

## US and EU Implement Iran Sanctions Obligations Under the JCPOA

Saturday, 16 January 2016, marked Implementation Day of the Joint Comprehensive Plan of Action (JCPOA) between the E3/EU+3 (China, France, Germany, the Russian Federation, UK and US, in conjunction with the High Representative of the European Union for Foreign Affairs and Security Policy) and the Islamic Republic of Iran (Iran). On Implementation Day, the International Atomic Energy Agency (IAEA) verified that Iran had implemented its key nuclear related measures described in the JCPOA. In the US, Secretary of State John Kerry confirmed the IAEA's verification, and the US and EU simultaneously lifted certain agreed-upon nuclear-related sanctions.

Please see our past alerts on [The Iran Deal: What's In It and Who Will It Impact](#), and [Implementation Day](#).

## EU

### Tunisia

On 28 January 2016, [Council Regulation 101/2011](#) which imposes financial sanctions against individuals in Tunisia was extended until 31 January 2017. There are 48 people currently subject to the asset freeze, having been deemed responsible for misappropriating Tunisian state funds or to be associated with those who have.

### Belarus

EU foreign ministers are expected to lift the majority of EU sanctions against Belarus when they meet at the end of February. The move follows a four-month suspension on assets freezes and travel bans against 170 individuals, including the country's president Alyaksandar Lukashenka, and three companies. These restrictive measures date back to 2004 and were levied against Belarus for unresolved disappearances, its climate of political persecution and its other democratic shortcomings.

Nonetheless, an arms embargo will remain in place, as will restrictive measures on four individuals believed to be responsible for the disappearance of four opposition figures in 2000.

## UK

### Export Control List

Following modifications to controls on dual-use goods, software and technology made by the EU Commission in October last year, the UK's Export Control Organisation has released an updated [list of items requiring export authorization](#) (PDF). The changes predominantly relate to new controls on machine tools and avionics and spacecraft technology. They also removed specific encrypted security products from the consolidated list.

## US

### BIS and DDTC Propose Further Revisions to Controls on Military Aircraft and Engines

On 9 February 2016, the Commerce Department's Bureau of Industry and Security (BIS) and the State Department's Directorate of Defense Trade Controls (DDTC) published companion proposed rules on Military Aircraft and Military Gas Turbine Engines and Related Items. Both the [BIS Rule](#) (PDF) and [State Rule](#) are available online. The proposed rules are part of the agencies' ongoing efforts to enhance and update revisions to USML categories and 600 series ECCNs adopted under the Export Control Reform Initiative. They are intended to ensure that the regulations are clear and do not inadvertently apply to regular commercial items, while achieving the agencies' export control objectives.

### BIS and OFAC Announce Further Amendments to Cuba Sanctions Program

In the weeks preceding the 18 February 2016 agreement between the US and Cuba authorising daily US commercial flights between the two countries, regulators at the BIS and The US Treasury Department's Office of Foreign Assets Control (OFAC) adopted companion rules easing restrictions on trade with Cuba. The [BIS Rule](#), among other things, amends the general policy of denial for exports to Cuba to establish a general policy of approval for exports of civil aviation items, certain types of telecommunications equipment, agricultural items, and other items benefiting the Cuban people. License applications for exports of other items to state-owned enterprises in Cuba or organisations affiliated with the Cuban government will now be reviewed on a case-by-case basis. The [OFAC Rule](#) lifts previous payment and financing restrictions on non-agricultural exports and reexports to Cuba of US-origin items, and further facilitates Cuba travel by, among other things, allowing arrangements with Cuban airlines for entry into blocked space, code-sharing and aircraft leasing, as well as broadening Cuba travel exemptions for organising professional meetings and public events in Cuba.

### US and Japan Strengthen Sanctions Against North Korea

The US Congress passed legislation on 12 February 2016 (Pub. L. 114-122) that would enhance the current economic sanctions program against North Korea. The measure is intended to address recent aggressive tactics by North Korea, including nuclear and missile tests, cyber-attacks, human rights abuses and other activities. It authorizes direct or "primary" sanctions against persons and entities found to be involved in those activities in or with North Korea, as well as "secondary" sanctions to restrict access to US markets by those found to have provided financial, technical or other support for those activities. President Obama signed the bill into law on 18 February 2016.

Japan also imposed new sanctions against North Korea on 10 February 2016, in response to the country's launch of a new long-range rocket under the pretext of placing a satellite in orbit. The sanctions include: a travel ban on North Koreans and for foreign engineers who have visited North Korea; a ban on North Korean ships to enter Japanese ports; asset freeze on listed individuals and corporate entities; and prohibition on money transfers of over ¥100,000 (with the exception of the transfers related to humanitarian aid).

## Enforcement Actions

### OFAC Announced Two Settlement Agreements and One Finding of Violation Concerning Various Parties

OFAC announced two settlement agreements: (1) a US\$140,400 [settlement agreement](#) with WATG Holdings, Inc., and its subsidiary, Wimberly Allison Tong and Goo (UK) Limited for apparent violations of the Cuban Assets Control Regulations; and (2) a US\$2,485,890 [settlement agreement](#) with Barclays Bank Plc for apparent violations of the Zimbabwe Sanctions Regulations. The latter settlement agreement involved apparent violations of the so-called “50 Percent Rule.” OFAC also issued a [Finding of Violation](#) to Johnson and Johnson (Middle East) Inc. for violations of the Sudanese Sanctions Regulations in connection with facilitation of the exportation of goods to Sudan.

### BIS Issued a Temporary Denial Order in Connection with the Sale of Aircraft to an Iranian Airline

BIS issued a [temporary denial order \(TDO\)](#) (PDF) against five parties in connection with their attempt to sell US-origin aircraft to Caspian Airlines, an Iranian airline that remains on the list of Specially Designated Nationals and Blocked Persons (SDN List) even after the recent lifting of certain nuclear-related sanctions against Iran.

### Ukraine

On 28 January 2016, The General Court of the EU ruled in favour of five Ukrainian nationals who brought proceeding before the Court with a view to annulling their inclusion on the list of persons identified as responsible for the misappropriation of Ukrainian State funds. The Court held that the five, including Mykola Yanovych Azarov and Sergej Arbuzov, former Prime Ministers of Ukraine, could not be deemed to be misappropriating State funds simply on the basis that they were subjects of a preliminary investigation in Ukraine.

## Contacts

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## About Our Team

Our Export Controls & Sanctions team is built on the ability to advise on the shifting regulatory framework on both sides of the Atlantic. We have extensive experience in advising and representing a wide range of companies and financial institutions in Europe, the US and other jurisdictions on export control and sanctions from a multijurisdictional perspective. Our Export Controls & Sanctions team is part of our overall International Trade practice, providing a “one-stop” solution to global trade compliance through rapid, professional and tailored advice and compliance tools to fit your business needs and processes. If you have any question relating to sanctions, please contact a member of our EU or US Sanctions team listed herein. You can also email [InternationalTradeCompliance@squirepb.com](mailto:InternationalTradeCompliance@squirepb.com) for assistance.

### Resources to Strengthen Compliance

We encourage you to visit [TradePractitioner.com](http://TradePractitioner.com) where you will find more updates on export controls, sanctions and other international trade topics. In addition, organisations engaged in trade of items specially designed for military or space applications are encouraged to download our complimentary *ITAR Practitioner's Handbook* covering the International Traffic in Arms Regulations (ITAR) and the US Department of Commerce “600 Series”.

Download a copy of the handbook [here](#).