



US sanctions on Iran fully back in force

The wind down periods have now expired and US secondary sanctions are fully back in force.

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As previously advised, the U.S. withdrew from the Joint Comprehensive Plan of Action (JPCOA) on 8 May 2018, meaning that the U.S. secondary sanctions against Iran, i.e. US sanctions applicable to non-US persons, will be fully re-imposed.

Two separate “wind-down periods” were established, one for 90 days and another for 180 days, to allow an orderly termination of already existing contracts without the risk of being in breach of sanctions.

The 90 day wind-down period expired on 7 August 2018 and the 180 day wind down-period expired on 4 November 2018. The secondary sanctions are in other words now fully back in force. For more information on the specific sanctions which have been re-imposed, please see Gard’s [MemberCircular 6 2018a.pdf](#) .

In general, we would like to emphasize that failure by a Member or client to comply with any relevant sanctions regimes will have implications for the insurance cover and Gard’s ability to assist. When it comes to Iran there are in addition to the applicable sanctions regimes and blacklisting of Iranian persons/entities several other risk factors, amongst others the fact that most banks will not process any Iran-related payments. The bank’s strict compliance policies also mean that Gard will most likely not be able to make any payments or provide any bank guarantees/ Letters of Undertaking if the incident has a direct or indirect connection with Iran. This will most likely be the result even if the trade as such is legal and there are no blacklisted parties involved.

Due to the abovementioned, any trade to Iran these days is extremely challenging and we therefore recommend anyone considering such trade to perform a thorough due diligence and to obtain external legal advice on the legality of the trade and the involved parties.

For more information or sanctions related queries, please contact Gard’s Sanctions Consultancy Group: Consultancy Group Sanctions@gard.no

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