

# Overview of US and EU “Implementation Day” Guidelines on Iran Sanctions Relief

February 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](#)

This overview describes the status of US and EU sanctions following the first round of nuclear-related sanctions relief that occurred on “Implementation Day” under the Joint Comprehensive Plan of Action (JCPOA) concluded with Iran. It summarizes guidelines issued by the US and the EU regarding the sanctions that have been lifted and the sanctions that remain in effect.

Pursuant to verification by the International Atomic Energy Agency (IAEA) that Iran has met its nuclear-related commitments under the JCPOA, certain sanctions previously imposed on Iran by the UN, US, and EU in connection with its nuclear activity were lifted on January 16, 2016.<sup>1</sup> This initial round of “Implementation Day” sanctions relief is outlined in the JCPOA, along with a promise of further sanctions relief 8–10 years into the future, provided that certain additional conditions are met by Iran.<sup>2</sup> As required by the JCPOA, the US and the EU also have issued relevant guidelines on the details of sanctions lifted on Implementation Day. We provide an overview of the US and EU guidelines below.

## US Sanctions Guidelines

### Introduction

On January 16, 2016, the US published a series of documents implementing the sanctions relief provided for in the JCPOA and issued guidance regarding this relief. The documents implementing secondary sanctions relief<sup>3</sup> include Waiver Determinations and Findings issued by the US Department of State (State) waiving the imposition of various secondary sanctions measures,<sup>4</sup> as well as the revocation of certain sanctions-related

<sup>1</sup> See our recent alert dated January 2016 on this development [here](#).

<sup>2</sup> A detailed summary of the UN, US, and EU sanctions relief under the JCPOA and the related timeline for full JCPOA implementation is also available in our 21 July 2015 alert [here](#).

<sup>3</sup> The US maintains 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. A US person is defined to include any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States. 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.

<sup>4</sup> The Waiver Determinations and Findings are available [here](#).

---

executive orders.<sup>5</sup> The documents implementing primary sanctions relief include General License H: Authorizing Certain Transactions Relating to Foreign Entities Owned or Controlled by a United States Person (General License H), a general license authorizing the importation of Iranian-origin foodstuffs and carpets contained in the revised Iranian Transactions and Sanctions Regulations (ITSR),<sup>6</sup> and 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 (SLP).<sup>7</sup>

These actions were accompanied by implementation guidance issued by the US Department of the Treasury Office of Foreign Assets Control (OFAC) and the US Department of State, as well as Frequently Asked Questions (FAQs) issued by OFAC to clarify the scope of sanctions relief provided for in the JCPOA.<sup>8</sup>

## What's Been Lifted

### US Secondary Sanctions Relief

The sanctions relief in effect as of January 16, 2016 largely relates to certain secondary sanctions. The relief related to secondary sanctions includes the Waiver Determinations and Findings, which waive relevant US statutory sanctions authorities. It also includes, in new Executive Order 13716, the revocation of certain executive orders in whole or in part (*i.e.*, Executive Orders 13574, 13590, 13622 and 13645, and sections 5–7 and 15 of E.O. 13628). Further, over 400 individuals and entities have been removed from three designated party lists maintained by OFAC, namely 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 (NS-ISA List).<sup>9</sup> Notably, however, secondary sanctions continue to apply to non-US persons who knowingly facilitate significant transactions with, or provide material or certain other support to, those Iranian or Iran-related persons that remain on, or are placed on, the SDN List. Iranian parties that remain on the SDN List include, for example, certain Iranian financial institutions (*i.e.*, Ansar Bank, Bank Saderat, Bank Saderat PLC, and Mehr Bank), Mahan Air, and the Iranian Revolutionary Guard Corps.

As of January 16, 2016, the secondary sanctions relief provided by the waiver of statutory authorities and revocation of executive orders includes the lifting of sanctions applicable to non-US persons targeting transactions related to the following sectors of Iran's economy: energy and petrochemical; financial; insurance; shipping, shipbuilding and port; and automotive. In addition, the US has suspended secondary sanctions targeting activities involving gold and precious metals; activities involving metals and industrial software; and various nuclear-related activities. With respect to the relief related to these sectors and activities, OFAC has provided the additional guidance described below. OFAC confirmed in its FAQs that the transactions and activities described below are permissible, **provided that** they do not involve persons on the SDN List or prohibited conduct (*e.g.*, support for terrorism, Iran's human rights abuses, proliferation of WMD and ballistic missiles, as well as nuclear proliferation activity outside the scope of the JCPOA authorization). In addition, US persons continue to be prohibited from directly or indirectly engaging in the activities described below unless an exemption or express OFAC authorization applies.

### Energy and Petrochemical Sectors

OFAC confirmed in its FAQs that secondary sanctions no longer apply to non-US persons that purchase, acquire, sell, transport, or market Iranian crude oil. Moreover, non-US persons are no longer subject to sanctions for investing in Iran's oil, gas and petrochemical sectors (including through joint ventures). They also can provide goods and services in connection with Iran's energy sector, including to the National Iranian Oil Company (NIOC), the Naftiran Intertrade Company (NICO), and the National Iranian Tanker Company (NITC). In addition, non-US persons can purchase, acquire, sell, transport, or market petroleum, petroleum products (including refined petroleum products), petrochemical products, and natural gas (including liquefied natural

---

<sup>5</sup> See Executive Order 13716 of January 16, 2016 (revoking Executive Orders 13574, 13590, 13622, and 13645) [here](#).

<sup>6</sup> See General License H [here](#) and Final rule, 81 Fed. Reg. 3330 (Jan. 21, 2016) [here](#).

<sup>7</sup> See Statement of Licensing Policy [here](#).

<sup>8</sup> See Guidance Relating to the Lifting of Certain Sanctions Pursuant to the Joint Comprehensive Plan of Action on Implementation Day [here](#) and Frequently Asked Questions Relating to the Lifting of Certain US Sanctions Under the JCPOA on Implementation Day (FAQs) [here](#).

<sup>9</sup> See JCPOA-related Designation Removals and Updates, available [here](#).

---

gas) from Iran, and provide associated services.<sup>10</sup> Moreover, they can export, sell, or provide refined petroleum products and petrochemical products to Iran.

### **Financial and Banking Measures**

Secondary sanctions no longer apply to non-US persons who engage in financial and banking transactions with individuals and entities removed from the SDN List, FSE List, and/or NS-ISA List. They also do not apply to transactions by non-US persons related to the Iranian Rial, the provision of US bank notes to the Government of Iran (GOI), the purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt, and the provision of financial messaging services to the Central Bank of Iran (CBI) and other Iranian banks removed from the SDN List. OFAC confirmed in its FAQs that non-US financial institutions would not be prohibited from issuing credit cards to non-SDN Iranian nationals. It also stated that US persons, including US financial institutions, continue to be broadly prohibited from engaging in transactions involving Iran, which includes transactions related to the provision of specialized financial messaging services (unless exempt), as well as directly or indirectly providing US bank notes to the GOI. Further, OFAC specifically confirmed that the “U-turn general license,” which allowed US dollar clearing activities involving Iran prior to its revocation in November 2008, was not reinstated.

### **Insurance Measures**

The provision of underwriting services, insurance, or reinsurance by non-US persons for activity that is consistent with the JCPOA is no longer sanctionable. In its FAQs, OFAC advised that OFAC will not impose sanctions on a non-US person for payment of a claim arising from an incident that occurred prior to January 16, 2016, provided that the underlying activity would not be sanctionable at the time of payment and does not involve an SDN. However, a claim payment involving a US person would remain prohibited. OFAC also confirmed that it is not sanctionable for non-US persons to provide underwriting services, insurance, or reinsurance to NITC or Islamic Republic of Iran Shipping Lines (IRISL) vessels or vessels owned by non-US persons when chartered by NITC or IRISL. OFAC noted that US insurers can continue to provide travel insurance to individuals traveling to Iran.

### **Shipping, Shipbuilding, and Port Sectors**

The US lifted secondary sanctions on Iran’s shipping and shipbuilding sectors and port operators in Iran, including sanctions on the sale, supply, or transfer to or from Iran of significant goods or services used in connection with Iran’s shipping and shipbuilding sectors; sanctions on transactions with entities determined to be part of these sectors or to be Iranian port operators that are not controlled by an SDN; and sanctions on the provision of associated services. It also is no longer sanctionable for non-US persons to own, operate, control, or insure a vessel used to transport crude oil, petroleum products (including refined petroleum products), petrochemical products, or natural gas (including liquefied natural gas) to or from Iran, or to sell, lease, or provide vessels to Iran (including to IRISL, NITC, and South Shipping Lines or their affiliates). OFAC stated in its FAQs that Tidewater Middle East Co. (Tidewater), a port operating company on the SDN List owned by the IRGC remains on the SDN List, and therefore transactions by US and non-US persons with Tidewater continue to be sanctionable. However, OFAC confirmed that, because Tidewater is not the operator of the port of Bandar Abbas, secondary sanctions would not apply to transactions related to Bandar Abbas that did not otherwise involve an SDN.

### **Automotive Sector**

Non-US persons are no longer subject to sanctions on the direct or indirect sale, supply, or transfer to Iran of goods or services used in connection with the automotive sector of Iran, including the provision of associated services. OFAC confirmed in its FAQs that non-US persons continue to be prohibited from reexporting from a third country to Iran, directly or indirectly, any goods, technology, or services that have been exported from the US if they know or have reason to know the reexportation is intended for Iran or the GOI and the items are controlled for export from the US to Iran. The prohibition also applies to reexports by non-US persons (including those that are US-owned or controlled) to items containing 10 percent or more US-controlled content.

---

<sup>10</sup> With respect to secondary sanctions relief, OFAC confirmed in its FAQs that the term “associated service” means: “any service – including technical assistance, training, insurance, re-insurance, brokering, transportation, or financial service – necessary and ordinarily incident to the underlying activity for which sanctions have been lifted pursuant to the JCPOA.”

---

## Gold and Other Precious Metals

The US lifted sanctions on the direct or indirect sale, supply, export, or transfer to or from Iran, including the GOI, by non-US persons of gold and other precious metals,<sup>11</sup> including associated services to facilitate such transactions.

## Software and Metals

The US lifted secondary sanctions on the direct or indirect sale, supply, or transfer to or from Iran of graphite, raw or semi-finished metals such as aluminum and steel, coal, and software for integrating industrial processes, including the provision of associated services. OFAC stated in its FAQs that such transactions must be “consistent with the JCPOA,” and that the following would be deemed inconsistent with the JCPOA: transactions with SDNs; transfers for use in the military or ballistic programs of Iran; and transfers not approved for the procurement channel established by the JCPOA. OFAC also confirmed that the lifting of sanctions related to materials and software does not also lift US export control requirements and export prohibitions imposed on US persons, or on non-US persons with respect to reexports of items with 10 percent or more US-controlled content undertaken with knowledge or reason to know the reexportation is intended for Iran or the GOI.

## US Primary Sanctions Relief

The US primary sanctions relief provided on Implementation Day is limited. As described below, OFAC issued three documents liberalizing the primary sanctions regime on Implementation Day.

### **General License H: Authorizing Certain Transactions Relating to Foreign Entities Owned or Controlled by a United States Person**

Prior to January 16, 2016, foreign entities owned or controlled by US persons<sup>12</sup> were subject to the same restrictions applicable to US persons regarding transactions involving Iran. Under General License H, issued January 16, 2016, entities owned or controlled by US persons and established and maintained outside of the United States are authorized to engage in transactions consistent with the JCPOA, directly or indirectly, with the GOI or any person subject to the jurisdiction of the GOI, except as provided in the license.

General License H authorizes US persons to establish or alter operating policies and procedures to the extent necessary to allow a US-owned or -controlled foreign entity to engage in transactions authorized under the license. Further, US persons are authorized to make available to those foreign entities owned or controlled by the US person any automated<sup>13</sup> and globally integrated<sup>14</sup> computer, accounting, email, telecommunications, or other business support system, platform, database, application, or server necessary to store, collect, transmit, generate, or otherwise process documents or information related to authorized transactions. Any other activity by a US person relating to or in support of Iran-related activity by a US-owned or -controlled foreign entity continues to be prohibited.

General License H does not authorize the following transactions: the exportation of goods or services to Iran; funds transfers through the United States or a US person; dealings with designated parties; transactions with

---

<sup>11</sup> In its FAQs, OFAC defines the term “precious metals” to include: “silver (including silver plated with gold or platinum, unwrought or in semi-manufactured forms, or in powder form); gold (including gold plated with platinum, unwrought or in semi-manufactured forms, or in powder form); base metals or silver, clad with gold, not further worked than semi-manufactured; platinum, unwrought or in semi-manufactured forms, or in powder form; iridium; osmium; palladium; rhodium; ruthenium; base metals, silver or gold, clad with platinum, not further worked than semi-manufactured; and waste and scrap of precious metal or of metal clad with precious metals, other waste and scrap containing precious metal or precious-metal compounds, of a kind used principally for the recovery of precious metal.”

<sup>12</sup> An entity is “owned or controlled” by a United States person if the United States person: (1) holds a 50 percent or greater equity interest by vote or value in the entity; (2) holds a majority of seats on the board of directors of the entity; or (3) otherwise controls the actions, policies, or personnel decisions of the entity.

<sup>13</sup> “Automated” refers to a computer, accounting, email, telecommunications, or other business support system, platform, database, application, or server that operates passively and without human intervention to facilitate the flow of data between and among the United States person and its owned or controlled foreign entities.

<sup>14</sup> “Globally integrated” refers to a computer, accounting, email, telecommunications, or other business support system, platform, database, application, or server that is available to, and in general use by, the United States person’s global organization, including the United States person and its owned or controlled foreign entities.

---

Iran's military, paramilitary, intelligence, or law enforcement entities; or any nuclear activity outside the scope of the JCPOA.

### **Importation of Iranian-origin Foodstuffs/Carpets**

The ITSR were amended to authorize the importation into the United States of (1) Iranian-origin foodstuffs intended for human consumption (including pistachios and caviar), and (2) Iranian-origin carpets and other textile floor coverings and carpets used as wall hangings. The authorization does not include transactions or dealings in or related to goods, technology, or services for exportation, reexportation, sale or supply, directly or indirectly, to Iran, the GOI, an Iranian financial institution, or individuals and entities that are blocked under the ITSR, including parties on the SDN List.

### **Statement of Licensing Policy: Commercial Passenger Aircraft**

In the SLP issued on January 16, 2016, OFAC announced it will issue specific licenses on a case-by-case basis authorizing the export, re-export, sale, lease, or transfer to Iran of commercial passenger aircraft for exclusively civil aviation end-use along with spare parts and components for commercial passenger aircraft. The authorization also includes the provision of associated services, including warranty, maintenance, and repair services and safety-related inspections, provided that licensed items and services are used exclusively for commercial passenger aviation.

These licenses may be issued to US persons, as well as non-US persons in cases that involve a US nexus (e.g., US-origin goods). Items containing 10% or greater US-origin components are subject to the Export Administration Regulations (EAR) and may require separate licensing from the Department of Commerce's Bureau of Industry and Security (BIS).

Licensed activities may not involve parties on the SDN List, which includes Iranian airlines such as Mahan Air. Additionally, the scope of this authorization may be limited to the extent an export involves a party listed on the Denied Persons List or Entity List maintained by BIS.

In its FAQs, OFAC indicates that the licenses would include services that are ordinarily incident and necessary to give effect to a licensed transaction, including transportation, legal, insurance, shipping, delivery, and financial payment services provided in connection with the licensed export transaction. The licenses must also relate to specific transactions. OFAC states that license applicants also may seek authorization for "associated services."<sup>15</sup>

## **What's Still in Place**

### **Primary Sanctions Applicable to US Persons**

With the exception of the limited authorizations provided above, nearly all sanctions prohibiting direct or indirect US person involvement in transactions with Iran remain in effect. This can impact transactions by non-US persons that involve any US nexus. A new list, the "EO 13599 List," has been created to aid US persons in determining which Iranian government parties are still subject to blocking by US persons. This list is intended as a guide, and is not considered exhaustive. US persons must still block all property and interests in property of GOI entities that comes into their possession or control, even if such entity is not included on the EO 13599 List.

### **Certain Secondary Sanctions Measures**

Certain secondary sanctions measures also remain in effect. As stated above, under these secondary sanctions, prohibitions continue on transactions by non-US persons with designated parties on the SDN List as well as activities sanctionable under other authorities, such as support for terrorism, Iran's human rights abuses, proliferation of WMD and ballistic missiles, as well as nuclear proliferation activity outside the scope of the JCPOA authorization.

---

<sup>15</sup> OFAC states in its FAQs that "associated services" that could be authorized in specific licenses issued to US persons "may include, for example, the provision of warranty, maintenance, repair services, safety-related inspections, and training related to commercial passenger aircraft and spare parts and components for such aircraft exported to Iran pursuant to a specific license issued under the SLP, provided that the items and services for which authorization is sought are to be used exclusively for commercial passenger aviation."

---

## SEC Reporting Requirements

The requirement for issuers registered with the Securities and Exchange Commission (SEC) under section 13 of the Exchange Act to report to the SEC certain activities involving Iran (including activities undertaken by the issuer's affiliates, regardless of whether the underlying activity was permissible under applicable sanctions) remains in effect.

## Enforcement

OFAC has confirmed in its FAQs that to the extent an ongoing investigation of a non-US person relates to activity within the scope of secondary sanctions lifted on Implementation Day, the US government will not sanction the non-US person under those authorities following Implementation Day. As noted, however, a number of secondary sanctions measures remain in effect after Implementation Day.

Further, OFAC has indicated it intends to continue enforcement of apparent violations of primary sanctions, analyzed under the laws and regulations that were in place at the time of the underlying activities. These investigations will not be affected by the JCPOA and future enforcement actions may follow. This includes investigations into apparent violations resulting from pre-Implementation Day activities that would be within the scope of authorizations available on Implementation Day.

## US Snapback

In the event of significant non-performance by Iran of its commitments under the JCPOA, the US sanctions that have been lifted will “snapback” and be re-imposed. OFAC has indicated that in case of such eventuality, it plans to work with US or third-country companies to minimize the impact of snapback sanctions on legitimate activities undertaken prior to the re-imposition of such sanctions. The JCPOA, however, does not grandfather contracts signed prior to snapback, and transactions conducted after the snapback occurs could be sanctionable to the extent they involve activity for which sanctions have been re-imposed.

In the event of a “snapback” of sanctions, the US has committed not to retroactively impose sanctions for legitimate activity undertaken after Implementation Day, but before the effective date of the re-imposition of sanctions.

---

As of Implementation Day, most, but not all, Iran-related activity by non-US persons is permissible under US secondary sanctions. Non-US entities must therefore continue to exercise caution and have procedures and protocols in place to ensure compliance with US sanctions restrictions on Iran. With very limited exceptions, the US primary sanctions remain in place. US persons still are prohibited from most Iran-related activity and non-US persons must ensure that Iran-related activity that is otherwise not sanctionable under secondary sanctions does not involve US persons, US territory, the US financial system, or any other nexus with the United States. The US government has stated it will continue vigorous enforcement of the sanctions that remain in place.

---

## EU Sanctions Guidelines

### Introduction

On January 16, 2016, the EU Council published Decision 2016/37<sup>16</sup> along with a Notice<sup>17</sup> to confirm that sanctions relief legislation already published by the EU on “Adoption Day”<sup>18</sup> started to apply on Implementation Day. As anticipated, the EU published an Information Note with guidelines on the sanctions lifted under the JCPOA at the same time.<sup>19</sup>

The Information Note, which consists of a guidance section and a Q&A section, confirms that 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) as of Implementation Day. This leaves only certain limited nuclear proliferation related EU sanctions in place, which will be lifted at a later stage under the JCPOA. In addition, certain human rights related sanctions<sup>20</sup> and sanctions related to support for terrorism or other countries<sup>21</sup> continue to apply to Iran.

### What’s Been Lifted

As confirmed in the Information Note (and described in more detail in a previous [alert](#)), the EU has lifted certain economic **sanctions applied in connection with Iran’s nuclear program** under the JCPOA as of Implementation Day. This includes **financial, banking and insurance measures; various restrictions imposed on the oil, gas and petrochemical industries; sanctions related to the shipping, shipbuilding and transport sectors; and restrictions on trade in gold, other precious metals, banknotes and coinage**. For example, the Q&A section of the Information Note states that all limitations on the transfer funds to or from Iran applicable to non-listed Iranian banks have ceased to apply, and it is now permissible to purchase, acquire, sell or market petroleum products, petrochemical products and natural gas from or to Iran. In addition, more than 300 names (either UN listed or EU listed) have been removed from the asset freeze list.

### What’s Still in Place

The Information Note confirms that not all nuclear related sanctions against Iran have been lifted. Importantly, **certain proliferation related sanctions will remain in place until Transition Day or UN Security Council Resolution Termination Day** under the JCPOA (expected to occur on October 18, 2023 and October 18, 2025, respectively). Relevant prohibitions involve the **arms embargo; missile technology measures (applying to listed goods and associated services)**; and **asset freezes on more than 300 persons** and entities (either UN listed or EU listed).

---

<sup>16</sup> 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.

<sup>17</sup> See [Information](#) concerning the date of application of Council Regulation (EU) 2015/1861 amending Regulation (EU) No 267/2012 concerning restrictive measures against Iran and Council Implementing Regulation (EU) 2015/1862 implementing Regulation (EU) No 267/2012 concerning restrictive measures against Iran.

<sup>18</sup> [Decision \(CFSP\) 2015/1863](#), [Council Regulation \(EU\) 2015/1861](#) and [Council Implementing Regulation \(EU\) 2015/1862](#). See our previous alert summarizing the EU’s adoption of these legal acts on October 18, 2015 to allow future lifting of sanctions [here](#).

<sup>19</sup> See [http://eeas.europa.eu/top\\_stories/pdf/iran\\_implementation/information\\_note\\_eu\\_sanctions\\_jcpoa\\_en.pdf](http://eeas.europa.eu/top_stories/pdf/iran_implementation/information_note_eu_sanctions_jcpoa_en.pdf).

<sup>20</sup> See Council Regulation (EU) No 359/2011 (as subsequently amended; the latest consolidated version of this Regulation is available [here](#)). This Regulation imposes an asset freeze on a list of individuals (plus the Iranian Cyber Police) deemed responsible for serious human rights violations in Iran, but also provides for a ban on the direct or indirect sale, supply, transfer or export, of specified internal repression equipment and equipment, technology or software which may be used for the monitoring or interception of internet or telephone communications (along with related financing, financial and technical assistance as well as brokering services).

<sup>21</sup> Iranian persons who are listed under EU anti-terrorism sanctions or other sanctions regimes (e.g., targeting Syria) will also continue to be subject to restrictive measures, as before.

---

In addition, the Information Note clarifies that **prior authorization requirements** now apply to the following transactions with Iran:

- Direct or indirect sale, supply, transfer or export of **listed nuclear proliferation sensitive goods and technology** (including specific dual-use items), as well as certain associated assistance (including specific loans and credit) and services;
- The sale, supply, transfer or export of listed **graphite and raw or semi-finished metals**, and certain associated assistance and services; and
- The sale, supply, transfer or export of **Enterprise Resource Planning software** designed specifically for use in nuclear and military industries, and certain associated assistance and services.

## EU Snapback

The Information Note confirms that **if there is significant non-performance by Iran of its commitments** under the JCPOA — and the issue cannot be resolved through the Joint Commission and dispute resolution mechanism set up under the JCPOA — then the **EU will reintroduce the lifted sanctions** (referred to as “EU snapback”). If it were to happen, the EU snapback would be presented as a decision by the EU Council, based on a recommendation from the EU High Representative and France, Germany and the UK. This would mean all the EU sanctions lifted on Implementation Day are reintroduced.

The Information Note clarifies, however, that **any EU snapback would not have retroactive effect**. Consistent with earlier sanctions provisions, the EU would also **permit execution of contracts concluded in accordance with the JCPOA while sanctions relief was in force** during a period of time (to be specified in relevant legal acts) in order to allow companies to wind down their activities. Finally, it is clarified that any EU snapback would not target contracts that were permitted when the sanctions regime was still in place — in other words, the **EU snapback would reintroduce the lifted sanctions only, and not impose any new sanctions**.

## Removal of Bank Sepah from EU Asset Freeze List

In a related Iran sanctions development, the EU decided to remove the UN-listed entities **Bank Sepah** and **Bank Sepah International** from the EU asset freeze list as of **January 23, 2016**. This change was made to Regulation 267/2012 through Council Implementing Regulation (EU) 2016/74.<sup>22</sup> The removal of the Bank Sepah entities is separate from the de-listings under the JCPOA as of Implementation Day, as it was made following a UN Security Council decision to remove them from the UN list on January 17, 2016 (*i.e.*, pursuant to the bank’s request).

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

T +32 2 239 26 20

[EUsanctions@whitecase.com](mailto: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](mailto: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.

---

<sup>22</sup> See Council Implementing Regulation (EU) 2016/74 and Council Implementing Decision (CFSP) 2016/78.