

“Implementation Day” Sanctions Relief Provided to Iran by UN, US, and EU

January 2016

EU Sanctions Team: [James Killick](#), [Genevra Forwood](#), [Sara Nordin](#), [Charlotte Van Haute](#), [Fabienne Vermeeren](#)

US Sanctions Team: [Richard Burke](#), [Nicole Erb](#), [Claire A. DeLelle](#), [Kristina Zissis](#), [Cristina Brayton-Lewis](#), [Tanya Hanna](#)

On January 16, 2016, the International Atomic Energy Agency (IAEA) verified that Iran has met its nuclear-related commitments under the Joint Comprehensive Plan of Action (JCPOA). On this day, known as “Implementation Day,” the United Nations (UN), United States (US) and European Union (EU) implemented certain Iran sanctions relief pursuant to their JCPOA commitments.

On Implementation Day, the IAEA verified that Iran had implemented certain agreed-upon nuclear-related measures under the terms of the July 14, 2015 JCPOA. In a joint statement issued by EU High Representative Federica Mogherini and Iranian Foreign Minister Javad Zarif, it was confirmed that “Implementation Day” under the JCPOA was reached.¹ US Secretary of State John Kerry also confirmed that the IAEA verified Iran had implemented its commitments.²

Accordingly, as of January 16, 2016, the UN, US, and EU have lifted certain nuclear-related sanctions that were previously imposed on Iran in connection with its nuclear activity. A detailed summary of the UN, US, and EU sanctions relief under the JCPOA and the related timeline for full JCPOA implementation is available in a previous [alert](#).

The key developments on Implementation Day are as follows.

UN Sanctions Relief

Most UN sanctions related to Iran’s nuclear program have been lifted. UN Security Council resolution 2231 (2015), which endorses the JCPOA, now provides the main international legal framework in relation to Iran’s nuclear activities for sanctions purposes. Accordingly, all existing UNSC resolutions relating to Iran’s nuclear program have been terminated (while certain specific restrictions, including pre-approval requirements for trade in certain sensitive goods and related assistance and services, remain in place).

¹ See http://eeas.europa.eu/statements-eeas/2016/160115_01_en.htm.

² See [Confirmation of IAEA Verification](#).

US Sanctions Relief

On October 18, 2015 (Adoption Day), the US issued contingent waivers of various nuclear-related secondary sanctions, effective only on Implementation Day.³ As a result of the actions taken on January 16, 2016, the waivers are now effective, suspending enforcement of most secondary sanctions⁴ targeting Iran's financial; insurance; energy and petrochemical; shipping, shipbuilding, port; and automotive sectors of Iran's economy. Additionally, the US has suspended secondary sanctions targeting activities involving gold and precious metals; activities involving metals and industrial software; and various nuclear-related activities.

Specifically, on January 16, 2016, the US revoked certain Iran-related Executive Orders⁵ and delisted certain Iranian persons from the List of Specially Designated Nationals and Blocked Persons (SDN List), the Foreign Sanctions Evaders List (FSE List), and the Non-SDN Iran Sanctions Act List (Non-ISA List).⁶ The US also issued, effective on January 16, 2016, a "Statement of Licensing Policy for Activities Related to the Export or Re-Export to Iran of Commercial Passenger Aircraft and Related Parts and Services"⁷ and General License H: Authorizing Certain Transactions relating to Foreign Entities Owned or Controlled by a United States Person.⁸ General License H authorizes foreign entities owned or controlled by US persons to engage in Iran-related transactions that are within the scope of the license. In addition, the US submitted for publication in the *Federal Register* a final rule adding a general license under the Iranian Transactions and Sanctions Regulations (ITSR), 31 C.F.R. part 560, relating to the importation into the US of Iranian-origin carpets and foodstuffs, including pistachios and caviar. This general license will not be effective until it is published in the *Federal Register*. Finally, the US issued guidance and frequently asked questions regarding the implementation of sanctions relief.⁹

In effect, the measures taken on January 16, 2016 implement the agreed-upon nuclear-related secondary sanctions relief as well as the limited primary sanctions relief contemplated under the JCPOA. Importantly, however, with the exception of the limited primary sanctions relief available under the Statement of Licensing Policy, General License H, and the pending ITSR general license regarding Iranian-origin carpets and foodstuffs, all US primary sanctions remain in effect. This means that, unless otherwise authorized or exempted, all transactions involving US persons or another US nexus and Iran remain prohibited.

EU Sanctions Relief

As foreseen in previous EU legislation,¹⁰ the EU Council adopted on January 16, 2016 a Decision confirming the date of Implementation Day and the legal framework providing for initial EU sanctions relief.¹¹ This means the EU has lifted a majority of its sanctions in relation to Iran's nuclear program (i.e., under Council Regulation 267/2012 and Council Decision 2010/413/CFSP), leaving only certain limited nuclear-related and human rights-related sanctions in place. The EU has also issued guidelines on the details of the Iran sanctions that have been lifted under the JCPOA.¹²

A more detailed analysis of the above-mentioned US and EU sanctions guidelines shall be released shortly.

³ The Waiver Determinations and Findings are available [here](#).

⁴ The US maintained two categories of sanctions on Iran. The first type—often referred to as “primary” sanctions—comprises the traditional sanctions generally applicable to transactions involving US persons, which restrict most activities involving US persons and Iran. The second type—often referred to as “secondary” sanctions—comprises measures the United States imposes against non-US persons for engaging in certain “sanctionable activity” involving Iran, primarily affecting non-US persons.

⁵ See [Executive Order Revoking Executive Orders 13574, 13590, 13622, and 13645](#).

⁶ See JCPOA-related Designation Removals and Updates, available [here](#).

⁷ See [Statement of Licensing Policy](#).

⁸ See [General License H](#).

⁹ See [Guidance Relating to the Lifting of Certain Sanctions Pursuant to the Joint Comprehensive Plan of Action on Implementation Day](#) and [Frequently Asked Questions Relating to the Lifting of Certain US Sanctions Under the JCPOA on Implementation Day](#).

¹⁰ See our previous alert summarizing the EU's (and US's) adoption on October 18, 2015 (“Adoption Day”) of the legal acts allowing future lifting of sanctions [here](#).

¹¹ See [Council Decision \(CFSP\) 2016/37](#) of 16 January 2016 concerning the date of application of Decision (CFSP) 2015/1863 amending Decision 2010/413/CFSP concerning restrictive measures against Iran. The EU Council also issued a [Notice](#) confirming application of the relevant Council Regulations on the same day.

¹² See http://eeas.europa.eu/top_stories/pdf/iran_implementation/information_note_eu_sanctions_jcpoa_en.pdf.

White & Case LLP
Wetstraat 62 rue de la Loi
1040 Brussels
Belgium

T +32 2 239 26 20

EUsanctions@whitecase.com

White & Case LLP
701 Thirteenth Street, NW
Washington, District of Columbia 20005-3807
United States

T +1 202 626 3600

USsanctions@whitecase.com

In this publication, White & Case means the international legal practice comprising White & Case LLP, a New York State registered limited liability partnership, White & Case LLP, a limited liability partnership incorporated under English law and all other affiliated partnerships, companies and entities.

This publication is prepared for the general information of our clients and other interested persons. It is not, and does not attempt to be, comprehensive in nature. Due to the general nature of its content, it should not be regarded as legal advice.