

# OFAC's General License X and the easing of Iran energy sanctions

June 2026

On June 22, 2026, the US Treasury Department's Office of Foreign Assets Control (OFAC) issued General License (GL) X, providing substantive, but temporary, sanctions relief for Iran's energy sector for the first time since 2016, when OFAC implemented the US-Iran Joint Comprehensive Plan of Action (JCPOA).

## Scope of GL X

Subject to terms and limitations, GL X authorizes US and non-US persons to engage in transactions that are ordinarily incident and necessary to the production, sale, offloading and delivery of Iranian-origin crude, petrochemicals and petroleum products (Covered Products). This authority, which expires on August 21, 2026, at 12:01 a.m. EDT, also provides authorization for:

- Imports into the US of Covered Products purchased pursuant to GL X
- US dollar payments to Iran, the government of Iran and certain blocked persons for the purchase of Covered Products authorized under GL X
- Transactions involving certain blocked vessels, including the safe docking and anchoring of vessels carrying Covered Products; the preservation of the health or safety of the crew of any such vessel; emergency repairs or environmental mitigation or protection activities relating to any such vessel or to Covered Products held in storage and services such as vessel management, crewing, bunkering, piloting, registration, flagging, insurance, classification and salvage.

GL X authorizes the above transactions to the extent they would otherwise be prohibited by the following sanctions authorities:

- Iranian Transactions and Sanctions Regulations, 31 CFR Part 560, as well as OFAC regulations at Parts 544, 561, 587, 589 and 594
- Executive orders 13846, 13876, 13902 and 3949

Notably, the list above includes two Russia-related sanctions authorities (31 CFR Parts 587 and 589). The inclusion of Part 587 reflects the significant overlap between Iranian and Russian sanctions networks, as many parties in Iran's energy sector were simultaneously designated under both Iran and Russia-related authorities due to their participation in overlapping evasion networks. The inclusion of Part 589 reflects the fact that authorized delivery transactions may involve Russian ports, energy companies or other persons otherwise subject to Ukraine- and Russia-related sanctions authorities.

## Limitations

Parties contemplating transactions pursuant to GL X should carefully consider the following:

- EU and UK sanctions remain in effect at the time of this writing and may be applicable to transactions authorized under GL X. Accordingly, challenges may arise regarding insurance, financial services, logistics and other services.
- Parties may be subject to restrictive sanctions clauses imposed by financial institutions, charterparties and other agreements.
- GL X provides only temporary sanctions relief. While more permanent relief is expected if the ongoing negotiations between the US and Iran are successful, it is possible GL X could be revoked before its August 21, 2026 expiration date if negotiations fall apart. This contingency should be addressed in relevant contracts, both regarding the assignment of risk and setting realistic timelines for performance of all relevant transactions and activities.

GL X does not authorize:

- Transactions involving persons located or organized in North Korea, Cuba, Crimea, Luhansk People's Republic or Donetsk People's Republic, or any entity that is owned or controlled by or in a joint venture with such persons
- Transactions prohibited by executive orders or OFAC regulations beyond those addressed by GL X (listed above), such as the Iranian Assets Control Regulations at 31 CFR Part 535

If you have any questions about the scope of GL X or related issues under US, EU or UK sanctions, please contact a member of the International Trade practice at Squire Patton Boggs.

## Contacts



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