry of Defense and Armed Forces Logistics; Mustafa Esbati, for acting on behalf of Marine Industries; Chemical Industries and Development of Materials Group—designated as affiliate of Defense Industries Org.; Doostan International Company—designated for providing services to Iran Aerospace Industries Org, which oversees Iran missile industries.

December 21, 2012

Babak Morteza Zanjani—chairmen of Sorinet Group that Iran uses to finance oil sales abroad; International Safe Oil—provides support to NIOC and NICO; Sorinet Commercial Trust Bankers (Dubai) and First Islamic Investment Bank (Malaysia)—finance NIOC and NICO; Kont Kosmetik and Kont Investment Bank—controlled by Babak Zanjani; Naftiran Intertrade Company Ltd.—owned by

April 11, 2013

Iranian-Venezuelan Bi-National Bank (IVBB), for activities on behalf of the Export Development Bank of Iran that was sanctioned on October 22, 2008 (see above). EDBI was sanctioned for providing financial services to Iran's Ministry of Defense. Aluminat, for providing centrifuge components to Kalaye Electric Co.; Pars Amayesh Sanaat Kish; Pishro Systems Research Company (nuclear research and development); Taghtiran Kashan Company; and Sambouk Shipping FZC (UAE)

May 9, 2013

For supporting Iran Air, the IRGC, and NIOC: Aban Air, Ali Mahdavi (part owner of Aban Air); DFS Worldwide; Everex, Bahareh Mirza Hossein Yazdi; Farhad Ali Parvaresh; Petro Green; Hossein Vaziri. For helping Iran's nuclear program: Farhad Bujar; Zolal Iran Company; Andisheh Zolal Co. For helping MODAFL: Reza Mozaffarinia.

May 23, 2013

Bukovnya AE (Ukraine) for leasing aircraft to Iran Air.

May 31, 2013

Several Iranian firms and persons: Eyvaz Technic Manufacturing Company; The Exploration and Nuclear Raw Materials Company; Maro Sanat Company; Navid Composite Material Company; Negin Parto Khavar; Neka Novin officials Iradj Mohammadi Kahvarin and Mahmoud Mohammadi Dayeni; Neka Novin alisaes including Kia Nirou; Qods Aviation Industries (operated by IRGC, produces UAVs, paragliders, etc.); Iran Aviation Industries Organization; Reza Amidi; Fan Pardazan; Ertebat Gostar Novin.

December 12, 2013

Ali Canko (Turkey) and Tiva Sanat Group, for procuring IRGC-Navy fast boats; **Advance Electrical and Industrial Technologies** and **Pere Punti** (Spain), for procurement for Neka

February 6, 2014

Novin; Ulrich Wipperman and Deutsche Forfait (Germany), and Deutsche Forfait Americas (U.S.) for facilitating oil deals for NIOC.

Karl Lee (aka Li Fangwei) and 8 China-based front companies: Sinotech Industry Co. Ltd.; MTTO Industry and Trade Limited; Success Move Ltd.; Sinotech Dalian Carbon and Graphite Manufacturing Corporation; Dalian Zhongchuang Char-White Co., Ltd.; Karat Industry Co., Ltd.; Dalian Zhenghua Maoyi Youxian Gongsi; and Tereal Industry and Trade Ltd.

April 29, 2014

By State: Organization of Defensive Innovation and Research (nuclear research); Nuclear Science and Technology Research Institute (implements nuclear projects including heavy water reactor at Arak); Jahan Tech Rooyan Pars: and Mandegar Baspar Kimiya Company (latter two are involved in procuring carbon fiber for proscribed aspects of Iran's nuclear program).

April 29, 2014 (by both State and Treasury)

By Treasury: Mohammad Javad Imarad and Arman Imanirad (for acting on behalf of Aluminat, which procures aluminum products for Iran's nuclear program); Neferiti Shipping (IRISL's agent in Egypt); Sazeh Morakab (provides services to Shahid Hemat Industrial Group, SHIG, and Iran's Aircraft Manufacturing Industrial Co., HESA); Ali Gholami and Marzieh Bozorg (officials of Sazeh Morakab). SHIG aliases identified: Sahand Aluminum Parts Co and Ardalan Machineries Co.

January 17, 2016

II ballistic missile-related entities: Mabrooka Trading Co LLC (UAE); Hossein Pournaghshband; Chen Mingfu; Anhui Land Group (Hong Kong); Candid General Trading; Rahim Reza Farghadani; Sayyed Javad Musavi; Seyed Mirahmad Nooshin; Sayyed Medhi Farahi (deputy director of the Ministry of Defense and Armed Forces Logistics); Seyed Mohammad Hashemi; Mehrdada Akhlaghi Ketabachi. According to the designations, Musavi (has worked with North Korean officials involved in that country's ballistic missile programs.

Two Iranian entities subordinate to SHIG: Shahid Nuri Industries and Shahid Movahed Industries. Updating of prior IRGC Missile Command designation to include IRGC Al Ghadir Missile Command (specific IRGC element with operational control of Iran's missile program).

I7 ballistic missile-related Entities. Abdollah Asgharzadeh Network (for supporting SHIG): Abdollah Asgharzadeh; Tenny Darian; East Start Company; Ofog Sabze Company; Richard Yue (China); Cosailing Business Trading Company (China); Jack Qin (China); Ningbo New Century Import and Export Co. Ltd (China); and Carol Zhou (China). Gulf-Based Rostamian Network (supporting SHIG and AIO): MKS International; Kambiz Rostamian; Royal Pearl General Trading. Iran-Based Network Working with Navid Composite and Mabrooka Trading: Ervin Danesh Aryan Company; Mostafa Zahedi; Mohammad Magham. Ghodrat Zargair and Zist Tajhiz Pooyesh Company (supporting Mabrooka Trading): Ghodrat Zargari, and Zist Tajhiz Pooyesh Company.

February 3, 2017

Ballistic missile-related entities. Rahim Ahmadi (linked to Shahid Bakeri Industrial Group); Morteza Farasatpour (linked to Defense Industries Organization); Matin Sanat Nik Andishan (for supporting SHIG); and Ruan Ruling and three associated Chinese companies (for supporting Iran's missile guidance capabilities): Shanghai Gang Quan Trade Company, Shanghai North Begins International, and Shanghai North Transway International Trading Company.

May 17, 2017

12 IRGC/military and ballistic missile entities designated by Treasury and two by State. By Treasury: Rayan Roshd Afzar Company for IRGC drone and censorship equipment, plus three company officials: Mohsen Parsajam, Seyyed Reza Ghasemi, and Farshad Hekemzadeh; Qeshm Madkandaloo Cooperative Co., Ramor Group (Turkey) and Resit Tavan of Ramor Group for supplying IRGC-Navy infrastructure; Emily Liu, Abascience Tech Co. Ltd, Raybeam Optronics Co. Ltd., Raytronic Corporation Ltd., and Sunway Tech Co. Ltd (all China) for supporting MODAFL subcontractor Shiraz Electronics Industries. By State: IRGC Aerospace Force Self Sufficiency Jihad Org and IRGC Research and Self Sufficiency Jihad Org—both for supporting Iran ballistic missile program.

July 18, 2017

Missile entities related to Iran Simorgh space launch on July 27: six subordinate entities to Shahid Hemmat Industrial Group (SHIG, main Iran missile contractor) involved in making various components of Iranian missiles: Shaid Karimi Industries; Shahid Rastegar Industries; Shahid Cheraghi Industries; Shahid Varamini Industries; Shahid Kalhor Industries; and Amir Al Mo'Menin Industries.

July 28, 2017

Suppliers to Iran's Naval Defence Missile Industry Group (SAIG): Shahid Alamolhoda Industries; Rastafann Ertebat Engineering Company, Fanamoj. For supporting Iran's military: Wuhan Sanjiang Import and Export Company

October 13, 2017

Five ballistic missile entities (owned or controlled by Shahid Bakeri Industrial Group, SBIG): Shahid Kharrazi Industries; Shahid Sanikhani Industries; Shahid Moghaddam Industries; Shahid Eslami Research Center; and Shahid Shustari Industries.

January 4, 2018

Green Wave Telecommunications (Malaysia) and Morteza Razavi (for supporting Fanamoj, designated on October 13, 2017); Iran Helicopter Support and Renewal Company (PANHA) and Iran Aircraft Industries (SAHA) (for supporting Iran's military aviation industry); Shi Yuhua (China) (for selling Iran navigation equipment); Pardazan System Namad Arman (PASNA)(for procuring lead zirconium tritanate (PZT) for Iranian military undersea and aircraft weaponry); and Bochuang Ceramic Inc. and Zhu Yuequn (China) for selling Iran PZT.

January 12, 2018

Sayyed Mohammad Ali Haddadnezhad Tehrani, for supporting the IRGC Research and Self-Sufficiency Jihad Organization (see above), which is improving Houthi missile capabilities

May 22, 2018

Bank Tejarat (for providing servides to support Bank Sepah); Trade Capital Bank (Belarus); Morteza Ahmadali Behzad (for acting on behalf of Pishro Company.

November 5, 2018

31 individuals/entities connected to Iran's Organization of Defense Innovation and Research (SPND, itself designated in April 2014 (see above): Shahid Karimi Group—missiles and explosives—and four of its employees—Mohammad Reza Mehdipur, Akbar Motallebizadeh, Jalal Emami Gharah Hajjlu, and Sa'id Borji. Shahid Chamran Group—studies on electron acceleration, pulse power, wave generation—and its managing expert Sayyed Ashgar Hashemitabar. Shahid Fakhar Moghaddam Group—explosion simulators, neutron monitoring systems—and two employees Ruhollah Ghaderi Barmi, and Mohammad Javad Safari. Ten entities that research lasers, plasma technology, satellites, biotechnology, and other technologies for SPND: Sheikh Baha'i Science and Technology Research Center, Shahid Avini Group, Shahid Baba'i Group, Shahid Movahhed Danesh Group, Abu Reihan Group, Shahid Kazemi Group, Shahid Shokri Science and Technology Research Group, Heidar Karar Research Group, Shahid Zeinoddin Group, Bu Ali Group, and Sadra Research Center. Three persons acting on behalf of SPND: Gholam Reza Eta'ati, Mansur Asgari, and Reza Ebrahimi. Three SPND front companies and four of their officials: Pulse Niru and officials Mohammad Mahdi Da'emi Attaran and Mohsen Shafa'i; Kimiya Pakhsh Shargh and officials Mehdi Masoumian, and Mohammad Hossein Haghighian; and Paradise Medical Pioneers Company.

Iran-Related Entities Sanctioned Under Executive Order 13224 (Terrorism Entities)

Martyr's Foundation (Bonyad Shahid), a major Iranian foundation (bonyad)—for providing financial support to Hezbollah and PIJ; Goodwill Charitable Organization, a Martyr's Foundation office in Dearborn, Michigan; Al Qard Al Hassan—part of Hezbollah's financial infrastructure (and associated with previously designated Hezbollah entities Husayn al-Shami, Bayt al-Mal, and Yousser Company for Finance and Investment); Qasem Aliq—Hezbollah official, director of Martyr's Foundation Lebanon branch, and head of Jihad al-Bina, a previously designated Lebanese construction company run by Hezbollah; Ahmad al-Shami—financial liaison between Hezbollah in Lebanon and Martyf's Foundation chapter in Michigan.

July 25, 2007

IRGC-Qods Force and Bank Saderat (allegedly used to funnel Iranian money to Hezbollah, Hamas, PIJ, and other Iranian supported terrorist groups)

October 21, 2007

Al Qaeda Operatives in Iran: Saad bin Laden; Mustafa Hamid; Muhammad Rab'a al-Bahtiyti; Alis Saleh

January 16, 2009

Qods Force senior officers: Hushang Allahdad, Hossein Musavi, Hasan Mortezavi, and Mohammad Reza Zahedi; Iranian Committee for the Reconstruction of Lebanon, and its director Hesam Khoshnevis, for supporting Lebanese Hezbollah; Imam Khomeini Relief Committee Lebanon branch, and its director Ali Zuraik, for providing support to Hezbollah; Razi Musavi, a Syrian based Iranian official allegedly providing support to Hezbollah.

August 3, 2010

Liner Transport Kish (for providing shipping services to transport weapons to Lebanese Hezbollah)

December 21, 2010

Qasem Soleimani (Qods Force commander); Hamid Abdollahi (Qods force); Abdul Reza Shahlai (Qods Force); Ali Gholam Shakuri (Qods Force); Manssor Arbabsiar (alleged plotter)

October II. 2011

Mahan Air (for transportation services to Qods Force)

October 12, 2011

Ministry of Intelligence and Security of Iran (MOIS)

February 16, 2012

Five entities/persons for weapons shipments to Syria and an October 2011 shipment to Gambia, intercepted in Nigeria: Yas Air (successor to Pars Air); Behineh Air (Iranian trading company); Ali

March 27, 2012

Congressional Research Service

87

Abbas Usman Jega (Nigerian shipping agent); Qods Force officers: Esmail Ghani, Sayyid Ali Tabatabaei, and Hosein Aghajani.

Mohammad Minai, senior Qods Force member involved in Iraq; Karim Muhsin al-Ghanimi, leader of Kata'ib Hezbollah (KH) militia in Iraq; Sayiid Salah Hantush al-Maksusi, senior KH member; and Riyad Jasim al-Hamidawi, Iran based KH member.

November 8, 2012

Ukraine-Mediterranean Airlines (Um Air, Ukraine) for helping Mahan Air and Iran Air conduct illicit activities; Rodrigue Elias Merhej (owner of Um Air); Kyrgyz Trans Avia (KTA, Kyrgyzstan) for leasing aircraft to Mahan Air; Lidia Kim, director of KTA; Sirjanco (UAE) for serving as a front for Mahan Air acquisition of aircraft; Hamid Arabnejad, managing director of Mahan Air.

May 31, 2013

Several persons/entities in UAE aiding Mahan Air (see above): Blue Sky Aviation FZE; Avia Trust FZE; Hamidreza Malekouti Pour; Pejman Mahmood Kosrayanifard; and Gholamreza Mahmoudi.

February 6, 2014

Several IRGC-Qods Force offices or facilitators involved in Iran's efforts in Afghanistan: Sayyed Kamal Musavi; Alireza Hemmati; Akbar Seyed Alhosseini; and Mahmud Afkhami Rashidi.

One Iran-based Al Qaeda facilitator (supporting movement of Al Qaeda affiliated fightes to Syria): Olimzhon Adkhamovich Sadikov (aka Jafar al-Uzbeki or Jafar Muidinov).

Meraj Air (for delivering weapons to Syria from Iran); Caspian Air (supports IRGC by transporting personnel and weapons to Syria); Sayyed Jabar Hosseini (manager of Liner Transport Kish which IRGC uses to support terrorist activities outside Iran); Pioneer Logistics (Turkey, helps Mahan Air evade sanctions); Asian Aviation Logistics (Thailand, helps Mahan Air evade sanctions). Pouya Air designated as alias of Yas Air.

August 29, 2014

Al Naser Airlines (Iraq) for transferring nine aircraft to Mahan Air, which is a 13224 designee: Issam Shamout, a Syrian businessman, and his company Sky Blue Bird Aviation, for the same transaction.

May 21, 2015

Four U.K.-based and two UAE-based entities for supporting Mahan Air. U.K.: Jeffrey John James Ashfield; Aviation Capital Solutions; Aircraft, Avionics, Parts and Support Ltd (AAPS); John Edward Meadows (for acting on behalf of AAPS). UAE: Grandeur General Trading FZE and HSI Trading FZE.

March 24, 2016

Eight Entities. Lebanon-Based IRGC-QF Network: Hasan Dehghan Ebrahimi (IRGC-QF operative in Beirut supporting Hezbollah); Muhammad Abd-al-Amir Farhat; Yahya al-hajj; Maher Trading and Construction Company (laundering funds and smuggling goods to Hezbollah); Reem Phamaceutical; Mirage for Engineering and Trading; Mirage for Waste Management and Environmental Services. Ali Sharifi (for procuring aviation spare parts for the IRGC-QF).

February 3, 2017

Islamic Revolutionary Guard Corps (IRGC)

October 13, 2017

Six entities involved in IRGC-QF counterfeiting: Reza Heidari; Pardazesh Tasvir Rayan Co. (Rayan Printing); ForEnt Technik and Printing Trade Center GmbH (Germany); Mahmoud Seif; Tejarat Almas Mobin Holding (parent of Rayan Printing).

November 20, 2017

Nine individuals and entities, disrupted by U.S.-UAE joint action, attempting to acquire dollars in UAE to provide to the IRGC-QF: Individuals: Mas'ud Nikbakht, Sa'id Najafpur, and Mohammad Khoda'i, for financial activities on behalf of the IRGC-QF; Mohammadreza Valadzaghard, Meghdad Amini, and Foad Salehi, for providing material support, including illicit financial assistance, to the IRGC-QF. Entities: Jahan Aras Kish, a front company involved in transferring and converting funds for the IRGC-QF, Rashed Exchange, for converting currency for the IRGC-QF, and Khedmati and Company Joint Partnership, for being owned by Khedmati and Khoda'i.

May 10, 2018

Persons and entities providing funds to Hezbollah on behalf of the IRGC-QF: Central Bank Governor Valiollah Seif; Aras Habib and his Iraq-based Al Bilad Islamic Bank; and Muhammad Qasir

May 15, 2018

Four persons for helping the Houthi missile program through the IRGC Aerospace Forces Al Ghadir Missile Command: Mahmud Bagheri Kazemabad; Mohammad Agha Ja'fari; Javad Bordbar Shir Amin; and Mehdi Azarpisheh (IRGC-QF affiliate) May 22, 2018

Twenty-one entities linked to the Basij security force, including firms it owns or controls that provide it revenue to send child soldiers to fight in Syria: Bonyad Taavon Basij (economic conglomerate giving financial support to Basij members); Mehr Eqtesad Bank; Bank Mellat; Mehr Eqtesad Iranian Investment Company; Tadbirgaran Atiyeh Investment Company; Negin Sahel Royal Company; Mehr Eqtesad Financial Group; Technotar Engineering Company; Iran Tractor Manufacturing Company (owned by Mehr Investment and Negin above); Taktar Investment

October 16,2018

Company; Iran's Zinc Mines Development Company; Calcimin (owned by Iran Zinc Mines above); Bandar Abbas Zinc Production Company; Qeshm Zinc Smelting and Reduction Company; Zanjan Acid Production Company; Parsian Catalyst Chemical Company; Esfehan's Mobarakeh Steel Company (largest steel maker in Middle East and North Africa); Andisheh Mehvaran Investment Company; Parsian Bank; Sina Bank; and Bahman Group.

IRGC-QF personnel supporting the Taliban in Afghanistan (in conjunction with U.S.-GCC Terrorist Financing Targeting Center): Mohammad Ebrahim Owhadi and Esma'il Razavi

October 23, 2018

Banks and other Entities newly designated. Many of these entities are also being redesignated under EO I 3382, but their designations below under I 3224 is new. Aircraft and vessels are not included: Bank Melli; Arian Bank; Bank Kargoshaee; Melli Bank PLC; Tose-E Develoment Company; Behshahr Industrial Development Corp.; Cement Industry and Development Company; Melli International Building and Industry Company; BMIIC International General Trading LLC; Shomal Cement Company; Persian Gulf Sabz Karafarinan; Mir Business Bank; Export Development Bank of Iran (EDBI); EDBIStock Exchange; EDBI Exchange Brokerage; Banco Internacional de Desarrollo, C.A.; Iran-Venezuela Bi-National Bank; Day Bank and subsidiaries—Atieh Sazan Day; Buali Investment Company; Tejarat Gostar Fardad; Day Exchange Company; Day Leasing Co.; Day Brokerage Co.; Tose-e Didar Iran Holding Co.; Royay-e Roz Kish Investment Co; Day E-Commerce; Tose-e Donya Shahr Kohan Co.; Damavand Power Generation Co.; Omid Bonyan Day Insurance Services; Omran Va Maskan Abad Day Co.; Day Iranian Financial and Accounting Services Co.; Persian International Bank PLC; First East Export Bank PLC; Mellat Bank Close Joint-Stock Co.; Bank Tejarat; and Trade Capital Bank (Belarus).

November 5, 2018 (in concert with reimposition of JCPOA-related sanctions)

Four Hezbollah and IRGC-QF-related individuals who operate in Iraq : Shibl Mushin 'Ubayd Al-Zaydi; Yusuf Hashim; Adnan Hussein Kawtharani; Muhammad 'Abd-Al-Hadi Farhat

November 13, 2018

Individuals involved in a network through which Iran provides oil to Syria's government and transfer funds to Iranian proxies including Hezbollah and Hamas: Mohamed Amer Alchwiki (also designated under E.O. 13582 for providing financial support to the government of Syria); Global Vision Group (also designated under E.O. 13582); Rasul Sajjad and Hossein Yaghoobi (for assisting the IRGC-QF); and Muhammad Qasim al-Bazzal (for assisting Hezbollah).

November 20, 2018

Also designated under E.O. 13582 as part of the network; Promsyrioimport; Andrey Dogaev; Mir Business Bank; and Tadbir Kish Medical and Pharmaceutical Company

Two Iran-recruited Afghan and Pakistani-staffed militia entities fighting in Syria: Fatemiyoun Division and Zaynabiyoun Brigade. Qeshm Fars Air and Flight Travel LLC – Mahan Air affiliates—for weapons deliveries into Syria.

January 24, 2019

Harakat al-Nujaba (HAN), Iraqi Shia militia; and HAN leader Akram Abbas al-Kabi (previously sanctioned in 2008 when he headed a Mahdi Army "special group" militia)

March 5, 2019

25 individuals and entities that illicitly moved more \$1 billion+ to the IRGC via the IRGC-controlled Ansar Bank and Ansar Exchange: (Iran) Ministry of Defense and Armed Forces Logistics (MODAFL); Ansar Bank, its managing director Ayatollah Ebrahimi, and affiliates Iranian Atlas Company, Ansar Bank Brokerage Company, and Ansar Information Technology; Ansar Exchange, its managing director Alireza Atabaki, and UAE-based facilitators Reza Sakan, Mohammad Vakili and the Vakiliowned Atlas Exchange; Zagros Pardis Kish for helping MODAFL acquire vehicles in UAE, and its manager Iman Sedaghat; Sakan General Trading (UAE), its owner, Rez Sakan and Iran-based affiliate Sakan Exchange; Hital Exchange and its owner Seyyed Mohammad Reza Ale Ali; Golden Commodities General Trading (UAE), its owner Assadolah Seifi, and another Seifi-owned UAE firm The Best Leader General Trading; Sulayman Sakan and his firm Atlas Doviz Ticaret A.S. (Turkey) for assisting Atlas Exchange; Ali Shams Mulavi—Turkey-based financial facilitator for Ansar Exchange and his UAE-based firm Naria General Trading; Lebra Moon General Trading (UAE).

March 26, 2019

Determinations and Sanctions under the Iran Sanctions Act

Total SA (France); Gazprom (Russia); and Petronas (Malaysia)—\$2 billion project to develop South Pars gas field. ISA violation determined but sanctions waived in line with U.S.-EU agreement for EU to cooperate on antiterrorism and antiproliferation issues and not file a complaint at the WTO. Then-Secretary of State Albright, in the May 18, 1998, waiver announcement indicated that similar

May 18, 1998

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future such projects by EU firms in Iran would not be sanctioned. (http://www.parstimes.com/law/albright_southpars.html). Violation determined but sanctions waived.

Naftiran Intertrade Co. (NICO), Iran and Switzerland. Sanctioned for activities to develop Iran's energy sector. Sanctions lifted under JCPOA.

Sept. 30, 2010

Total (France); Statoil (Norway); ENI (Italy); and Royal Dutch Shell.

Inpex (lapan)

Sept. 30, 2010

Exempted under ISA "special rule" for pledging to wind down work on Iran energy fields.

Exempted under the Special rule for divesting its remaining 10% stake in Azadegan oil field.

Nov. 17, 2010

Belarusneft (Belarus, subsidiary of Belneftekhim) Sanctioned for \$500 million contract with NICO (see above) to develop Jofeir oil field. Other subsidiaries of Belneftekhim were sanctioned in 2007 under E.O. 13405 (Belarus sanctions). Sanctions remain.

March 29, 2011

Petrochemical Commercial Company International (PCCI) of Bailiwick of Jersey and Iran; Royal Oyster Group (UAE); Tanker Pacific (Singapore); Allvale Maritime (Liberia); Societie Anonyme Monegasque Et Aerienne (SAMAMA, Monaco); Speedy Ship (UAE/Iran); Associated Shipbroking (Monaco); and Petroleos de Venezuela (PDVSA, Venezuela).

May 24, 2011

Sanctioned under CISADA amendment to ISA imposing sanctions for selling gasoline to Iran or helping Iran import gasoline. Allvale Maritime and SAMAMA determinations were issued on September 13, 2011, to "clarify" the May 24 determinations that had named Ofer Brothers Group. The two, as well as Tanker Pacific, are affiliated with a Europe-based trust linked to deceased Ofer brother Sami Ofer, and not Ofer Brothers Group based in Israel. Firms named subjected primarily to the financial sanctions provided in ISA. U.S.-based subsidiaries of PDVSA, such as Citgo, were not sanctioned. Sanctions lifted under |CPOA.

Zhuhai Zhenrong Co. (China); Kuo Oil Pte Ltd. (Singapore); FAL Oil Co. (UAE)

January 12, 2012

Sytrol (Syria), for sales of gasoline to Iran. Sanctions remain.

August 12, 2012

Dr. Dimitris Cambis; Impire Shipping; Kish Protection and Indemnity (Iran); and Bimeh Markasi-Central Insurance of Iran (CII, Iran)

Sanctioned for brokering sales or making sales to Iran of gasoline. Sanctions lifted under JCPOA.

March 14, 2013

Sanctioned under ISA provision on owning vessels that transport Iranian oil or providing insurance for the shipments. Treasury sanctions also imposed on eight UAE-based oil traders that concealed the transactions. Sanctions lifted under JCPOA.

Tanker Pacific; SAMAMA; and Allvale Maritime

April 12, 2013

Sanctions lifted. Special rule applied after "reliable assurances" they will not engage in similar activity in the future.

Ferland Co. Ltd. (Cyprus and Ukraine)

May 31, 2013

Sanctioned for cooperating with National Iranian Tanker Co. to illicitly sell Iranian crude oil. Sanctions lifted under JCPOA.

Dettin SPA Italy-based company sanctioned for providing goods and services to Iran's petrochemical industry. Sanctions lifted under JCPOA.

August 29, 2014

Entities Sanctioned Under the Iran North Korea Syria Nonproliferation Act or Executive Order 12938 for Iran-Specific Violations

These designations expire after two years, unless redesignated. The designations included in this table are those that were applied specifically for proliferation activity involving Iran.

Baltic State Technical University and Glavkosmos, both of Russia.

July 30, 1998

(both designations revoked in 2010)

D. Mendeleyev University of Chemical Technology of Russia and Moscow Aviation Institute (both removed on May 21,2010)

January 8, 1999

Changgwang Sinyong Corp. (North Korea)

January 2, 200 I

Changgwang Sinyong Corp. (North Korea) and Jiangsu Yongli Chemicals and Technology Import-June 14, 2001 Export (China) January 16, 2002 Three entities from China for proliferation to Iran Armen Sargsian and Lizen Open Joint Stock Co. (Armenia); Cuanta SA and Mikhail Pavlovich Vladov May 9, 2002 (Moldova); and eight China entities for proliferation involving Iran Norinco (China). For alleged missile technology sale to Iran. May 2003 Taiwan Foreign Trade General Corporation (Taiwan) July 4, 2003 Tula Instrument Design Bureau (Russia). For alleged sales of laser-guided artillery shells to Iran. (Also September 17, 2003 designated under Executive Order 12938) 13 entities from Russia, China, Belarus, Macedonia, North Korea, UAE, and Taiwan. April I, 2004 14 entities from China, North Korea, Belarus, India (two nuclear scientists, Dr. Surendar and Dr. Y.S.R. September 23, 2004 Prasad), Russia, Spain, and Ukraine. 14 entities, mostly from China, for supplying of Iran's missile program. Designations included North December 2004 and Korea's Changgwang Sinyong and China's Norinco and Great Wall Industry Corp, have been January 2005 sanctioned several times previously. Others sanctioned included North Korea's Paeksan Associated Corporation, and Taiwan's Ecoma Enterprise Co. Nine entities, including from China (Norinco, Hondu Aviation, Dalian Sunny Industries, Zibo Chemet December 23, 2005 Equipment); India (Sabero Organicx Chemicals and Sandhya Organic Chemicals); and Austria (Steyr Mannlicher Gmbh). Sanctions against Dr. Surendar of India (see September 29, 2004) were ended because of information exonerating him. Two Indian chemical companies (Balaji Amines and Prachi Poly Products); two Russian firms July 28, 2006 (Rosobornexport and aircraft manufacturer Sukhoi); two North Korean entities (Korean Mining and Industrial Development, and Korea Pugang Trading); and one Cuban entity (Center for Genetic Engineering and Biotechnology). Abu Hamadi (Iraq); Aerospace Logistics Services (Mexico); Al Zargaa Optical and Electronics (Sudan); December 28, 2006 Alexey Safonov (Russia); Arif Durrani (Pakistan)China National Aero Technology Import-Export (China); China National Electronic Import Export (China); Defense Industries Org. (Iran); Giad Industrial Complex (Sudan); Iran Electronics Industry (Iran); Kal al-Zuhiry (Iraq); Kolomna Design Bureau of Machine Building (Russia); NAB Export Co. (Iran); Rosoboronexport (Russia); Sanam Industrial Group (Iran); Target Airfreight (Malaysia); Tula Design Bureau of Instrument Building (Russia); Yarmouk Industrial Complex (Sudan) Zibo Chemet Equipment Co. (China) Rosobornexport, Tula Design, and Komna Design Office of Machine Building, and Alexei Safonov January 2007 (see (Russia); Zibo Chemical, China National Aerotechnology, and China National Electrical (China). Korean below for Tula and Mining and Industrial Development (North Korea) for WMD/advanced weapons sales to Iran and Syria. Rosoboronexport removal) 14 entities, including Lebanese Hezbollah. Some were penalized for transactions with Syria. Among the April 17, 2007 new entities sanctioned for assisting Iran were Shanghai Non-Ferrous Metals Pudong Development Trade Company (China); Iran's Defense Industries Organization; Sokkia Company (Singapore); Challenger Corporation (Malaysia); Target Airfreight (Malaysia); Aerospace Logistics Services (Mexico); and Arif Durrani (Pakistani national). China Xinshidai Co.; China Shipbuilding and Offshore International Corp.; Huazhong CNC (China); October 23, 2008 IRGC; Korea Mining Development Corp. (North Korea); Korea Taesong Trading Co. (NK); Yolin/Yullin Tech, Inc. (South Korea); Rosoboronexport (Russia sate arms export agency); Sudan Master Technology; Sudan Technical Center Co; Army Supply Bureau (Syria); R and M International FZCO (UAE); Venezuelan Military Industries Co. (CAVIM). (Rosoboronexport removed May 21, 2010.) BelTechExport (Belarus); Dalian Sunny Industries (China); Defense Industries Organization (Iran); Karl July 14, 2010 Lee; Shahid Bakeri Industries Group (SBIG); Shanghai Technical By-Products International (China); Zibo Chemet Equipment (China) 16 entities: Belarus: Belarusian Optical Mechanical Association; Beltech Export; China: Karl Lee; Dalian May 23, 2011

Sunny Industries; Dalian Zhongbang Chemical Industries Co.; Xian Junyun Electronic; Iran: Milad Jafari;

DIO; IRISL; IRGC Qods Force; SAD Import-Export; SBIG; North Korea: Tangun Trading; Syria: Industrial Establishment of Defense; Scientific Studies and Research Center; Venezuela: CAVIM.

Belvneshpromservice (Belarus); Dalian Sunny Industries (China); Defense Industries Organization (Iran); December 20, 2011 Karl Lee (China); SAD Import-Export (Iran); Zibo Chemet Equipment Co. (Iran); F

Al Zargaa Engineering Complex (Sudan); BST Technology and Trade Co. (China); China Precision Machinery Import and Export Co. (China); Dalian Sunny Industries (China); Iran Electronics Industries (Iran); Karl Lee (China); Marine Industries Organization (Iran); Milad Jafari (Iran); Poly Technologies (China); Scientific and Industrial Republic Unitary Enterprise (Belarus); SMT Engineering (Sudan); TM Services Ltd. (Belarus); Venezuelan Military Industry Co. (CAVIM, Venezuela).

February 5, 2013 (these designations, and prior designations above, have expired)

Al Zargaa Engineering Complex (Sudan); Belvneshpromservice (Belarus); HSC Mic NPO Mashinostroyenia (Russia); Russian Aircraft Corporation (MiG); Giad Heavy Industries Complex (Sudan); Sudan Master Technologies (Sudan); Military Industrial Corps. (Sudan); Yarmouk Industrial Complex (Sudan); Venezuelan Military Industry Co. (CAVIM, Venezula)

December 19, 2014. Sanctions still active. Syria designations not included

BST Technology and Trade Co. (China); Dalian Sunny Industries (China); Li Fang Wei (China); Tianjin Flourish Chemical Co. (China); Qods Force Commander Qasem Soleimani; IRGC; Rock Chemie (Iran); Polestar Trading Co. Ltd. (North Korean entity in China); RyonHap-2 (North Korea) Tula Instrument Design Bureau (Russia); Joint Stock Co. Katod (Russia); JSC Mic NPO Mashinostroyenia (Russia); Rosoboronexport (Russia) Russian Aircraft Corp. MiG (Russia); Sudanese Armed Forces (Sudan); Vega Aeronautics (Sudan); Yarmouk Complex (Sudan); Hezbollah; Eliya General Trading (UAE). (Designations that applied to Syria or North Korea not included.)

August 28, 2015..

Asaib Ahl Haq (Iraqi Shiite militia); Katai'b Hezbollah (Iraqi militia); IRGC; Shahid Moghadam-Yazd Marine Industries (Iran); Shiraz Electronic Industries (Iran); Hezbollah; Military Industrial Corp. (Sudan); Khartoum Industrial Complex (Sudan); Khartoum Military Industrial Complex (Sudan); Luwero Industries (Uganda)

lune 28, 2016 Sanctions still active.

II entities sanctions for transfers of sensitive items to Iran's ballistic missile program (all China except as specified: Beijing Zhong Ke Electric Co.; Dalian Zenghua Maoyi Youxian Gongsi; Jack Qin; Jack Wang; Karl Lee; Ningbo New Century Import and Export Co.; Shenzhen Yataida High-Tech Company; Sinotech Dalian Carbon and Graphite Corp.; Sky Rise Technology (aka Reekay); Saeng Pil Trading Corp. (North Korea); Mabrooka Trading (UAE)

March 21, 2017

Entities Designated under the Iran-Iraq Arms Non-Proliferation Act of 1992

(all designations have expired or were lifted)

Mohammad al-Khatib (Jordan); Protech Consultants Private (India)

December 13, 2003

China Machinery and Electric Equipment Import and Export Corp. (China); China Machinery and Equipment Import-Export Co. (China); China National Machinery and Equipment Import-Export Co. (China); China Shipbuilding Trading Co. (China); CMEC Machinery (China); Hans Raj Shiv (India); Jiangsu Youngli Chemicals and Technology Import-Export Co. (China); Q.C. Chen (China); Wha Cheong Tai Co. Ltd. (China).

July 9, 2002

Entities Designated as Threats to Iraqi Stability under Executive Order 13438 (July 17, 2007)

Ahmad Forouzandeh. Commander of the Qods Force Ramazan Headquarters, accused of fomenting sectarian violence in Iraq and of organizing training in Iran for Iraqi Shiite militia fighters; Abu Mustafa al-Sheibani. Iran based leader of network that funnels Iranian arms to Shiite militias in Iraq; Isma'il al-Lami (Abu Dura). Shiite militia leader, breakaway from Sadr Mahdi Army, alleged to have committed mass kidnapings and planned assassination attempts against Iraqi Sunni politicians; Mishan al-Jabburi. Financier of Sunni insurgents, owner of pro-insurgent Al-Zawra television; Al Zawra Television Station.

January 8, 2008

Abdul Reza Shahlai, a deputy commander of the Qods Force; Akram Abbas Al Kabi, leader of Mahdi Army "Special Groups"; Harith Al Dari, Sunnis Islamist leader (Secretary General of the Muslim Scholars' Association; Ahmad Hassan Kaka Al Ubaydi, ex-Baathist leader of Sunni insurgents based in Iraq's Kirkuk Province; and three person/entities designated for operating Syria-based media that support Iraqi Sunni insurgents: Al Ray Satellite TV Channel, and Suraqiya for Media and Broadcasting, owned by Mish'an Al Jabburi (see above), and Raw'a Al Usta (wife of Al Jabburi.

September 16, 2008

Khata'ib Hezbollah (pro-Iranian Mahdi splinter group); Abu Mahdi al-Muhandis

July 2, 2009

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Iranians Designated Under Executive Order 13553 on Human Rights Abusers (September 29, 2010)

These persons are named in a semiannual report to Congress, required under CISADA. Virtually all of the persons on this list, and those listed under Executive order 13628 (below) are designated as human rights abusers by the European Union, whose list contains 87 individuals, including several province-level prosecutors

Eight persons: IRGC Commander Mohammad Ali Jafari; Minister of Interior at time of June 2009 elections Sadeq Mahsouli; Minister of Intelligence at time of elections Qolam Hossein Mohseni-Ejei; Tehran Prosecutor General at time of elections Saeed Mortazavi; Minister of Intelligence Heydar Moslehi; Former Defense Minister Mostafa Mohammad Najjar; Deputy National Police Chief Ahmad Reza Radan; Basij (security militia) Commander at time of elections Hossein Taeb	September 29, 2010
Two persons: Tehran Prosecutor General Abbas Dowlatabadi (appointed August 2009), for indicting large numbers of protesters; Basij forces commander Mohammad Reza Naqdi (headed Basij intelligence during 2009 protests)	February 23, 2011
Four entities: Islamic Revolutionary Guard Corps (IRGC); Basij Resistance Force; Law Enforcement Forces (LEF); LEF Commander Ismail Ahmad Moghadam	June 9, 2011
Two persons: Chairman of the Joint Chiefs of Staff Hassan Firouzabadi; Deputy IRGC Commander Abdollah Araghi	December 13, 2011
One entity: Ministry of Intelligence and Security of Iran (MOIS)	February 16, 2012
One person: Ashgar Mir-Hejazi for human rights abuses on/after June 12, 2009, and for providing material support to the IRGC and MOIS.	May 30, 2013
One entity: Abyssec, for training the IRGC in cyber tradecraft and supporting its development of offensive information operations capabilities.	December 30, 2014
One entity and One person: Tehran Prisons Organization. For severe beating of prisoners at Evin Prison in April 2014; Sohrab Soleimani (brother of IRGC-QF commander) as head of Tehran Prisoners Organization at the time of the attack above. Heads State Prisons Organization.	April 13, 2017
Persons and entities designated following repression of December 2017-January 2018 protests: Judiciary head Sadeq Amoli Larijani (highest-ranking Iranian official sanctioned by the United States); Rajaee Shahr Prison; and Gholmreza Ziaei	January 12, 2018
Ansar-e Hezbollah internal security militia designations: Ansar-e Hezbollah; Ansar leaders Abdolhamid Mohtasham; Hossein Allahkaram; and Hamid Ostad. Evin Prison.	May 30, 3018
Ghavamin Bank (for assisting Iran's Law Enforcement Forces, LEF)	November 5, 2018

Iranian Entities Sanctioned Under Executive Order 13572 for Repression of the Syrian People (April 29, 2011)

Revolutionary Guard—Qods Force (IRGC-QF)	April 29, 2011
Qasem Soleimani (Qods Force Commander); Mohsen Chizari (Commander of Q and training)	Qods Force operations May 18, 2011
Ministry of Intelligence and Security (MOIS)	February 16, 2012

Iranian Entities Sanctioned Under Executive Order 13606 (GHRAVITY, April 23, 2012))

Entities Sanctioned Under Executive Order 13608 Targeting Sanctions Evaders (May 1, 2012)		
Hanista Programming Group. For operating technology that monitors or tracks computers	May 30, 2018	
IRGC Electronic Warfare and Cyber Defense Organization	January 12, 2018	
Ministry of Intelligence and Security (MOIS); IRGC (Guard Cyber Defense Command); Law Enforcement Forces; Datak Telecom	April 23, 2012	

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Ferland Company Ltd. for helping NITC deceptively sell Iranian crude oil

Fatemiyoun Division and Zaynabiyoun Brigade

May 31, 2013

January 24, 2019

Three persons based in the Republic of Georgia: Pourya Nayebi, Houshang Hosseinpour, and Houshang

February 6, 2014

Eight firms owned or controlled by the three: Caucasus Energy (Georgia); Orchidea Gulf Trading (UAE and/or Turkey); Georgian Business Development (Georgia and/or UAE); Great Business Deals (Georgia and/or UAE); KSN Foundation (Lichtenstein); New York General Trading (UAE); New York Money Exchange (UAE and/or Georgia); and European Oil Traders (Switzerland).

Evren Kayakiran (Turkey) for directing employees to provide U.S. products and services to Iran

February 7, 2019

Entities Named as Iranian Government Entities Under Executive Order 13599 (February 5, 2012)

Hundreds of entities—many of which are names and numbers of individual ships and aircraft—were designated under this Order to implement the JCPOA, and removed from the list of SDNs, in order that secondary sanctions not apply. Those entities are in italics. Others were designated as owned or controlled by the government of Iran before the JCPOA. As of November 5, 2018, all the entities designated under E.O. 13599 are subject to secondary sanctions.

Two insurance companies: Bimeh Iran Insurance Company (U.K.) Ltd. and Iran Insurance Company.

lune 16, 2010

20 Petroleum and Petrochemical Entities: MSP Kala Naft Co. Tehran; Kala Limited; Kala Pension Trust Limited; National Iranian Oil Company PTE Ltd; Iranian Oil Company (U.K.) Ltd.; NICO International Affairs (London) Ltd.; Naftiran Trading Services Co. (NTS) Ltd.; NICO Engineering Ltd.; National Petrochemical Company; Iran Petrochemical Commercial Company; NPC International Ltd.; Intra Chem Trading Gmbh; Petrochemical Commercial Company International Ltd.; P.C.C. (Singapore) Private Ltd.; Petrochemical Commercial Company (U.K.) Ltd.; Petrolran Development Company (PEDCO) Ltd.; Petropars Ltd.; Petropars International FZE; Petropars U.K. Ltd.

Central Bank of Iran (aka Bank Markazi)

February 12, 2012

July 12, 2012

Shipping Companies: Arash Shipping Enterprises Ltd.; Arta Shipping Enterprises Ltd.; Asan Shipping Enterprise Ltd.; Caspian Maritime Ltd.; Danesh Shipping Co. Ltd.; Davar Shipping Co. Ltd.; Dena Tankers FZE; Good Luck Shipping LLC; Hadi Shipping Company Ltd.; Haraz Shipping Company Ltd.; Hatef Shipping Company Ltd.; Homa Shipping Company Ltd.; Homa Shipping Company Ltd.; Honar Shipping Company Ltd.; Mersad Shipping Company Ltd.; Minab Shipping Company Ltd.; Pars Petrochemical Shipping Company; Proton Petrochemicals Shipping Ltd; Saman Shipping Company Ltd.; Sarv Shipping Company Ltd.; Sepid Shipping Company Ltd.; Sima Shipping Company Ltd.; TC Shipping Company Ltd.

Energy Firms: Petro Suisse Intertrade Company (Switzerland); Hong Kong Intertrade Company (Hong Kong); Noor Energy (Malaysia); Petro Energy Intertrade (Dubai, UAE) (all four named as front companies for NIOC, Naftiran Intertrade Company, Ltd (NICO), or NICO Sarl)

58 vessels of National Iranian Tanker Company (NITC)

Banks: Ansar Bank; Future Bank B.S.C; Post Bank of Iran; Dey Bank; Eghtesad Novin Bank; Hekmat Iranian Bank; Iran Zamin Bank; Islamic Regional Cooperation Bank; Joint Iran-Venezuela Bank; Karafarin Bank; Mehr Iran Credit Union Bank; Parsian Bank; Pasargad Bank; Saman Bank; Sarmayeh Bank; Tat Bank; Tosee Taavon Bank; Tourism Bank; Bank-e Shahr; Credit Institution for Development

Entities and persons helping Iran evade oil shipping sanctions: Dimitris Cambis; Impire Shipping Co.; Libra Shipping SA; Monsoon Shipping Ltd.; Koning Marine Ltd.; Blue Tanker Shipping SA; Jupiter Seaways Shipping; Hercules International Ship; Hermis Shipping SA; Garbin Navigation Ltd.; Grace Bay Shipping Inc; Sima General Trading Co. FZE; Polinex General Trading LLC; Asia Energy General Trading; Synergy General Trading FZE.

March 14, 2013

Sambouk Shipping FZC, which is tied to Dr. Dimitris Cambis and his network of front companies.

May 9, 2013

Eight petrochemicals companies: Bandar Imam; Bou Ali Sina; Mobin; Nouri; Pars; Shahid Tondgooyan; Shazand; and Tabriz.

May 31, 2013

Six individuals including Seyed Nasser Mohammad Seyyedi, director of Sima General Trading who is also associated with NIOC and NICO. The other 5 persons sanctioned manage firms associated with NIOC and NICO.

September 6, 2013

Four businesses used by Seyyedi to assist NIOC and NICO front companies: AA Energy FZCO; Petro Royal FZE; and KASB International LLC (all in UAE); and Swiss Management Services Sarl.

Execution of Imam's Order (EIKO) and entities under its umbrella, designated for hiding assets on behalf of the government of Iran's leadership: Tosee e Eqtesad Ayandehsazan Company (TEACO); Tadbir

January 4, 2013

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Economic Development Company (Tadbir Group); Tadbir Investment Company; Modaber; Tadbir Construction Development Company; Tadbir Energy Development Group; Amin Investment Bank; Pardis Investment Company; Mellat Insurance Company; Rey Investment Company; Reyco GmbH; MCS International GmbH (Mannesman Cylinder Systems); MCS Engineering (Efficient Provider Services GmbH); Golden Resources Trading Company LLC. (GRTC); Cylinder System Ltd. (Cylinder System DDO); One Vision Investments 5 (Pty) Ltd.; One Class Properties (Pty) Ltd.; Iran and Shargh Company; Iran and Shargh Leasing Company; Tadbir Brokerage Company, Rafsanjan Cement Company; Rishmak Productive and Exports Company; Omid Rey Civil and Construction Company; Behsaz Kashane Tehran Construction Company; Royal Arya Company; Hormuz Oil Refining Company; Ghaed Bassir Petrochemical Products Company; Persia Oil and Gas Industry Development Company; Pars Oil Company; Commercial Pars Oil Company; Marjan Petrochemical Company; Ghadir Investment Company; Sadaf Petrochemical Assaluyeh Company; Polynar Company; Pars MCS; Arman Pajouh Sabzevaran Mining Company; Oil industry Investment Company; Rey Niru Engineering Company.

Five Iranian banks: Khavarmianeh Bank, Ghavamin Bank, Gharzolhasaneh Bank, Kish International Bank, and Kafolatbank (Tajikistan).

August 29, 2014

Numerous Iranian aircraft and vessels were designated under this Order, in keeping with the reimposition of U.S. secondary sanctions.

November 5, 2018

Entities Sanctioned Under Executive Order 13622 for Oil and Petrochemical Purchases from Iran and Precious Metal Transactions with Iran (July 30, 2012)

All italicized entities were delisted during U.S. JCPOA implementation

Jam Petrochemical Company (for purchasing petrochemical products from Iran); Niksima Food and Beverage JLT (for receiving payments on behalf of Jam Petrochemical).

May 31, 2013

Asia Bank (for delivering from Moscow to Tehran of \$13 million in U.S. bank notes paid to representatives of the Iranian government).

August 29, 2014

Five individuals and one company for helping Iran acquire U.S. banknotes: Hossein Zeidi, Seyed Kamal Yasini, Azizullah Qulandary, Asadollah Seifi, Teymour Ameri, and Belfast General Trading.

December 30, 2014

Anahita Nasirbeik—Asia Bank official (see above).

Entities Sanctioned under the Iran Freedom and Counter-Proliferation Act (IFCA, P.L. 112-239)

Goldentex FZE (UAE) August 29, 2014

Entities Designated as Human Rights Abusers or Limiting Free Expression under Executive Order 13628 (October 9, 2012, E.O pursuant to Iran Threat Reduction and Syria Human Rights Act)

Ali Fazli, deputy commander of the Basij; Reza Taghipour, Minister of Communications and Information Technology; LEF Commander Moghaddam (see above); Center to Investigate Organized Crime (established by the IRGC to protect the government from cyberattacks; Press Supervisory Board, established in 1986 to issue licenses to publications and oversee news agencies; Ministry of Culture and Islamic Guidance; Rasool Jalili, active in assisting the government's internet censorship activities; Anm Afzar Goster-e-Sharif, company owned by Jalili, above, to provide web monitoring and censorship gear; PekyAsa, another company owned by Jalili, to develop telecom software.

November 8, 2012

Islamic Republic of Iran Broadcasting (IRIB) and Ezzatollah Zarghami (director and head of IRIB); Iranian Cyber Police (filters websites and hacks email accounts of political activists); Iranian Communications Regulatory Authority (filters internet content); Iran Electronics Industries (producer of electronic systems and products including those for jamming, eavesdropping

February 6, 2013

Committee to Determine Instances of Criminal Content for engaging in censorship activities on/after June 12, 2009; Ofogh Saberin Engineering Development Company for providing services to the IRGC and Ministry of Communications to override Western satellite communications.

May 30, 2013

Morteza Tamaddon for cutting mobile phone communications and harassing opposition leaders Mir Hosein Musavi and Mehdi Karrubi when Tamaddon was governor-general of Tehran Province in 2009.

May 23, 2014

Douran Software Technologies, for acting on behalf of the Committee to Determine Instances of Criminal Content (see above).

December 30, 2014

Two entities that blocked social media sites and websites: Supreme Council for Cyberspace, and National Cyberspace Center

January 12, 2018

IRIB Director General Abdulali Ali-Asgari (see above); Abolhassan Firouzabadi (Secretary of the Supreme Council of Cyberspace); and Abdolsamad Khoramabadi (Secreary of the Committee to Determine Instances of Criminal Conduct, which oversees the censorship of the internet)

May 30, 3018

Entities Designated under E.O. 13645 on Auto production, Rial Trading, and Precious Stones (June 3, 2013) All entities were delisted (and are italicized) and the Order was revoked to implement the JCPOA

Five entities/persons supporting NITC: Mid Oil Asia (Singapore); Singa Tankers (Singapore); Siqiriya Maritime (Philippines); Ferland Company Limited (previously designated under other E.O.); Vitaly Sokolenko (general manager of Ferland).

December 12, 2012

Three entities/persons for deceptive Iran oil dealings: Saeed Al Aqili (co-owner of Al Aqili Group LLC); Al Aqili Group LLC; Anwar Kamal Nizami (Dubai-based Pakistani facilitator, manages bank relations for affilates of Al Aqili and Al Aqili Group. Also works for Sima General Trading, sanctioned under E.O. 13599).

April 29, 2014

Faylaca Petroleum (for obscuring the origin of Iranian sales of gas condensates); Lissome Marine Services LLC and six of its vessels (for supporting NITC with ship-to-ship transfers); Abdelhak Kaddouri (manages Iranian front companies on behalf of NICO); Mussafer Polat (for obscuring origin of Iran's gas condensate sales); Seyedeh Hanje Seyed Nasser Seyyedi (managing director of Faylaca).

August 29, 2014

Entities Designated under Executive Order 13581 on Transnational Criminal Organizations (July 24, 2011)

Four individuals/entities: Ajily Software Procurement Group, Andisheh Vesal Middle East Company, Mohammed Saeed Ajily, and Mohammed Reza Rezkhah. For stealing engineering software programs from U.S. and other Western firms and selling them to Iranian military and government entities.

July 18, 2017

Entities Designated under Executive Order 13694 on Malicious Cyber Activities (April 1, 2015)

Eight individuals/entities: ITSec Team, for 2011-12 distributed denial of services attacks on U.S. banks, acting on behalf of the IRGC; and Ahmad Fathi, Amin Shokohi, and Hamid Firoozi (for working for or with ITSec). Four persons working for or with Mersad Co, an IRGC-affiliate firm indicted in 2016 for computer disruption/botnet/malware activities in 2012-13 targeting 24 U.S. financial sector companies: Sadegh Ahmazadegand; Sina Keissar; Omid Ghaffarinia; and Nader Saedi.

September 14, 2017

Ten individuals and one entity, for theft of data from U.S. and third-country universities: Mabna Institute, Gholamreza Rafatnejad, Ehsan Mohammadi, Seyed Ali Mirkarimi, Mostafa Sadeghi, Sajjad Tamasebi, Abdollah Karima, Abuzr Gohair Moqadam. Roozbeh Sabahi, Mohammed Reza Sabai, Behzad Mesri.

March 23, 2018

Ali Khorashadizadeh and Mohammad Ghorbaniyan. For helping exchange bitcoin digital currency into Iranian rials on behalf of Iranian cyber actors involved with a "SamSam" ransomware scheme.

November 28, 2018

Entities Designated under Executive Order 13846 Reimposing Sanctions (August 6, 2018)

Ayandeh Bank (for materially assisting IRIB).

November 5, 2018

Author Information

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Congressional Research Service

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Acknowledgments

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Annex 330

Letter of the Registrar of the International Court of Justice to the Agent of I.R. Iran, 8 May 2019



152168 8 May 2019

Sir,

The Hague

With reference to the case concerning <u>Alleged violations of the 1955 Treaty of Amity</u>, <u>Economic Relations</u>, and <u>Consular Rights (Islamic Republic of Iran v. United States of America)</u>, and, in particular, to the request by the United States of America for an extension of the time-limit (currently 15 May 2019) to provide information, under Article 78 of the Rules of the Court, on the implementation of the Court's Order of 3 October 2018 indicating provisional measures, I have the honour to inform you of the following.

The Court, having ascertained the views of the Parties, has decided to accede to the request of the United States and has fixed Tuesday 4 June 2019 as the new time-limit for the submission of said information by the Respondent.

A letter in similar terms has been sent to the other Party.

Accept, Sir, the assurances of my highest consideration.

Mr. M. Mohebi
Agent of the Islamic Republic of Iran
before the International Court of Justice
Agent Bureau of the Embassy of the Islamic Republic of Iran
in the Netherlands

cc: Mr. M.H. Zahedin Labbaf
Co-Agent of the Islamic Republic of Iran
before the International Court of Justice
Agent Bureau of the Embassy of the Islamic Republic of Iran
in the Netherlands
The Hague

Mr. Seyed Hossein Sadat Meidani
Deputy-Agent of the Islamic Republic of Iran
before the International Court of Justice
Agent Bureau of the Embassy of the Islamic Republic of Iran
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Telephone: +31 (0) 70 302 23 23 - Telefax: +31 (0) 70 364 99 28

Website: www.icj-cij.org

Annex 331

Letter of the Registrar of the International Court of Justice to the Agent of I.R. Iran, 9 May 2019



152178

Sir,

With reference to the case concerning <u>Alleged violations of the 1955 Treaty of Amity</u>, <u>Economic Relations</u>, and <u>Consular Rights (Islamic Republic of Iran v. United States of America)</u>, and further to my letter of 8 May 2019, I have the honour to clarify the following.

The Court, in deciding to extend the time-limit until Tuesday 4 June 2019 for the submission by the United States of America of information on the implementation of the Court's Order of 3 October 2018 indicating provisional measures, also intended this new time-limit to apply to the submission by the Islamic Republic of Iran of any information it may have in that regard.

I take the opportunity to extend my apologies for the lack of clarity in my earlier communication.

A letter in similar terms has been sent to the other Party.

Accept, Sir, the assurances of my highest consideration.

hilippe Couvreur Registrar

9 May 2019

Mr. M. Mohebi Agent of the Islamic Republic of Iran before the International Court of Justice Agent Bureau of the Embassy of the Islamic Republic of Iran in the Netherlands The Hague

Mr. M.H. Zahedin Labbaf
Co-Agent of the Islamic Republic of Iran
before the International Court of Justice
Agent Bureau of the Embassy of the Islamic Republic of Iran
in the Netherlands
The Hague

Mr. Seyed Hossein Sadat Meidani
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Website: www.icj-cij.org

Annex 332

A. Zurcher, "Three reasons behind Trump ditching Iran deal", BBC, 8 May 2018

Three reasons behind Trump ditching Iran deal

bbc.com/news/world-us-canada-43902372

US & Canada selected Anthony Zurcher North America reporter 8 May 2018



President Donald Trump wasn't always so dead against the Iran deal and it's not a big issue for voters, so why is he pulling out now?

It was a move that had been telegraphed for months, despite last-ditch attempts by US allies and domestic backers of the agreement to convince the president to stick with the status quo.

In his announcement, the president said that he was open to renewed negotiations, putting trust in his ability as a deal-maker to succeed.

"A constructive deal could have easily been struck at the time," Trump said of the 2015 negotiations. "But it wasn't."

Now the president will have his chance to show he can do better. But why withdraw now?

Opinion polls show a majority of Americans are in favour of staying in the deal, and, while Mr Trump has said he's simply keeping another promise, this was never an issue that motivated his base the way immigration, trade and the economy did.

Here are three reasons why he grew to hate the deal and made this move.

Shredding the Obama legacy

Mr Trump has, at times, framed his opposition to the Iran deal on very personal terms. He has repeatedly mocked former Secretary of State John Kerry, one of the architects of the agreement, including cracks about a bicycle accident that left him with a broken leg.

According to one report, Mr Kerry's efforts to reach out to Iranians in recent days helped push the president further toward abandoning the deal. The president tweeted about it earlier on Tuesday, so the topic was certainly on his mind.

"John Kerry can't get over the fact that he had his chance and blew it!" Trump wrote. "Stay away from negotiations John, you are hurting your country!"

Since his inauguration, Mr Trump has taken aim at practically every one of his predecessor's signature achievements.

Within a week of his inauguration he had pulled the US out of the Trans-Pacific Partnership

trade negotiations.

In June he announced his intent to withdraw the US from the Paris Agreement on climate change mitigation.

He also unwound Obama-era protections for some undocumented immigrants.

He, and Republicans in Congress, made repealing the Affordable Care Act, which increased government regulation of health insurance markets, a central (albeit largely unsuccessful) focus of his first-year legislative agenda.

He's re-imposed sanctions and travel restrictions on Cuba, rescinded proposed controls on power-plant emissions, fuel efficiency standards for new cars and other environmental regulations, and backed repeal of some Obama-era controls on financial institutions.

"With the Paris climate deal dead, the Iran nuclear deal on life support, and Obamacare eviscerated, Obama's only real legacy at this point is the presidency of Donald Trump," writes Sean Davis of the conservative website The Federalist.

And that, it seems, is just the way Mr Trump wants it.

A pivot to Netanyahu

When Mr Trump first ran for president, he was not nearly as critical of the Iran deal as he is now. While saying he thought it was a mistake and poorly negotiated, he suggested that he may be open to keeping the US commitments.

"It's very hard to say, 'We're ripping it up,'" then-candidate Trump said during an NBC interview in August 2015.

"I would police that contract so tough that they don't have a chance," he said. "As bad as the contract is, I will be so tough on that contract."

His shift to a more vehemently anti-deal view tracks closely with Mr Trump's full-throated support of Benjamin Netanyahu and the hard-line Israeli side of Middle East peace negotiations, after earlier suggesting he could be a impartial "deal-maker" in the region.

"It doesn't help if I start saying I'm very pro-Israel," Mr Trump said in a Republican candidate debate in February 2016, when he was sharply criticised by Senators Ted Cruz and Marco Rubio for his professed neutrality in Arab-Israeli negotiations.

By the following month, Mr Trump told an audience at the American Israel Public Affairs Committee annual conference that his "number one priority is to dismantle the disastrous deal with Iran" - outlining what he saw as the agreement's failure to address the nation's

destabilising influence in the region and the development of its ballistic missile programme.

He said there was no "moral equivalency" between the Israelis and Palestinians in peace negotiations and that "the days of treating Israel like a second-class citizen will end" when he becomes president.

And since becoming president, Mr Trump has begun the process of moving the US embassy to Jerusalem, threatened new sanctions against Palestinians, continued his condemnations of the Iranian government and now abandoned the nuclear arms agreement with that nation - citing, in part, evidence presented by Mr Netanyahu.

New faces in the room

Mr Trump had made motions toward, and then backed away from, formally pulling out of the Iran deal several times over the first year of his presidency.

He was reportedly counselled against abandoning the agreement by senior advisers in his administration, including Secretary of State Rex Tillerson, National Security Advisor HR McMaster and Secretary of Defence James Mattis.

Mr Mattis is the only man left standing, and his influence appears to be waning. The other two have been replaced by Mike Pompeo and John Bolton, respectively, and both are considered Iran hawks.

Where once the president may have been counselled to be cautious in abandoning US commitments to Iran, this time his instincts - an innate distrust of multilateralism in general and Iran in particular - appear to have been enthusiastically supported.

After 15 months Mr Trump has built a foreign policy team that is largely on the same page - his page.

M. Bishara, "Trump Iran and the 'I.S.R.A.E.L' doctrine", Aljazeera.com, 9 May 2018

Trump, Iran and the 'I.S.R.A.E.L' doctrine

aljazeera.com/indepth/opinion/trump-iran-israel-doctrine-180509070744972.html

US President Donald Trump announces his intention to withdraw from the JCPOA agreement during a statement at the White House in Washington, US May 8, 2018 [Jonathan Ernst/Reuters]

American presidents have long devised strategic visions to guide their foreign policy, focusing on a particular enemy or threat, whether communists, Arab nationalists or "violent jihadists".

With communism defeated, Arab nationalism in crisis, and "Sunni Jihadists" on the run, the Trump administration has made Iran the object of its enmity.

After a year of confusion and uncertainty, a revised American doctrine focused on the Middle East, but with direct implementations for South East Asia, Europe and Russia is finally taking shape, for reasons that can be best explained with the telling and memorable acronym, L.S.R.A.E.L.

I for Iran

"The Great Deal Maker" president has finally abandoned the "badly negotiated" Iran nuclear deal to pressure for a more comprehensive deal that allows for inspections anywhere and everywhere in Iran, and guarantees Tehran never comes close to a nuclear weapons programme.

Ever.

There's absolutely no surprise here. In January, Trump warned:

No one should doubt my word. I said I would not certify the nuclear deal - and I did not. I will also follow through on this pledge. I hereby call on key European countries to join with the United States in fixing significant flaws in the deal, countering Iranian aggression, and supporting the Iranian people. If other nations fail to act during this time, I will terminate our deal with Iran. Those who, for whatever reason, choose not to work with us will be siding with the Iranian regime's nuclear ambitions, and against the people of Iran and the peaceful nations of the world.

Since then, the US president has managed to get his preferred national security team in place. And now, he is ready to withdraw from the nuclear agreement and prepare for an all-out confrontation with Iran. Trump's national security trio: John Bolton, Mike Pompeo and James Mattis, all agree on the need to confront Iran because they believe its regime responds only to coercion and force.

After decades of mutual demonisation, Iran is an easy villain in the "Great Satan's" storyline - the flag-burning crowds, the stern-faced ayatollahs, the ideological arm of the axis of evil.

For them, the supposedly moderate Rouhani government might be tactful and pragmatic at

times, but it remains part and parcel of the Iranian dictatorship.

That's why for the Trump administration, any future deal must ensure that Iran foregoes any suspicious nuclear activity, ends its ballistic missiles programme, curtails its bellicose regional activities, and rolls back its destabilising ideology. Demands that are considered humiliating infringements on Iran's sovereignty and therefore been rejected by the country's moderates and "radicals" alike.

S for Saudi

Saudi Arabia, Trump's newest BFF, is the most enthusiastic supporter of the drive against Iran - perhaps more so than Israel. Riyadh took advantage of Trump's foreign policy creed and greed to incite and entice the new president against Iran with hundreds of billions of dollars in contracts.

It's a little-known fact that Saudi and Israel pushed for attacking Iran instead of Iraq after 9/11. When the push towards Baghdad got under way, the two unlikely bedfellows campaigned for an extension of the "war on terror" to Iran to "cut the head of the serpent". But the US debacle in Iraq not only prevented the US from imposing a regime change in Iran; it, in fact, strengthened Iran's hand in Iraq and the whole region.

Obama might've embraced the so-called offshore balancing between Middle East powers with the US watching from a distance, but the Trump doctrine is leading to offshore blasting that could draw the US into direct confrontation with Iran.

Riyadh's wish to fight Iran "until the last American soldier" may not have materialised, but there's no giving up. The ambitious new Saudi leadership is willing to put forward its resources, soldiers and clout to confront Iran, as in Yemen, if the Trump administration agrees to tag along. And Trump has shown signs of accepting the idea of the US acting as the mercenary, for the right price; like in Syria for example.

Last year, the Saudis assembled a large gathering of Muslim world leaders, minus Iran, to honour and listen to the man who, only months before, insulted them and their faith. And this year, Saudi leaders expressed openness to Trump's "deal of the century" that paves the way for new relations with Israel at the expense of Palestine.

R for reversal of everything Obama

President Trump's approach to his predecessor's legacy is political and strategic. But it's also personal: an obsessive drive to reverse anything and everything Obama.

So, even when he agrees with Obama, Trump turns against his own impulse to keep his anti-Obama credentials intact.

He may agree with Obama that the region is "a mess" and its people should resolve their own

problems, but by walking away from the nuclear deal, Trump is de facto committing the US to a protracted, messy and violent involvement in the region for years to come.

When Obama helped strike the Iran deal, he rejected objections and demands from Israel and Saudi Arabia, leading to unprecedented tensions with both nations. Trump, on the other hand, seems disposed to embrace their strategic thinking and to rely on them to help preserve US security designs for the Middle East.

Obama might've embraced the so-called offshore balancing between Middle East powers with the US watching from a distance, but the Trump doctrine is leading to offshore blasting that could draw the US into direct confrontation with Iran.

A for Arms

Trump's doctrine posits on US military supremacy and economic superiority, which means subsidising and supporting the US arms industry.

As the US arms trader-in-chief, Trump has made it his passion to boost US arms exports even if that leads to an arms race and potentially more devastating wars in the Middle East and beyond.

The Gulf tops the list of US customers. Saudi Arabia alone committed more than \$100bn to arms last year, leading its crown prince to boast of Saudi military superiority and beat the drums of war against Iran.

If Iran ends up abandoning the nuclear deal, the region may not only witness an arms race but potentially a devastating nuclear race.

E for engagement

When it comes to Donald Trump, don't just pay attention to what he says. It pays to pay attention to what he does. His tweets may be controversial, even entertaining, but his actions are consequential and reckless.

He says "I want to pull US troops out of Syria", then decides to keep them there and push for confrontation with Iran and its allies. He says "I will agree to what the Israelis and Palestinians decide" but recognises Jerusalem as Israel's capital and prepares to propose/impose a final deal on the Palestinians.

Relying on Saudi Arabia and Israel will prove to be shortsighted, especially as the Trump administration has already alienated European allies by threatening all those dealing with Iran with sanctions.

Fast-forward a few months, and watch the US expand its already numerous drones attacks, naval presence and exercises, military bases, covert operations, and bellicose activities against Iran and its allies - who have taken control of cities and regions in Syria and Yemen and are winning elections in Iraq and Lebanon.

A confrontation with Iran will not end with more US sanctions, certainly not without secondary sanctions against European, Chinese and Russian companies dealing with Iran. That will pave the way to a full-blown international crisis; one that could leave the US, not Iran, isolated.

L for linchpin

It was perhaps wishful thinking to ask Donald Trump to leave the Middle East alone, as I wrote on the night of his election last year.

Leaving aside his total ignorance of the region apart from airports, golf courses, and rich Arab tenants residing in his golden towers, the man didn't show an interest in shaping or transforming the region as some of his predecessors did. In fact, he expressed a desire to get out the business of nation-building and bullying.

To no avail.

Every American administration since World War II has considered itself indispensable to the wellbeing and security of the region. And Trump now shares this vision of indispensability, which devolved from liberal illusion to dangerous delusion since Iran's revolution nearly five decades ago.

The US has become entrenched deeper in the Middle East with each and every crisis, as Andrew Bacevich argues brilliantly in his book, America's War for the Greater Middle East.

But today we seem to have come full circle as the Trump doctrine meets up with the 1980 Carter Doctrine, which can be summarised by the following declaration: "Any attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force."

Trump, like his predecessors, will make sure that no other power or entity but the United States has final say about the resolution to the Arab-Israeli conflict, the proliferation or use of weapons of mass destruction, Gulf security, the flow of oil, etc. Not even the UN.

Especially not the UN.

Trump's America will not walk away from the Middle East. If you thought the Obama doctrine envisioned US disengagement from the Middle East, think again. The US will not leave a volatile region for Russia and Iran to dominate.

Like his predecessors, Trump will fret and frown about his predecessors' mistakes and failures and the intractable problems of the region, yet still walk in their evangelical path of righteousness to save the region from its demons.

And like his predecessors, he won't consider, let alone admit, how US strategies and policies have only made the region more chaotic, dangerous and violent.

All of this begs the question: What relation is there between Israel and the I.S.R.A.E.L-isation of US foreign policy? But that's a question for another day.

To be continued.

ABOUT THE AUTHOR

Marwan Bishara is the senior political analyst at Al Jazeera.

@ MarwanBishara



High Representative of the EU and Foreign Ministers of E3, "Joint statement on the re-imposition of U.S. sanctions due to its withdrawal from the Joint Comprehensive Plan of Action (JCPOA)", 6 August 2018

Joint statement on the re-imposition of US sanctions due to its withdrawal from the Joint Comprehensive Plan of Action (JCPOA)

eeas.europa.eu/headquarters/headquarters-homepage/49141/joint-statement-re-imposition-us-sanctions-due-its-withdrawal-joint-comprehensive-plan-action_en

We deeply regret the re-imposition of sanctions by the US, due to the latter's withdrawal from the Joint Comprehensive Plan of Action (JCPOA).

The JCPOA is working and delivering on its goal, namely to ensure that the Iranian programme remains exclusively peaceful, as confirmed by the International Atomic Energy Agency (IAEA) in 11 consecutive reports. It is a key element of the global nuclear non-proliferation architecture, crucial for the security of Europe, the region, and the entire world. We expect Iran to continue to fully implement all its nuclear commitments under the JCPOA.

The lifting of nuclear-related sanctions is an essential part of the deal – it aims at having a positive impact not only on trade and economic relations with Iran, but most importantly on the lives of the Iranian people. We are determined to protect European economic operators engaged in legitimate business with Iran, in accordance with EU law and with UN Security Council resolution 2231. This is why the European Union's updated Blocking Statute enters into force on 7 August to protect EU companies doing legitimate business with Iran from the impact of US extra-territorial sanctions.

The remaining parties to the JCPOA have committed to work on, inter alia, the preservation and maintenance of effective financial channels with Iran, and the continuation of Iran's export of oil and gas. On these, as on other topics, our work continues, including with third countries interested in supporting the JCPOA and maintaining economic relations with Iran. These efforts will be intensified and reviewed at Ministerial level in the coming weeks.

Preserving the nuclear deal with Iran is a matter of respecting international agreements and a matter of international security.

D. Herszenhorn, "Rebuking Trump, major powers reaffirm Iran nuclear deal", Politico, 25 September 2018

Rebuking Trump, major powers reaffirm Iran nuclear deal

politico.eu/article/rebuking-donald-trump-major-powers-eu-britain-china-russia-germany-reaffirm-iran-nuclear-deal

September 25, 2018

European Union Foreign Affairs and Security Policy High Representative Federica Mogherini | Mandel Ngan/AFP via Getty Images

Europeans, Moscow and Beijing also back payment system to circumvent US sanctions.

Europe's big powers joined with Russia and China in reaffirming their commitment to the Iran nuclear deal, once again rebuking U.S. President Donald Trump for his unilateral decision to withdraw from it.

Officials from the EU, Britain, France, Germany, China and Russia met in New York, where world leaders are gathered at the United Nations, and issued a statement saying they are committed to "ensure the full and effective implementation" of the accord, known as the Joint Comprehensive Plan of Action (JCPOA) despite Trump's reimposition of economic sanctions.

The meeting on Monday also included Iran's foreign minister, Mohammad Javad Zarif. The EU was represented by its foreign policy chief, Federica Mogherini.

The statement also confirms efforts by the Europeans to create a special corporate entity that would facilitate continued business transactions with Iran. The U.S. has vowed to punish any businesses that violate its sanctions, while the EU has been trying to thwart enforcement of the sanctions, including by adopting a blocking statute.

"Mindful of the urgency and the need for tangible results, the participants welcomed practical proposals to maintain and develop payment channels, notably the initiative to establish a special purpose vehicle, to facilitate payments related to Iran's exports, including oil, and imports, which will assist and reassure economic operators pursuing legitimate business with Iran," the statement says.

"The JCPOA participants reconfirmed their commitment to its full and effective implementation in good faith and in a constructive atmosphere," the officials say. "They recalled that the JCPOA is a key element of the global non-proliferation architecture and a significant achievement of multilateral diplomacy endorsed unanimously by the U.N. Security Council through Resolution 2231."

Trump's move has left the U.S. remarkably isolated, with all other permanent members of the U.N. Security Council still in support of the deal, though Washington has enjoyed the support of Israel and Saudi Arabia.

The now five guarantors of the nuclear deal cite "12 consecutive reports by the International Atomic Energy Agency" showing that Iran was meeting its commitments.

"Alongside implementation by Iran of its nuclear-related commitments, the lifting of sanctions, including the economic dividends arising from it, constitutes an essential part of the JCPOA," the joint statement says.

N. Gouette & J. Crawford, "US blasts international court on Iran ruling, pulls out of 1955 treaty", CNN, 3 October 2018

US blasts international court on Iran ruling, pulls out of 1955 treaty

edition.cnn.com/2018/10/03/politics/pompeo-icj-iran-ruling/index.html

3 octobre 2018



Washington (CNN)The Trump administration walked back its commitment to two international agreements Wednesday, withdrawing from a 63-year-old friendship treaty with Iran and limiting its exposure to decisions by the International Court of Justice.

Secretary of State Mike Pompeo announced Wednesday that the US is withdrawing from a 1955 "Treaty of Amity" with Iran after Tehran successfully made an international complaint that Washington had violated that accord.

And national security adviser John Bolton, citing Iran's "abuse of the ICJ," said the US would withdraw from the "optional protocol" under the Vienna Convention on Diplomatic Relations. "We will commence a review of all international agreements that may still expose the US to purported binding jurisdiction dispute resolution in the International Court of Justice," Bolton said. Palestinians also brought a complaint against the US to the ICJ in September, challenging the Trump administration's decision to move the US embassy from Tel Aviv to Jerusalem.

Sovereignty first

Together, the moves reflect a push by the Trump administration to emphasize sovereignty over international cooperation and counter perceived threats to US independence, a central focus for Bolton who has railed against "global governance" and distrusts multilateral institutions.

"It is clearly part of a bigger campaign to undermine international institutions and its notable

1 sur 3 26/03/2019 à 12:07

that Bolton emphasized that the US is going to be aiming to remove itself from any further jurisdiction," said Richard Gowan, a a Senior Fellow at the Center for Policy Research at United Nations University. "I think that's part of Bolton's underlying agenda. He's quite obsessed with restraints on US policy making."

The US limited its exposure to the ICJ in the 1980s and now, said David Bosco, a professor at Indiana University's School of Global and International Studies, the US is "trying to make itself much harder to sue in international courts," but that also means "if some other country is violating a treaty, the US won't be able to bring a case against it."

"I think they've decided they're not going to use these courts very much, 'mainly it's a place where we get attacked,' so we're going to pull out," Bosco said, describing it as "more of a symbolic thing and part of Bolton's broader push, as he sees it, to protect the United States from the jurisdiction of international courts."

The International Court of Justice ordered the US on Wednesday to lift any sanctions that affect goods required for "humanitarian needs" in Iran.

Tehran brought a complaint against the US in July, arguing that the US decision to pull out of the 2015 nuclear pact and reimpose sanctions violated the 1955 treaty.

Iran also said the US had violated the international nuclear agreement with its unilateral withdrawal in May, and that its re-imposed sanctions were so broad, that they are hurting ordinary Iranians.

Iran's Foreign Minister Mohammed Javad Zarif criticized the US decision to withdraw from the Treaty of Amity on Wednesday.

"US abrogated JCPOA -a multilateral accord enshrined in UNSC Resolution 2231- arguing that it seeks a bilateral treaty with Iran. Today US withdrew from an actual US-Iran treaty after the ICJ ordered it to stop violating that treaty in sanctioning Iranian people. Outlaw regime," he wrote on Twitter.

'Disappointed'

The court ordered the US to remove "impediments" to the export of medicine, medical devices, food and agricultural commodities, and civil aviation equipment to Iran.

"We're disappointed that the court failed to recognize that it has no jurisdiction to issue any

"We're disappointed that the court failed to recognize that it has no jurisdiction to issue any order relating to these sanctions measures with the United States, which is doing its work on Iran to protect its own essential security risks -- risk -- interests," Pompeo said.

"In light of how Iran has ... abused the ICJ as a forum for attacking the United States," Pompeo said, "I am, therefore, announcing today that the United States is terminating the Treaty of Amity with Iran," which was signed before the 1979 revolution overthrew the US-backed Shah.

Pompeo said the US was making exceptions to its sanctions to deal with humanitarian issues, and said that "given Iran's history of terrorism, ballistic missile activity and <u>other malign</u> <u>behaviors</u>, Iran's claims under the treaty are absurd."

Bolton to Iran: Hell to pay if you cross us 01:35

"Existing exceptions, authorizations and licensing policies for humanitarian-related transactions and safety of flight will remain in effect," Pompeo said. "The United States has

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been actively engaged on these issues without regard to any proceeding before the ICJ. We're working closely with the Department of the Treasury to ensure that certain humanitarian-related transactions involving Iran can and will continue." Speaking from the White House podium Wednesday, Bolton said the ICJ decision was a "defeat for Iran" as it "correctly rejected nearly all of Iran's requests."



Iran had argued that all post-JCPOA sanctions should be lifted. "The ICJ refused to go this far," noted Scott Anderson, a governance studies fellow at the Brookings, "and instead found that only certain humanitarian goods and services are 'plausibly' covered by the treaty." The ICJ ruling is binding and can't be appealed, but the court has no way to enforce it. However, it stands as another rebuke to the Trump administration over its Iran policy. China, Russia and the European Union used this year's United Nations General Assembly to register their unhappiness with US policy on Iran.

China's foreign minister <u>warned</u> that failure of the deal could undermine nuclear non-proliferation efforts, the authority of the UN Security Council and peace and stability in "the region and the wider world."

Iranian President Hassan Rouhani told reporters that other world leaders expressed their support for Iran's continued presence in the deal and disapproval of Washington for its withdrawal. "America is alone," he pronounced.

And the EU announced earlier this month that they are considering the creation of a mechanism designed to help Iran continue trading despite US sanctions. Those strictures are set to get tighter in November when US sanctions on Iran's energy sales go back into effect. CNN's Zachary Cohen, Jennifer Hansler and Lindsay Isaac contributed to this report.

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S. Tisdall, "Regime change in Iran is Trump's real motive for siding with the Saudis", *The Guardian*, 18 October 2018

Regime change in Iran is Trump's real motive for siding with the Saudis

theguardian.com/commentisfree/2018/oct/18/regime-change-iran-saudis-khashoggi-saudi-arabia

Simon Tisdall

18 octobre 2018

It would be comforting to think Donald Trump sent his secretary of state, Mike Pompeo, hotfooting it to Saudi Arabia this week to solve the mystery of what happened to the missing journalist, Jamal Khashoggi. It would be nice to believe Trump cared that much about a reporter, and a foreign reporter at that, whose sudden disappearance occurred far from America's shores.

But this is the same Trump who recently condemned independent journalists as "enemies of the people" – a statement Dean Baquet, editor of the New York Times, warned in August had "sent a message to despots abroad that you can disrespect the press". Did Mohammed bin Salman, the Saudi crown prince, take Trump's words as a green light?

In any case, altruism is not really Trump's thing. His real motives in stepping into the middle of the Khashoggi affair, and crudely attempting to shape the investigation, have become steadily clearer. His stance has gradually gravitated towards exculpation of the Saudis. He has moved from threatening to impose "severe punishment", if it is confirmed the regime murdered Khashoggi, to speculating about "rogue killers" and insisting Saudi leaders be presumed innocent until proven guilty.

Why this body-swerve into obfuscation? Trump has courted the royals of Riyadh from the beginning of his presidency. His sycophantic son-in-law, Jared Kushner, assiduously cultivated bin Salman. Yet Trump is not known for loyalty. He ruthlessly dumps people who become a problem. Why, then, is the US president playing PR frontman and spin-doctor-in-chief to a shifty bunch of unelected chancers? Why these absurd theories about Khashoggi's fate, reminiscent of the Kremlin after Salisbury?

It's true the US-Saudi relationship is deemed an important one. It's true some American jobs depend on arms sales to the kingdom. It's possible the Saudis' payment of \$100 million to help stabilise Syria – the cash, held back since August, suddenly appeared in US government accounts on Tuesday, the day Pompeo landed in Riyadh – may have influenced Trump. But none of this fully explains why he is laying the ground to exonerate the regime in general and bin Salman in particular.

The answer can be spelled out in four letters: Iran. Trump realised, belatedly, that his long-plotted strategy for confronting Iran, which culminates on 5 November with a sweeping, potentially crippling global embargo on Iranian oil, cannot work without Saudi support.

The plan, which many analysts believe is actually an attempt to force regime change in Tehran, depends on the Saudis pumping extra oil to compensate for the anticipated shortfall. If not, the outcome could be a worldwide oil shock, with rapidly rising prices and massive, negative knock-on impacts on international markets and trade.

That's why Trump refuses to contemplate sanctions, such as suspending arms sales, as urged in Congress. For the same reason, he has failed to check the Saudi-led carnage in Yemen. Iran is why Trump will not apply his punitive tool of choice – penalties on named individuals in foreign governments – in the Khashoggi case. Surely nobody honestly believes the high-risk Istanbul operation was undertaken without the prior knowledge of bin Salman, Saudi Arabia's most powerful man. But sanctioning him would blow up Trump's entire Iranian bonfire night plot.

Remember how we reached this point. As a candidate, Trump bought into the dodgy narrative, promoted principally by the Saudis and Benjamin Netanyahu, Israel's prime minister, that Iran was the main fomenter of instability across the Middle East, that it was intent on destroying Israel, and that its quest for regional hegemony included duplicitous pursuit of nuclear weapons. In May, Trump reneged on the multilateral nuclear deal with Iran. Next month, he will penalise European allies, and anybody else, who dares do business with Iran.

Addressing the UN last month, Trump put the world on notice that "extreme" sanctions, backed by the tacit threat of military force, were intended to undermine, if not overthrow, what he called a "corrupt dictatorship" in Tehran. He spoke in apocalyptic terms: "Iran's leaders sow chaos, death and destruction. They do not respect their neighbours, or the sovereign rights of nations."

That's rich, coming from this American president. With those words, Trump, like George W Bush in 2003, served up a fake *casus belli*. Yet in order to win this latest American war of choice, he must have the Saudis on side.

Trump needs the Saudis not only because the oil embargo could prove chaotic without them. He will also need their political and military cooperation if, as threatened, Iran's Revolutionary Guards take reciprocal, physical action to halt Saudi and Gulf states' oil exports via the Strait of Hormuz in the Gulf and the Bab-el-Mandeb strait, at the mouth of the Red Sea. If this crisis point is reached, escalating confrontations across the region cannot be ruled out.

Attracted by a dictatorial style of governance he evidently admires, Trump's Middle East policy pivots on the Saudi alliance. He has swallowed Netanyahu's false nuclear narrative and been suckered into the age-old Sunni-Shia struggle. With epic misjudgment, he bet his shirt on a known hothead, Mohammed bin Salman, who many now suspect is a cold-blooded killer. That's why he badly needs to bury the Khashoggi affair, whatever the truth of the matter. He sent Pompeo to fix it. So far, Pompeo has failed.

For Trump, his not-so-secret desire to take down the Tehran regime is more important than one man's grisly fate. He has demonised Iran as the arch-enemy – the latest incarnation of America's enduring need for a bogeyman. But for a watching world, Iran is not the obvious problem. Saudi Arabia's leadership is.

• Simon Tisdall is a foreign affairs commentator. He has been a foreign leader writer, foreign editor and US editor for the Guardian

J. Koutsoukis, "Bolton Says Iran Will Be Squeezed 'Until the Pips Squeak'", Bloomberg, 13 November 2018

Bolton Says Iran Will Be Squeezed 'Until the Pips Squeak'

B bloomberg.com/news/articles/2018-11-13/bolton-says-iran-will-be-squeezed-until-the-pips-squeak

Jason Koutsoukis

The U.S. intends to double down on sanctioning Iran, pressuring the nation until it submits, National Security Adviser John Bolton signaled on Tuesday.

"We think the government is under real pressure and it's our intention to squeeze them very hard," Bolton said Tuesday in Singapore. "As the British say, 'squeeze them until the pips squeak'."

Iran's vital oil exports have been under sanctions since Nov. 5 as the Trump administration ratchets up pressure on the Islamic Republic. Even before the latest penalties were reintroduced, the U.S. economic offensive had triggered a collapse in the value of Iran's rial currency, pushing up prices and emptying some shelves of essential goods.

The U.S. in May withdrew from the 2015 multinational nuclear deal that lifted curbs on Iran's economy, vowing to force Tehran back to the table to negotiate a new accord limiting its regional and military power. President Donald Trump's campaign has been enthusiastically backed by U.S. allies in the Gulf that oppose Iran.

European signatories to the deal are attempting to put in place mechanisms to allow trade and investment with Iran to continue, as Iranian officials warn that their country won't stay bound by an agreement that isn't delivering benefits.

Bolton suggested the Europeans would fail and rethink their approach.

"I like to compare the attitudes that are changing in Europe to a book written years ago in the U.S. called 'The Six Stages of Grief'," Bolton said as he attended a regional summit. "It starts off with denial. Then it ends up at acceptance."

Oil sanctions are likely to drive Iran's economy into recession starting in 2018, deepen its fiscal shortfall and triple inflation from last year, the International Monetary Fund said in a regional economic outlook released on Tuesday.

The Trump administration says its economic assault on Iran is aimed at forcing the Islamic Republic's leadership to diminish its role in some of the Middle East conflicts. Iranian officials, however, say the "economic war" is meant to push ordinary Iranians into revolt against their leaders.

In its latest assessment, international monitors said Iran continued abiding by nuclear limits in the landmark accord.

The International Atomic Energy Agency said Iran is still allowing intrusive inspections while keeping its nuclear capacity and material below thresholds allowed under the July 2015 deal, according to a 5-page restricted report published Monday and seen by Bloomberg News.

D. Sanger & J. Barnes, "On North Korea and Iran, Intelligence Chiefs Contradict Trump", *The New York Times*, 29 January 2019

On North Korea and Iran, Intelligence Chiefs Contradict Trump

© nytimes.com/2019/01/29/us/politics/kim-jong-trump.html

By David E. Sanger and Julian E. Barnes

29 janvier 2019

WASHINGTON — A new American intelligence assessment of global threats has concluded that North Korea is unlikely to give up its nuclear stockpiles and that Iran is not, for now, taking steps necessary to make a bomb, directly contradicting the rationale of two of President Trump's foreign policy initiatives.

Those conclusions are part of an annual "Worldwide Threat Assessment" released on Tuesday that also stressed the growing cyberthreat from Russia and China, which it said were now "more aligned than at any point since the mid-1950s."

The 42-page threat report found that American trade policies and "unilateralism" — central themes of Mr. Trump's "America First" approach — have strained traditional alliances and prompted foreign partners to seek new relationships.

In testimony before the Senate Intelligence Committee linked to the release of the report, the nation's intelligence chiefs tried to avoid directly questioning administration policies. Yet they detailed a different ranking of the threats facing the United States, starting with cyberattacks and moving on to the endurance of the Islamic State and the capabilities of both North Korea and Iran.

Dan Coats, the national intelligence director, told lawmakers that the Islamic State would continue "to stoke violence" in Syria. He was backed up by the written review, which said there were thousands of fighters in Iraq and Syria and a dozen Islamic State networks around the world.

Just last month, Mr. Trump said that "we have won against ISIS; we've beaten them, and we've beaten them badly" in announcing the withdrawal of American troops from Syria.

The starkest contradiction drawn by the intelligence chiefs was their assessment of North Korea.

Mr. Trump is expected to meet next month with Kim Jong-un, the North Korean leader, in a second round of direct negotiations aimed at ridding Pyongyang of its nuclear weapons. After his last meeting, in Singapore, Mr. Trump tweeted that "there is no longer a Nuclear Threat from North Korea."

Mr. Coats described his concerns in opposite terms.

He cited "some activity that is inconsistent with full denuclearization," adding that most of what North Korea has dismantled is reversible. He said the North's "leaders ultimately view nuclear weapons as critical to regime survival."

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Similarly, the threat review declared that "we currently assess North Korea will seek to retain its W.M.D. capability and is unlikely to completely give up its nuclear weapons and production capability."

Mr. Trump has often noted, accurately, that North Korea has suspended missile tests; its last major test was 14 months ago. But on Tuesday, Gina Haspel, the C.I.A. director, said the government in Pyongyang "is committed to developing a long-range nuclear-armed missile that would pose a direct threat to the United States."

Ms. Haspel said it was encouraging that North Korea was communicating with the United States. But under questioning by Senator Kamala Harris, the California Democrat who this month announced her candidacy for president, Ms. Haspel said the diplomatic objective was still to insist that North Korea fully disclose and dismantle its nuclear program.

On Iran, Mr. Coats cited Tehran's continued support of terrorism in Europe and the Middle East, including sponsoring Houthis in Yemen and Shiite militants in Iraq. He also said that he believed that Iranian hard-liners would continue to challenge centrist rivals.

But on one of Mr. Trump's key assertions — that Iran had cheated on the spirit of the 2015 nuclear agreement even if it was temporarily following its terms — Mr. Coats said Tehran continued to comply with the deal even after the president announced in May that the United States would withdraw from it.

"We do not believe Iran is currently undertaking activities we judge necessary to produce a nuclear device," Mr. Coats said.

He added, however, that Iranian officials have "publicly threatened to push the boundaries" of the nuclear agreement if it did not see benefits that were promised, including a resumption of oil sales and an end to American sanctions against its financial transactions around the world.

Mr. Trump has called the nuclear agreement "defective at its core" and warned that Iran would "be on the cusp of acquiring the world's most dangerous weapons" if it remained in place. The agreement still stands, largely with support from European capitals.

Senator Angus King, the Maine independent who caucuses with Democrats, asked Ms. Haspel point-blank if Iran remained in compliance with the nuclear deal.

She said it was, but added that Iranian leaders were considering steps that would "lessen their adherence" to the agreement.

"They are making some preparations that would increase their ability to take a step back if they make that decision," Ms. Haspel said. "So at the moment, technically they are in compliance, but we do see them debating amongst themselves as they've failed to realize the economic benefits they hoped for from the deal."

Intelligence officials have long taken stronger positions than Mr. Trump on North Korea's continuing nuclear activity, the strength of the Islamic State and Russia's attempts to influence elections. Mr. Trump has often chafed at assessments he finds at variance with his worldview.

April F. Doss, a former associate general counsel at the National Security Agency, said it is not surprising for the intelligence community to stake out facts at odds with the administration view, given that the most recent National Intelligence Strategy noted the spy agencies' responsibility to "speak truth to power."

The intelligence chiefs emphasized "the commitment to analyzing intelligence in a manner tied to objective facts, not domestic partisan agendas," said Ms. Doss, now a partner at the law firm Saul Ewing Arnstein & Lehr.

Mr. Trump famously clashed with the spy agencies over their conclusions that Russia was behind the hacking and influence operations that marred the 2016 presidential election. On Tuesday, the new director of the Cyber Command, Gen. Paul Nakasone, told the Senate committee that the American efforts to blunt Russian interference in the recent midterm elections had been successful, though he gave no details — an effort Mr. Trump has never discussed.

Much of the hearing focused on cyberthreats from Russia and particularly from China, which the written report said is now positioned to conduct effective cyberattacks against American infrastructure. It specifically cited Beijing's ability to cut off natural gas pipelines.

Lawmakers discussed the challenges that new technologies being developed by China, Russia and others were posing.

"We're now living in yet another new age, a time characterized by hybrid warfare, weaponized disinformation, all occurring within the context of a world producing more data than mankind has ever seen," said Senator Richard M. Burr, Republican of North Carolina and the committee's chairman.

Foreign enemies "want to see the United States weakened, if not destroyed," he said. "They want to see us abandon our friends and our allies. They want to see us lessen our global presence. They want to see us squabble and divide. But their tools are different."

Senator Tom Cotton, Republican of Arkansas, joined Mr. King to highlight dangers posed by Huawei, the Chinese telecommunication giant, which was named in Justice Department indictments on Monday.

Mr. King said the company needed to choose between being "a worldwide telecommunications company or an agent of the Chinese government."

Responding, Lt. Gen. Robert P. Ashley Jr., the director of the Defense Intelligence Agency, said no Chinese company could truly choose whether to cooperate or hand over data, given Beijing's grip.

"It is really authoritarian capitalism in the way the government provides oversight and puts very strict rules in place," General Ashley said. "It is very problematic."

The written threat review also found that Russia's ability to conduct cyberespionage and influence campaigns remains similar to its efforts in the 2016 American presidential election. But, it said, the bigger concern is that "Moscow is now staging cyberattack assets to allow it to disrupt or damage U.S. civilian and military infrastructure during a crisis."

It specifically noted Russia's planting of malware in the United States electricity grid. Russia already has the ability to bring the grid down "for at least a few hours," the review concluded, but is "mapping our critical infrastructure with the long-term goal of being able to cause substantial damage."

Taken together, the report paints a picture of threats vastly different from those asserted by Mr. Trump.

Notably missing in the written review was evidence that would support building a wall on the southwestern border; the first mention of Mexico and drug cartels was published nearly halfway through the report — following a range of more pressing threats.

Mr. Trump has said the wall is among the most critical security threats facing the United States.

B. Slavin, "Trump officials warn more Iran sanctions are coming", Al-Monitor, 14 March 2019

Trump officials warn more Iran sanctions are coming

State and Treasury department experts today warned a roomful of businesspeople that trade that is legal now may not be in the near future.

March 14, 2019

URL: www.al-monitor.com/pulse/originals/2019/03/trump-officials-warn-iran-sanctions.html

Author: Barbara Slavin

Donald Trump administration officials today told US and foreign businesspeople that legal trade with Iran — already severely restricted by sanctions — is likely to constrict further as the first anniversary of the US exit from the 2015 nuclear deal approaches.

At a meeting on "Sanctions: A Key Foreign Policy Tool" that filled an auditorium at the State Department, US officials asserted that sanctions on Iran were strategic in nature and aimed at "specific and narrow goals," in the words of David Peyman, the deputy assistant secretary of state for counter threat finance and sanctions.

But those goals, according to Peyman and Brian Hook, the department's special representative for Iran, still require a 180-degree change in Iran's regional and defense posture. While Hook said the list of 12 demands put forward by Secretary of State Mike Pompeo last year is not "unrealistic," Iran has shown no interest in coming back to the table as long as Washington remains out of the nuclear deal.

Peyman made clear that the many rounds of sanctions the US has imposed since May on Iran's oil and financial sectors are only the beginning.

Companies still working with Iran should know that "the rules may change and may change quickly," he said. "Tomorrow, next week or

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next month you may find yourself conducting business that may be legal today that isn't in the future."

Hook told the audience that the sanctions already imposed on Iran since May were the largest in history and covered 850 individuals and entities as well as entire sectors of the Iranian economy. "Our sanctions are back in place. There's more to come," he said. He described Iran as the "most significant threat in the Middle East" now that the Islamic State has been defeated in Iraq and Syria.

While Hook claimed US officials "do not want to hurt the Iranian people," several members of the audience expressed concern over the administration's lack of clarity over how to sell Iran food and medicine, which are theoretically exempt from sanctions.

"I find it troubling," one sanctions lawyer told Al-Monitor, speaking on condition of anonymity. "It seems as if that is what they should be working on."

Unable to find European financial institutions willing to accept payments for food and medicine sold to Iran, Europeans have created a so-called Special Purpose Vehicle (SPV) to process trade, beginning with unsanctioned goods. But the mechanism has yet to become operational and it isn't clear whether it will also face US penalties.

Asked specifically about the SPV, Bradley Smith, deputy director of the US Treasury's Office of Foreign Assets Control, was noncommittal. "We have to wait and see," he said.

Peyman, who was a sanctions adviser to the hawkish group United Against Nuclear Iran before coming to the State Department, was more critical.

"I don't think we're keen on folks using the SPV," he said.

US officials warned the audience that it was difficult for foreign businesses to avoid contact with sanctioned entities such as Iran's Islamic Revolutionary Guard Corps (IRGC). Hook said between 50% to 70% of the Iranian economy is controlled by the IRGC.

Smith said that it was not sufficient for businesses to "know their customers" but that they also needed to know their "customers' customers" to avoid indirect contact with sanctioned entities.

Facing so many difficulties trading with its former partners in Europe and Asia, Iran is increasingly turning to neighbors to make up for the \$10 billion in revenue Hook asserted had been lost in the

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past year from lower oil exports alone.

On a three-day trip to Iraq this week, Iranian President Hassan Rouhani focused on promoting commercial ties between the countries, which were bitter rivals before the US overthrew Saddam Hussein's regime in 2003 and enabled the country's Shiite majority to take power. Rouhani spoke of increasing bilateral trade from \$12 billion this year to \$20 billion.

Although the United States encouraged Iraq to reduce trade with Iran, the Trump administration has given Iraq waivers to continue to import Iranian natural gas, which provides 40% of the electricity for the country. Any move to severely restrict Iran-Iraq commerce could destabilize Iraq and contradict other US foreign policy goals.

The Trump administration also hopes to keep a lid on oil prices to avoid hurting the US economy, which is slowing down after a boost from last year's tax cuts. Waivers were granted in November to eight countries to continue to import limited amounts of Iranian oil and need to be renewed by May.

Hook promised more unspecified cuts to Iranian oil exports, which have already dropped by a million barrels a day. But US officials will have to take into account the fact that Venezuela, which produces a heavy crude similar to Iran's, is also being sanctioned as the United States tries to overthrow the regime of President Nicolas Maduro.

Elizabeth Rosenberg, a former Treasury Department official who now directs the Energy, Economics, and Security Program at the Center for a New American Security, told Al-Monitor that while many of the topics are familiar, the Trump administration message to those who work on sanctions compliance issues "has become massively more politicized."

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Letter from the Permanent Representative of the Islamic Republic of Iran to the United Nations to the Secretary-General, 11 May 2018 (UN Doc A/72/869-S/2018/453)

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Letter dated 11 May 2018 from the Permanent Representative of the Islamic Republic of Iran to the United Nations addressed to the Secretary-General

I have the honour to enclose herewith a letter dated 10 May 2018 from the Minister for Foreign Affairs of the Islamic Republic of Iran, M. Javad Zarif, regarding the unilateral and unlawful decision of the United States to withdraw from the Joint Comprehensive Plan of Action (see annex).

I should be grateful if you would have the present letter and its annex circulated as a document of the General Assembly, under agenda item 65, and of the Security Council.

(Signed) Gholamali **Khoshroo** Permanent Representative of the Islamic Republic of Iran





Annex to the letter dated 11 May 2018 from the Permanent Representative of the Islamic Republic of Iran to the United Nations addressed to the Secretary-General

As you are aware, on 8 May 2018, the President of the United States announced his unilateral and unlawful decision to withdraw from the Joint Comprehensive Plan of Action (JCPOA), in material breach of Security Council resolution 2231 (2015), to which the JCPOA is annexed. Simultaneously, he signed a presidential memorandum instructing relevant US authorities "to cease the participation of the United States in the JCPOA" and "to reimpose all United States sanctions lifted or waived in connection with the JCPOA", thus committing multiple cases of "significant non-performance" with the JCPOA, and in clear non-compliance with Security Council resolution 2231 (2015). These acts constitute a complete disregard for international law and the Charter of the United Nations, undermine the principle of the peaceful settlement of disputes, endanger multilateralism and its institutions, indicate a regress to the failed and disastrous era of unilateralism, and encourage intransigence and illegality.

Unlike the Islamic Republic of Iran, which has scrupulously fulfilled its undertakings under the JCPOA, as repeatedly and consistently verified by the International Atomic Energy Agency (IAEA), the United States has consistently failed — since "implementation day", and particularly after the assumption of office by President Trump — to abide by its commitments under the JCPOA. I have brought the most significant cases of US non-performance to the attention of the Joint Commission, inter alia, through 12 official letters to the High Representative of the European Union for Foreign Affairs and Security Policy, in her capacity as Coordinator of the JCPOA Joint Commission.

In my letter of 2 September 2016, I registered Iran's complaints about US failures to perform its obligations eight months after "implementation day" by not issuing the necessary licences for the sale or lease of passenger aircraft, by hindering Iran's free access to its assets abroad, by obstructing re-engagement of the non-American banking and financial community with Iran and by the reintroduction of certain sanctions under Executive Order 13645, which was supposed to be terminated in its totality. That letter also referred to the failure of the US President to use his constitutional authority to prevent "the US Visa Waiver Program Improvement and Terrorist Travel Prevention Act of 2015" from violating US obligations under the JCPOA.

In my letter of 17 November 2016, I underlined the necessity of the use of the US President's constitutional authority to prevent the coming into force of the "Iran Sanctions Extension Act", which constituted the reimposition of the sanctions lifted under the JCPOA, which is clearly prohibited by the JCPOA. The same letter underlined that "Iran has hitherto exercised enormous restraint in the face of lackluster implementation of JCPOA by some participants, in particular the United States, especially with regard to banking and financial services as well as persistent public and private harassment of Iran's business partners by various US institutions, agencies and instrumentalities."

Subsequently, in my letter of 16 December 2016, I informed the JCPOA Joint Commission that, as a result of the extension of the "Iran Sanctions Act" (ISA) on 14 December 2016, "the United States committed a significant breach of its obligations under the JCPOA by reintroducing the sanctions under ISA."

In my letter of 28 March 2017, I protested to the Joint Commission that, "Since the assumption of office by the new US administration, what used to be 'lackluster' implementation of the JCPOA by the previous administration has now turned into

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total and open hostility towards the deal, threatening to render the entire bargain meaningless, unbalanced and unsustainable." The letter underlined that the Trump administration had "maliciously intended to prevent normalization of trade with Iran and to deprive Iran from the economic dividends clearly envisaged in the JCPOA, by ensuring continued — and even exacerbated — uncertainty about the future of economic relations and cooperation with Iran", inter alia, through the illegal "review process" and by "the pattern of provocative statements against the JCPOA by senior US administration officials".

In my letter of 28 May 2017, I brought several instances to the attention of the Joint Commission illustrating that, even when the United States purported to comply by renewing the required waivers, "it aimed to reverse Iran's benefit from the JCPOA ... and to 'call into question the US's long-term support for the nuclear accord' in order to increase uncertainty and dissuade engagement with Iran".

In my letter of 19 July 2017, I produced conclusive evidence which corroborated that the United States was following a systematic policy aimed at dissuading Iran's economic partners from engaging with Iran in clear contradiction of US commitments under the JCPOA, in particular paragraphs 28 and 29. In this respect, I referred to an official statement by the White House Principal Deputy Press Secretary in which she officially acknowledged through a 'public statement' that President Trump, "in his discussions with more than half a dozen foreign leaders ... underscored the need ... to stop doing business with ... Iran".

In my letter of 13 August 2017, I warned the Joint Commission that the United States was destroying the 'atmosphere' needed for the 'successful implementation' of the JCPOA in an exhibition of bad faith. Specifically, I referred to President Trump's rhetoric and his administration's distortions — in blatant violation of the letter, spirit and intent of the JCPOA — in order to allege non-compliance by Iran in spite of repeated verifications by the IAEA.

In my letter of 19 August 2017, I provided one example of how the United States sought to affect the professional work of the IAEA. While objecting to the US Permanent Representative's travel to Vienna "to discuss the US Government's concerns about the Iran nuclear deal with the International Atomic Energy Agency" and to "press IAEA on Iran deal compliance", I insisted that the publicly stated purpose of such visits raises several serious concerns over further violations of the letter and spirit of the JCPOA and Security Council resolution 2231 (2015), which could also undermine the credibility of the Agency — vital to the non-proliferation regime in general, and the JCPOA in particular.

In my letter of 18 September 2017, I informed the Joint Commission that the United States Government was manufacturing fabricated excuses either to get out of the JCPOA outright or to make it impossible and irrational for Iran to continue its good faith, patient and scrupulous adherence with the agreement. Several facts at that time were indicating that the US was concocting "decertification" of Iran's compliance, in spite of all IAEA reports and US State Department repeated admissions. I underlined in that letter that the US administration cannot hide behind such domestic procedure that it is maliciously initiating itself, and will have to bear full responsibility for the aftermath in Congress. I indicated that, "while the Islamic Republic of Iran has a clear preference for the survival and continued scrupulous implementation of the JCPOA, and while it has proven its good faith and exercised maximum restraint in the face of continued and persistent US violations and intransigence, the renowned patience of Iranian people is not limitless, and the options of the Iranian Government are not limited".

In my letter of 16 October 2017, referring to the unlawful decertification within a US domestic procedure on 13 October 2017, I underscored that the United States

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was actively seeking to deprive Iran of enjoying the benefits of American sanctionlifting obligations under the JCPOA. As such, they constituted a grave breach of the very letter and substance of paragraphs 26, 28 and 29 of the JCPOA. In the same letter, I reiterated that the Islamic Republic of Iran will never accept illegal demands and expects other JCPOA participants to do likewise.

In my letter of 1 February 2018, I officially objected to the ultimatum by President Trump on 12 January 2018, demanding that other JCPOA participants follow him in unlawfully altering the terms of the agreement. I urged other JCPOA participants to remain cognizant of their shared responsibility to safeguard the agreement by holding the United States accountable for its reckless and unlawful actions, and refraining from any statement or action that may be interpreted as conceding or acquiescing to US attempts to alter, amend or otherwise undermine the JCPOA.

In my letter dated today, I specified measures that need to be taken through the Joint Commission to address the wrongful acts by the United States against Iran and international law, including its unlawful withdrawal from the accord and the reimposition of sanctions.

As you have seen from these correspondences, the United States had been persistently violating the terms of the agreement almost from its inception, even preventing other JCPOA participants from fully performing their obligations. Those violations included systematic failures, late, lackluster, defective, superficial and ineffective nominal implementation, undue delays, new sanctions and designations, derogatory anti-JCPOA statements by senior officials — in particular the President himself — refusal to issue any Office of Foreign Assets Control licences in the past 16 months, as well as concerted efforts by the US Government's agencies and instrumentalities to actively dissuade businesses from engagement with Iran.

The unlawful US act of unwarranted withdrawal from the JCPOA renders it responsible for the most blatant material breach of its obligations under the agreement. The US has also flagrantly violated Security Council resolution 2231 (2015), which was sponsored, inter alia, by the United States itself and adopted unanimously by the Council. The United States must, therefore, be held accountable for the consequences of its reckless and wrongful act, which flies in the face of the United Nations Charter and international law.

The prolonged and multiple cases of significant non-performance by the US over the last three years — particularly in the last 16 months — its active obstruction of performance by other JCPOA participants, its bad faith nominal implementation, and its unlawful and unwarranted cessation of implementation of its commitments under the JCPOA and the official reimposition of unlawful sanctions have caused irreparable harm to Iran and its international business relations. The United States should be held responsible for these damages, and the Iranian nation must be compensated.

The JCPOA is a multi-party agreement based on reciprocity. Its scope, provisions and time frames are based on a delicate, negotiated and multilaterally accepted balance that cannot be widened, altered or renegotiated. Its benefits to the Iranian people cannot be subjected to any conditionality other than those nuclear-related voluntary measures specifically stipulated solely in the JCPOA and its annexes. Some of the most significant economic benefits to Iran from the JCPOA derive from the sanctions-lifting obligation of the United States. If the JCPOA is to survive, the remaining JCPOA participants and the international community need to fully ensure that Iran is compensated unconditionally through appropriate national, regional and global measures.

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The Islamic Republic of Iran has been in full compliance with its commitments under the JCPOA. This fact has been repeatedly verified by the IAEA, as reflected in its Director-General's reports to the IAEA Board of Governors and the United Nations Security Council since "implementation day" in January of 2016. In line with Iran's commitment to legality and the peaceful resolution of international disputes, the Islamic Republic of Iran has decided to resort to the JCPOA mechanism in good faith to find solutions in order to rectify the United States' multiple cases of significant non-performance and its unlawful withdrawal, and to determine whether and how the remaining JCPOA participants and other economic partners can ensure the full benefits that the Iranian people are entitled to derive from this global diplomatic achievement. If, after the exhaustion of available remedies, our people's rights and benefits are not fully compensated, it is Iran's unquestionable right — recognized also under the JCPOA and Security Council resolution 2231 (2015) — to take appropriate action in response to persistent, numerous unlawful acts by the US, particularly its withdrawal and reimposition of all sanctions.

I urge the United Nations to keep the United States accountable for its unilateral and irresponsible conduct, which will detrimentally affect the rule of law, multilateralism and the very foundations of diplomacy.

(Signed) M. Javad Zarif

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Note verbale No. 381/289/4870056 from I.R. Iran to the Government of the United States, 11 June 2018



شماره : ۳۸۱/۲۸۹/۴۸۷۰۰۵۶ تاریخ : ۱۳۹۷/۳/۲۱

پیوست : ندارد

بسمه تعالى

یادداشت

وزارت امور خارجه جمهوری اسلامی ایران با اظهار تعارفات خود به سفارت سوئیس (دفتر حفاظت منافع خارجی) در تهران، احتراماً اشعار میدارد:

موجب امتنان خواهد بود متن پیام جمهوری اسلامی ایران به دولت ایالات متحده امریکا را بشرح زیر به مقصد عالی آن منتقل نمایند.

دولت جمهوری اسلامی ایران مراتب اعتراض شدید خود را نسبت به تصمیم یکجانبه و غیرقانونی اخیر دولت ایالات متحده آمریکا در تاریخ ۱۸ اردیبهشت ۱۳۹۷ مبنی بر اعمال مجدد تحریم های اقتصادی و مالی که وفق برنامه جامع اقدام مشترک (برجام) رفع شده بود، اعلام می دارد.

همانگونه که وزیر امورخارجه جمهوری اسلامی ایران طی نامه مورخ ۲۰ اردیبهشت ۱۳۹۷ خطاب به دبیر کل ملل متحد بیان داشته است، این رفتار آمریکا نقض فاحش حقوق بین الملل و منشور ملل متحد بوده و اصل حل و فصل مسالمت آمیز اختلافات را به مخاطره خواهد انداخت.

دولت جمهوری اسلامی ایران کماکان بر این باور است که تحریم های یکجانبه ایالات متحده آمریکا علیه ایران ناقض تعهدات بین المللی ایالات متحده آمریکا بوده و موجب مسئولیت بین المللی آن دولت به دلیل ارتکاب این عمل متخلفانه بین المللی است.

بر این اساس، دولت جمهوری اسلامی ایران از ایالات متحده آمریکا می خواهد که بر مبنای تعهدات بین المللی خویش، در اسرع وقت اقدام های لازم را به منظور توقف این عمل متخلفانه و

اصلاح و جبران آثار آن به عمل آورد. بدیهی است، در صورت عدم فیصله این موضوع از طرق دیپلماتیک، دولت جمهوری اسلامی ایران کلیه حقوق قانونی خود را برای پیگیری حقوقی و متناسب موضوع، از جمله وفق معاهدات لازم الرعایه فیمابین محفوظ می دارد.

موقع را مغتنم شمرده، احترامات فائقه را تجدید می نماید.

سفارت سوئيس (دفتر حفاظت منافع خارجي) - تهران

Informal English Translation of Note verbal dated 11 June 2018

The Ministry of Foreign Affairs of the Islamic Republic of Iran presents its compliments to the Embassy of Switzerland (Interest Section of the United States) and highly appreciates if this message of the Islamic Republic of Iran will be transmitted to the Government of the United States at its highest level:

"The Islamic Republic of Iran is expressing its serious complaint over the unilateral and unlawful decision of the Government of the United States, made on 8 May 2018, "to re-impose the United States sanctions lifted or waived in connection with the JCPOA".

As the Minister of Foreign Affairs of the Islamic Republic of Iran has indicated in his letter of 10 May 2018 addressed to the Secretary General of the United Nations¹, "These acts constitute a complete disregard for international law and the Charter of the United Nations, undermine the principle of the peaceful settlement of disputes,".

The Government of the Islamic Republic of Iran continues to believe that the unilateral sanctions of the United States against Iran are in violation of US international obligations which entails, as a result of this unlawful act, the international responsibility of the US.

Accordingly, the Government of the Islamic Republic of Iran calls upon the United States, in compliance with its international obligations, to immediately take the necessary measures in order to cease this unlawful act and make full reparation for its consequences. It is obvious that the Government of the Islamic Republic of Iran preservers all its rights to legally and appropriately pursue this matter, including in accordance with legally-binding treaties between two parties; should the matter would not be resolved through diplomacy."

The Ministry of Foreign Affairs of the Islamic Republic of Iran avails of this opportunity to renew to the Embassy of Switzerland the assurance of its highest consideration.

 $^{^{1}}$. UN Documents; A/72/869–S/2018/453

Note verbale No. 381/210/4875065 from I.R. Iran to the Government of the United States, 19 June 2018



شماره: ۱۳۹۷/۳/۲۹ تاریخ: ۱۳۹۷/۳/۲۹

پيوست :

بسمه تعالى

بادداشت

وزارت امور خارجه جمهوری اسلامی ایران با اظهار تعارفات خود به سفارت سوئیس (دفتر حفاظت منافع خارجی) در تهران احتراماً اشعار میدارد:

موجب امتنان خواهد بود متن پیام جمهوری اسلامی ایران به دولت ایالات متحده آمریکا را به مقصد عالی آن منتقل نمایند:

دولت جمهوری اسلامی ایران پیام خود به عنوان ایالات متحده آمریکا مندرج در یادداشت شماره ۴۸۷۰۰۵۶ مورخ ۲۱ / ۳ / ۱۳۹۷ به سفارت سوئیس در تهران (دفتر حفاظت منافع) را یادآوری می نماید.

دولت جمهوری اسلامی ایران بدین وسیله به دولت ایالات متحده آمریکا اعلام می نماید که تصمیم آن کشور در ۸ مه ۲۰۱۸ و اعمال مجدد تحریم ها، نقض تعهدات بین المللی ایالات متحده و به ویژه تعهدات مندرج در عهدنامه ۱۹۵۵ مودت، روابط اقتصادی و حقوق کنسولی بین ایران و ایالات متحده می باشد.

دولت جمهوری اسلامی ایران از دولت ایالات متحده آمریکا می خواهد تا همه اقدام های لازم را به منظور توقف فوری نقض تعهدات بین المللی خود به عمل آورده و در اسرع وقت و حداکثر تا تاریخ ۲۵ ژوئن ۲۰۱۸ به دولت جمهوری اسلامی ایران اطلاع دهد که در ایفای تعهدات خود؛ تصمیم مورخ ۸ مه ۲۰۱۸ را لغو کرده و مجدداً تحریمی را علیه جمهوری اسلامی ایران وضع

نخواهد کرد. در غیر این صورت، دولت جمهوری اسلامی ایران حقوق قانونی خود را بر اساس قواعد حاكمه حقوق بين الملل اعمال خواهد كرد. ترجمه غیر رسمی انگلیسی متن پیام مذکور به ضمیمه این یادداشت می باشد. موقع را مغتنم شمرده، احترامات فائقه را تجدید می نماید. سفارت سوئيس(دفتر حفاظت منافع خارجي) - تهران

Unofficial translation of the Message

"The Islamic Republic of Iran recalls its message addressed to the Government of the United States, contained in Note Verbal No. 381/289/4870056 dated 11 June 2018 to the Embassy of Switzerland (Interest Section of the United States).

The Islamic Republic of Iran hereby notifies the Government of the United States that its decision of 8 May 2018 and the re-imposition of sanctions constitute a breach of international obligations of the United States and in particular those contained in the 1955 Treaty of Amity, Economic Relations, and Consular Rights between Iran and the United States of America .

The Government of the Islamic Republic of Iran calls upon the United States to take all necessary measure to cease immediately its breach of international obligations and to communicate, on an expedited basis and not later than 25 June 2018 that, in fulfillment of its obligations, it has revoked its decision announced on 8 May 2018 and that it will not reimpose the sanctions against the Islamic Republic of Iran and Iranian nationals. Otherwise, the Government of the Islamic Republic of Iran will exercise its legal rights under applicable rules of international law."

[.] Treaty of Amity, Economic Relations, and Consular Rights of 1955 between Iran and the United States, signed at Tehran on 15 August 1955, 284 U.N.T.S. 93.