

On May 8, President Trump announced that the US is withdrawing from the Joint Comprehensive Plan of Action (JCPOA) entered among the P5+1 countries (the US, China, France, Germany, Russia and the UK), the European Union and Iran in July 2015. The President then issued a [National Security Presidential Memorandum](#) directing his administration to immediately begin the process of re-imposing economic sanctions against Iran that were lifted or waived in connection with the JCPOA.

In connection with the President's announcement, the US Treasury Department issued a [statement](#) and new [Frequently Asked Questions](#) (FAQs) detailing the plan for withdrawal from commitments under the JCPOA. Most notably, the FAQs describe the re-imposing of sanctions, subject to 90-day and 180-day wind-down periods for activities previously authorized under general licenses or, in the case of secondary sanctions, covered by waivers.

Following the 90-day wind-down period ending on August 6, 2018, the following sanctions will be re-imposed, including sanctions on associated services:

- i. Sanctions on the purchase or acquisition of US dollar banknotes by the Government of Iran
- ii. Sanctions on Iran's trade in gold or precious metals
- iii. 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
- iv. Sanctions on significant transactions related to the purchase or sale of Iranian rials, or the maintenance of significant funds or accounts outside the territory of Iran denominated in the Iranian rial
- v. Sanctions on the purchase, subscription to or facilitation of the issuance of Iranian sovereign debt
- vi. Sanctions on Iran's automotive sector

Following the 180-day wind-down period ending on November 4, 2018, the following sanctions will be re-imposed, including sanctions on associated services:

- i. Sanctions on Iran's port operators, and shipping and shipbuilding sectors, including on the Islamic Republic of Iran Shipping Lines (IRISL), South Shipping Line Iran or their affiliates
- ii. Sanctions on petroleum-related transactions with, among others, the National Iranian Oil Company (NIOC), Naftiran Intertrade Company (NICO) and National Iranian Tanker Company (NITC), including the purchase of petroleum, petroleum products, or petrochemical products from Iran
- iii. Sanctions on transactions by foreign financial institutions with the Central Bank of Iran and designated Iranian financial institutions under Section 1245 of the National Defense Authorization Act for Fiscal Year 2012 (NDAA)
- iv. Sanctions on the provision of specialized financial messaging services to the Central Bank of Iran and Iranian financial institutions described in Section 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions and Divestment Act of 2010 (CISADA)
- v. Sanctions on the provision of underwriting services, insurance or reinsurance
- vi. Sanctions on Iran's energy sector

According to the Office of Foreign Assets Control (OFAC), "persons engaging in the activities listed above undertaken pursuant to the US sanctions relief provided for in the JCPOA should take the steps necessary to wind down those activities by August 6, 2018 [or November 4, 2018, as applicable] to avoid exposure to sanctions or an enforcement action under US law."

OFAC will also revoke existing JCPOA-related authorizations (subject to applicable wind-down periods) for the following transactions:

- i. The importation into the US of Iranian-origin carpets and foodstuffs and certain related financial transactions pursuant to general licenses under the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR)
- ii. Activities undertaken pursuant to specific licenses issued in connection with the Statement of Licensing Policy for Activities Related to the Export or Re-export to Iran of Commercial Passenger Aircraft and Related Parts and Services (JCPOA SLP), and related contingent contracting activities undertaken pursuant to General License I
- iii. Transactions involving Iran by non-US subsidiaries of US companies, undertaken pursuant to General License H

As soon as administratively feasible, OFAC will publish in the Federal Register “more narrowly scoped” replacements for these authorizations, which will prescribe periods (of either 90 or 180 days) for winding-down these previously authorized transactions and for receipt of related payments. US companies using these authorizations should begin immediately to take steps to comply with the forthcoming requirements to wind-down affected activities.

Finally, by November 5, 2018, the US government will also re-impose, as appropriate, the sanctions that applied to persons removed under the JCPOA from the OFAC List of Specially Designated Nationals and Blocked Persons (the SDN List) or other US government lists. Accordingly, OFAC will move persons previously identified as meeting the definition of the terms “Government of Iran” or “Iranian financial institution” back onto the SDN List, and activities involving such persons will again be subject to possible secondary sanctions. In the meantime, the US Department of State will issue waivers of those secondary sanctions to allow for the wind-down of activities involving the affected entities.

We are continuing to monitor these developments and will provide ongoing updates on measures adopted to effect the US withdrawal from the JCPOA. In the meantime, we stand ready to address any questions about how these changes will impact your organizations.

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