



Reimposition of US secondary Iran sanctions

Following US withdrawal from the JCPOA, the US will reimpose nuclear-related sanctions on Iran after a wind down period, including secondary sanctions applicable to non-US citizens.

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On 8 May 2018, President Trump announced his decision to cease the United States' participation in the Joint Comprehensive Plan of Action (JCPOA).

The US will reimpose the US nuclear-related sanctions that were lifted to effectuate the JCPOA sanctions relief, following a 90-day and 180-day wind-down period.

At the end of the 90-day and 180-day wind-down period, the applicable sanctions will come back into full effect. For background information on the lifting of sanctions under the JCPOA see our [Member Circular 12/2015](#).

US secondary sanctions, i.e. US sanctions applicable to non-US citizens, that would appear to be re-imposed would inter alia include the following:

- Restrictions on dealing with the energy, port, shipping, or shipbuilding sectors of Iran, including
Investments, including the provision of goods, services, technology and support for Iran's energy sector;
Purchase, sale or transportation of petroleum, petrochemical products from Iran;
Transactions with Iran's port, shipping and shipbuilding sectors;
- Restrictions on trade in graphite, raw or semi-finished metals and software for integrating industrial processes; (90-day wind-down period)
- Restrictions on dealing with Iran's automotive sector; (90-day wind-down period)
- Re-listing of individuals and entities in the SDN List (several hundred persons/entities were removed from lists of designated persons in line with the JCPOA).
- Restrictions on underwriting services, insurance, or reinsurance
- Revocation of the General License H, which authorized U.S. owned or controlled foreign entities to engage in certain activities involving Iran.

OFAC has issued a [FAQ regarding the Re-Imposition of Sanctions](#).

Implications and recommendations

For the time being there appear to be no immediate changes to the current sanctions position for non-US persons and US authorities will allow foreign persons to wind down their Iran related activities. However, once the wind-down periods end on 6 August and 4 November 2018 depending on the activity, the re-imposed US extra territorial sanctions are likely to have significant ramifications for maritime trade with Iran and the insurance of such trade. A full assessment of the likely impact of the decision will only be possible following receipt of clarification of the position of the remaining JCPOA partners, who have recently reaffirmed their support for the JCPOA, together with further clarification from OFAC in relation to the management of the "wind-down" periods envisaged under the decision.

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On this background it is recommended that clients, currently involved in or considering trade to Iran, obtain external legal advice on how best to deal with the situation. It is further recommended that any existing or potential new arrangement

is scrutinized, in order to verify that whatever activities in which the client is involved are fully compliant with the applicable sanctions

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

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