

**Information Note on EU sanctions to be lifted under the  
Joint Comprehensive Plan of Action (JCPOA)**

**Brussels, 23 January 2016**

## **1. Introduction**

### **1.1. Background and outline**

This Information Note<sup>1</sup> is published in accordance with the voluntary commitment contained in the Joint Comprehensive Plan of Action (JCPOA) between the E3/EU+3 and the Islamic Republic of Iran to issue relevant guidelines on the details of sanctions or restrictive measures which are to be lifted under the JCPOA.<sup>2</sup>

The purpose of this Information Note is to provide practical information to all interested parties on the commitments contained in the JCPOA concerning the lifting of the sanctions, the measures adopted at the EU level to meet those commitments and the various practical stages in this process.

The information provided for in this Information Note is based on the assumption that the commitments under the JCPOA will be complied with by all the Parties.

The United States (hereinafter: U.S.) have also issued equivalent U.S. Guidelines with respect to the lifting of U.S. sanctions under the JCPOA.

This Information Note is organised as follows:

- Section 1 introduces the structure of the JCPOA.
- Section 2 describes the timelines for the implementation of the sanctions-related commitments under the JCPOA (Implementation plan).
- Section 3 presents a detailed description of the sanctions lifted under the JCPOA on Implementation Day.
- Section 4 contains an overview of the relevant EU legislative framework.
- Section 5 details the EU sanctions or restrictive measures that remain in place after Implementation Day. This section also includes an outline of the procurement channel.

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<sup>1</sup> It is noted that this Information Note is not legally binding and produced for illustrative purposes only.

<sup>2</sup> In the EU legal acts the term restrictive measures is used instead of sanctions. For the purpose of the present Information Note the terms "sanctions" and "restrictive measures" are used indistinctively.

- Section 6 presents EU non-nuclear related sanctions that remain in place as they are not concerned by the JCPOA.
- Section 7 is to address practical issues with regard to the JCPOA through questions and answers. Input for this section was provided by EU Member States, business community and other interested parties.
- Section 8 lists the main reference documents and provides relevant links.

### 1.2. Introduction to the JCPOA

On 14 July 2015, the E3/EU+3 (China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the High Representative of the European Union for Foreign Affairs and Security Policy) and the Islamic Republic of Iran reached an agreement on a Joint Comprehensive Plan of Action (JCPOA). The full implementation of this JCPOA will ensure the exclusively peaceful nature of Iran's nuclear programme.

The JCPOA will produce a comprehensive lifting of all UN Security Council sanctions as well as multilateral<sup>3</sup> and national sanctions related to Iran's nuclear programme. The JCPOA reflects a step-by-step approach and includes the reciprocal commitments as laid down in the agreement and is endorsed by the UN Security Council.<sup>4</sup>

UN Security Council resolution 2231 (2015) endorses the JCPOA, and urges its full implementation on the timetable established in the JCPOA. It calls upon all Members States, regional organisations and international organisations to take such actions as may be appropriate to support the implementation of the JCPOA, including by taking actions commensurate with the implementation plan set out in the JCPOA and the resolution and by refraining from actions that undermine implementation of commitments under the JCPOA.

### 1.3. Structure of the JCPOA

The JCPOA contains a general section addressing the main content of the agreement: preamble and general provisions, nuclear, sanctions, implementation plan and dispute

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<sup>3</sup> For the purposes of the JCPOA and this Information Note, the term 'multilateral sanctions' is meant to cover EU restrictive measures.

<sup>4</sup> UN Security Council resolution 2231 (2015), adopted by the Security Council on 20 July 2015.

resolution mechanism and is supplemented with five Annexes.<sup>5</sup> For this Information Note Annex II (Sanctions) and Annex V (Implementation Plan) are essential: Annex II stipulates exactly which sanctions will be lifted and Annex V describes the timing of the implementation of the JCPOA and points out on which event/moment in time the lifting of sanctions will occur.

Annex IV is devoted to the role of the Joint Commission established to monitor the implementation of the JCPOA and to carry out the functions as provided for in the JCPOA. The Joint Commission will also address issues arising from the implementation of the JCPOA. On the basis of Annex IV a Procurement Working Group and a Working Group on the Implementation of Sanctions Lifting were established. The High Representative acts as the coordinator of the Joint Commission and of both working groups.

The International Atomic Energy Agency (IAEA) has an essential and independent role and is requested to monitor and verify the implementation of the voluntary nuclear-related measures as detailed in the JCPOA. The IAEA will provide regular updates to the Board of Governors and the UN Security Council.

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<sup>5</sup> Annex I: Nuclear-related measures, Annex II: Sanctions-related commitments, Annex III: Civil Nuclear Cooperation, Annex IV: Joint Commission and Annex V: Implementation Plan.

## **2. Timelines**

Annex V of the JCPOA contains the Implementation plan describing the sequence and the steps to be carried out under the provisions of the JCPOA. There are five main events to distinguish in this process: Finalisation Day, Adoption Day, Implementation Day, Transition Day and UN Security Council resolution Termination Day.

### **2.1. Finalisation Day**

This event took place on 14 July 2015 when the negotiations on the JCPOA were successfully concluded and endorsed by E3/EU+3 and Iran. Following this event the UN Security Council adopted Resolution 2231(2015) on 20 July 2015. The Council of the European Union expressed its full support for UN Security Council resolution 2231(2015) on the same day with the adoption of Conclusions.<sup>6</sup>

### **2.2. Adoption Day**

On Adoption Day, which occurred on 18 October 2015, the JCPOA came into effect. Iran started the implementation of its nuclear-related commitments. The European Union and the United States began to make the necessary preparations for the lifting of nuclear-related sanctions as laid down in the JCPOA.

The European Union adopted the necessary legal acts to lift all EU economic and financial sanctions taken in connection with the Iranian nuclear programme<sup>7</sup> as laid down in the JCPOA.<sup>8</sup> The EU legislative package adopted on 18 October 2015 only came into effect on Implementation Day (16 January 2016).<sup>9</sup>

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<sup>6</sup> <http://www.consilium.europa.eu/en/press/press-releases/2015/07/20-fac-iran/>

<sup>7</sup> More information on EU legal acts is to be found in Section 4 on the legislative framework.

<sup>8</sup> As specified in section 16.1 of Annex V of the JCPOA.

<sup>9</sup> More information on EU legal acts is to be found in Section 4 on the legislative framework.

### 2.3. Implementation Day

Implementation Day occurred on 16 January 2016, the day on which the IAEA verified the implementation by Iran of the nuclear-related measures<sup>10</sup> and simultaneously, the E3/EU+3 took the actions<sup>11</sup> to which they have committed under the JCPOA.

On Implementation Day, the Director-General of the IAEA presented a report to the IAEA Board of Governors and to the United Nations Security Council which confirmed that Iran had taken the measures specified in paragraphs 15.1 to 15.11 of Annex V to the JCPOA, EU economic and financial sanctions taken in connection with the Iranian nuclear programme<sup>12</sup> were lifted. On that same day, the European Union published in the Official Journal of the European Union a legal act and related notice intended exclusively to confirm that the legislation adopted on Adoption Day should apply.<sup>13</sup> The details of the sanctions lifted are described in section 4 of this Information Note.

On Implementation Day, the limited sanctions relief provided to Iran under the 2013-interim agreement (JPOA)<sup>14</sup> was superseded by the lifting of all economic and financial sanctions taken in connection with the Iranian nuclear programme in accordance with the JCPOA.

### 2.4. Transition Day

Transition Day is in 8 years after Adoption Day (18 October 2023) or at an earlier moment based upon a report from the Director General of the IAEA to the IAEA Board of Governors and in parallel to the UN Security Council stating that the IAEA has concluded that all nuclear material in Iran remains in peaceful activities (Broader Conclusion). On this day, the EU will lift proliferation-related sanctions<sup>15</sup>, including arms and missile technology sanctions

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<sup>10</sup> As specified in paragraph 15 of Annex V of the JCPOA.

<sup>11</sup> As specified in paragraph 16 and 17 of Annex V of the JCPOA.

<sup>12</sup> As specified in Sections 16.1 -16.4 of Annex V of the JCPOA.

<sup>13</sup> Official Journal of the European Union L 274, 18.10.2015, p.1, see Article 2 of Decision (EU) 1863/2015.

<sup>14</sup> As part of the Joint Plan of Action the EU suspended on 20 January 2014 sanctions on petrochemicals, gold and precious metals, the prohibitions on the provision of insurance and transport in relation to Iranian crude oil sales as well as vessels. The thresholds for authorising financial transfers to and from Iran were increased.

<sup>15</sup> As specified in sections 20.1-20.4 of Annex V of the JCPOA.

and related designations. All provisions in Council Decision 2010/413/CFSP suspended on Implementation Day will be terminated on Transition Day.

#### 2.5. UN Security Council resolution Termination Day

UN Security Council resolution Termination Day will occur 10 years from Adoption Day. On Termination Day all the provisions of UN Security Council resolution 2231(2015) will terminate and the UN Security Council will conclude consideration of the Iranian nuclear issue; the EU will lift all remaining nuclear-related restrictions and terminate the legal acts.<sup>16</sup>

#### 2.6. Dispute Resolution Mechanism

The JCPOA provides for a consultation process if one of the participants in the JCPOA believes that the agreed commitments have not been met. The participants in the JCPOA will try to resolve the issue according to the procedures set out in the JCPOA.<sup>17</sup> If at the end of the process the issue still has not been resolved to the satisfaction of the complaining participant and that participant deems the issue to constitute significant non-performance of the obligations under the JCPOA, it can notify the UN Security Council thereof.

The UN Security Council will – in accordance with its procedures – vote on a resolution to continue the sanctions lifting. If this resolution is not adopted within 30 days of the notification, then the provisions of the relevant UN Security Council resolutions<sup>18</sup> will be re-imposed ("snapback"), unless the UN Security Council decides otherwise.

In the event of a reintroduction of measures, paragraph 37 of the JCPOA and paragraph 14 of UN Security Council resolution 2231 (2015) stipulates that the application of UN Security Council provisions will "not apply with retroactive effect to contracts signed between any party and Iran or Iranian individuals and entities prior to the date of the application, provided that the activities contemplated under and execution of such contracts are consistent with the JCPOA and the previous and current UN Security Council resolutions."

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<sup>16</sup> These restrictions include the procurement channel as described in section 5.2 of this Note.

<sup>17</sup> As specified in paragraph 36 and 37 of the JCPOA.

<sup>18</sup> UN Security Council resolutions 1696(2006), 1737(2006), 1747(2007), 1803(2008), 1835(2008), 1929(2010) and 2224(2015).

Referring to the provisions of the JCPOA<sup>19</sup>, it should be noted that all parties to the JCPOA are determined to avoid any behaviour which could be qualified as non-performance and to avoid a re-imposition of sanctions by engaging in the Dispute Resolution Mechanism.

- Reintroduction of EU sanctions ("EU snapback")

In the event of a significant non-performance by Iran of its commitments under the JCPOA and after having exhausted all recourse possibilities under the Dispute Resolution Mechanism, the European Union will reintroduce the lifted EU sanctions ("EU snapback"). An "EU snapback" will take the form of a decision by the Council of the European Union, based on a recommendation by the High Representative of the European Union for Foreign Affairs and Security Policy, France, Germany and the United Kingdom. Such a decision will reintroduce all the EU sanctions taken in connection with the Iranian nuclear programme that have been suspended and/or terminated consistent with Council declaration of 18 October 2015<sup>20</sup> and in accordance with regular EU procedures for the adoption of restrictive measures.

Sanctions will not apply with retroactive effect. In the event of the reintroduction of EU sanctions, the execution of contracts concluded in accordance with the JCPOA while sanctions relief was in force will be permitted consistent with previous provisions when sanctions were originally imposed, in order to allow companies to wind down their activities.<sup>21</sup> Details about the period of time allowed for the execution of prior contracts will be specified in the legal acts providing for the reintroduction of EU sanctions.

For example, the reintroduction of sanctions on investment activities would not retroactively penalise investment made before the date of snapback, and the execution of investment contracts concluded before the reintroduction of sanctions will be permitted consistent with previous provisions when sanctions were originally imposed.

Contracts that were permitted when the sanctions regime was still in place will not be targeted by the reintroduction of sanctions.

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<sup>19</sup> See paragraph 28 of the JCPOA.

<sup>20</sup> Official Journal of the European Union C 345/01, Pb C 345, 18.10.2015, p 1.

<sup>21</sup> Activities allowed while sanctions relief was in force, as further detailed in Section 3 of this Information Note.



### **3. Description of sanctions lifted on Implementation Day**

#### **3.1. Sanctions lifted by the European Union on Implementation Day**

On Implementation Day (16 January 2016), the EU lifted all its economic and financial sanctions<sup>22</sup> taken in connection with the Iranian nuclear programme. As a consequence of the lifting of these sanctions, the following activities, including associated services, are allowed as of Implementation Day.<sup>23</sup>

- Financial, banking and insurance measures

The prohibition of financial transfers to and from Iran (including the notification and authorisation regimes) is lifted. Consequently, transfers of funds between EU persons, entities or bodies, including EU financial and credit institutions, and non-listed Iranian persons, entities or bodies, including Iranian financial and credit institutions<sup>24</sup>, are permitted as of Implementation Day and the requirements for authorisation or notification of transfers of funds are no longer applicable.

Banking activities, such as the establishment of new correspondent banking relationships and the opening of branches, subsidiaries or representative offices of non-listed Iranian banks in Member States are permitted. Non-listed Iranian financial and credit institutions are also allowed to acquire or extend participation, or to acquire any other ownership interest in EU financial and credit institutions. EU financial and credit institutions are allowed to open representative offices or to establish branch or subsidiaries in Iran; to establish joint ventures and open bank accounts with Iranian financial or credit institutions.

The supply of specialised financial messaging services, including SWIFT, is allowed for Iranian natural or legal persons, entities or bodies, including Iranian financial institutions and

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<sup>22</sup> As specified in Sections 16.1 -16.4 of Annex V of the JCPOA.

<sup>23</sup> For the exact details of the permitted activities reference is made to Annex II of the JCPOA. This section describes permitted activities following the lifting of sanctions on Implementation Day (16 January 2016). It does not cover other activities that were permissible while the sanctions regime was in place and thus continue to be permitted after Implementation Day.

<sup>24</sup> With the exception of Iranian natural or legal persons, entities or bodies, including financial and credit institutions still subject to restrictive measures after Implementation Day, as set out in Attachment 2 to Annex II of the JCPOA.

the Central Bank of Iran that are no longer subject to restrictive measures as of Implementation Day.<sup>25</sup>

The provision of financial support for trade with Iran such as export credit, guarantees or insurance is permitted as of Implementation Day. The same applies for commitments for grants, financial assistance and concessional loans to the Government of Iran. Other allowed activities in this context are provision of insurance and reinsurance to Iran and transactions in public or public-guaranteed bonds with Iran.

- Oil, gas and petrochemical sectors

Import, purchase, swap and transport of crude oil and petroleum products, gas and petrochemical products from Iran is allowed as of Implementation Day. EU persons are able to export equipment or technology, and provide technical assistance, including training, used in the sectors of the oil, gas and petrochemical industries in Iran covering exploration, production and refining of oil and natural gas, including liquefaction of natural gas, to any Iranian person, in or outside Iran, or for use in Iran. Investing in the Iranian oil, gas and petrochemical sectors, by the granting of any financial loan or credit to, the acquisition or extension of a participation in, and the creation of any joint venture with, any Iranian person that is engaged in the oil, gas and petrochemical sectors in Iran or outside Iran is permitted as of Implementation Day.

- Shipping, shipbuilding and transport sectors

Sanctions related to shipping and shipbuilding sectors and certain sanctions related to the transport sector, including the provision of associated services to these sectors, are lifted on Implementation Day.

Consequently, the following activities are allowed: sale, supply, transfer or export of naval equipment and technology for ship building, maintenance or refit, to Iran or to any Iranian persons engaged in this sector; the design, construction or the participation in the design or construction of cargo vessels and oil tankers for Iran or for Iranian persons; the provision of vessels designed or used for the transport or storage of oil and petrochemical products to Iranian persons, entities or bodies; and the provision of flagging and classification services,

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<sup>25</sup> Persons and entities as set out in Attachment 1 to Annex II of the JCPOA.

including those pertaining to technical specification, registration and identification numbers of any kind, to Iranian oil tankers and cargo vessels.

All cargo flights operated by Iranian carriers or originating from Iran have access to the airports under the jurisdiction of EU Member States.

Inspection, seizure and disposal by EU Member States of cargoes to and from Iran in their territories no longer apply with regard to items which are no longer prohibited.

Provision of bunkering or ship supply services, or any other servicing of vessels, to Iranian-owned or Iranian-contracted vessels not carrying prohibited items is allowed; and the provision of fuel, engineering and maintenance services to Iranian cargo aircraft not carrying prohibited items is permitted.

- Gold, other precious metals, banknotes and coinage

Sale, supply, purchase, export, transfer or transport of gold and precious metals as well as diamonds, and provision of related brokering, financing and security services, to, from or for the Government of Iran, its public bodies, corporations and agencies, or the Central Bank of Iran is allowed.

Delivery of newly printed or minted banknotes and coinage for the Central Bank of Iran is permitted.

- Metals

Sale, supply, transfer or export of certain graphite and raw or semi-finished metals to any Iranian person, entity or body or for use in Iran is no longer prohibited but subject to an authorisation regime as of Implementation Day.<sup>26</sup>

- Software

Sale, supply, transfer or export of Enterprise Resource Planning software, including updates, to any Iranian person, entity or body, or for use in Iran, in connection with activities consistent with the JCPOA is no longer prohibited but subject to an authorisation regime as of

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<sup>26</sup> For details on the authorisation regime and the list of goods subject to it, see section 5.2 on the sanctions that remain in place after Implementation Day.

Implementation Day if the software is designed specifically for use in nuclear and military industries.<sup>27</sup>

- De-listing of persons, entities and bodies

As of Implementation Day, certain persons, entities and bodies are delisted and consequently no longer subject to the asset freeze, prohibition to make funds available and visa ban. This covers UN listings and EU autonomous listings. For more information on the persons and entities that are delisted it is advised to consult Council Implementing Regulation (EU) 2015/1862 of 18 October 2015 and Council Implementing Regulation (EU) 2016/74 of 22 January 2016, implementing Regulation (EU) No 267/2012 concerning restrictive measures against Iran.<sup>28</sup>

### 3.2. U.S. Sanctions

For the details and consequences of the lifting of sanctions in the U.S. it is recommended to consult the U.S. Guidelines with Respect to the Lifting of Sanctions on Implementation Day under the Joint Comprehensive Plan of Action (JCPOA) between the E3/EU+3 and the Islamic Republic of Iran and the FAQs.<sup>29</sup>

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<sup>27</sup> For details on the authorisation regime, see section 5.2 on the sanctions that remain in place after Implementation Day.

<sup>28</sup> See also section 4 on EU legislative framework.

<sup>29</sup> <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx>.

#### **4. Legal framework**

This section contains an overview of the relevant legal framework implementing the lifting<sup>30</sup> of sanctions as specified in the JCPOA.

##### **4.1. UN Security Council resolution 2231(2015)**

UN Security Council resolution 2231(2015) was adopted on 20 July 2015. It endorsed the JCPOA, urged its full implementation on the timetable established in the JCPOA<sup>31</sup>, and defined the schedule and commitments to be undertaken by all parties to lead to the termination of UN sanctions against Iran.

- On Implementation Day (16 January 2016), all provisions of previous UN Security Council resolutions<sup>32</sup> on the Iranian nuclear issue were terminated, subject to re-imposition in the event of significant non-performance by Iran of JCPOA commitments, and specific restrictions, including restrictions regarding the transfer of proliferation sensitive goods, apply.
- On UN Security Council resolution Termination Day, all the provisions of UN Security Council resolution 2231(2015) will terminate and the UN Security Council will conclude its consideration of the Iranian nuclear issue and the item will be removed from the list of matters of which the Council is seized.

##### **4.2. EU legislative framework**

It is through the adoption of legal acts providing the legislative framework for the lifting of EU sanctions that the European Union implements UN Security Council resolution 2231(2015) in accordance with the JCPOA. Although the lifting of the abovementioned sanctions took effect on Implementation Day (16 January 2016), the EU committed under the JCPOA to prepare and adopt the necessary legislation on Adoption Day (18 October 2015), but with delayed application.

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<sup>30</sup> In the present Information Note the "lifting" of restrictive measures refers equally to the suspension and implementation of those measures, as appropriate.

<sup>31</sup> Annex V of the JCPOA.

<sup>32</sup> UN Security Council resolutions 1696(2006), 1737(2006), 1747(2007), 1803(2008), 1835(2008), 1929(2010) and 2224(2015).

The restrictive measures lifted in accordance with the JCPOA are those that have been imposed by the European Union in relation to Iran nuclear-related activities as set out in Council Decision 2010/413/CFSP<sup>33</sup> and Council Regulation (EU) No 267/2012<sup>34</sup>. The implementation of UN Security Council resolution 2231(2015) in accordance with the JCPOA is mainly<sup>35</sup> accomplished through the following EU legal acts:

- Council Decision (CFSP) 2015/1863 of 18 October 2015 amending Council Decision 2010/413/CFSP concerning restrictive measures against Iran<sup>36</sup>

This Decision provides for the suspension of the articles of Council Decision 2010/413/CFSP concerning all EU economic and financial sanctions as specified in the JCPOA simultaneously with the implementation by Iran, and verified by the IAEA, of the agreed nuclear measures. The Decision also suspends the application of asset freeze (including the prohibition to make funds and economic resources available) and visa ban measures for persons and entities as specified in the JCPOA. Furthermore, this Decision also introduces an authorisation regime for reviewing and deciding on certain nuclear-related transfers and transfers of certain metals and software. The Decision is implemented by two Regulations (see below), which are directly applicable in all Member States.

- Council Regulation (EU) 2015/1861 of 18 October 2015 amending Regulation (EU) No 267/2012 concerning restrictive measures against Iran<sup>37</sup>

This Regulation provides for the deletion of the corresponding articles of Council Regulation (EU) No 267/2012 concerning all EU economic and financial sanctions as specified in the JCPOA, simultaneously with the implementation by Iran, of the agreed nuclear measures and verified by the IAEA (16 January 2016). Furthermore, this Regulation also implements the prior authorisation regime for reviewing and deciding on certain nuclear-related transfers and

<sup>33</sup> Official Journal of the European Union L 195, 27.07.2010, p.39 ([http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJL\\_2010.195.01.0039.01.ENG](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJL_2010.195.01.0039.01.ENG))

<sup>34</sup> Official Journal of the European Union L 88, 24.03.2012, p.1.

<sup>35</sup> Referring to the sanctions to be lifted on Implementation Day (16 January 2016). The lifting of remaining sanctions on Transition Day will require separate EU legal acts, see paragraph 2.4.

<sup>36</sup> Official Journal of the European Union L 274, 18.10.2015, p.174.

<sup>37</sup> Official Journal of the European Union L 274, 18.10.2015, p.1.

transfers of certain metals and software. Council Regulation (EU) 2015/1861 also implements provisions on the proliferation-related prohibitions, like missile technology sanctions, that remain in force.

Council Regulation (EU) 2015/1861 is binding in its entirety and directly applicable in all EU Member States.<sup>38</sup>

- Council Implementing Regulation (EU) 2015/1862 of 18 October 2015 implementing Regulation (EU) No 267/2012 concerning restrictive measures against Iran<sup>39</sup>

This Regulation implements Council Decision (CFSP) 2015/1863 in so far as it lifts the restrictive measures applying to individuals and entities set out in Annexes V (UN listings) and VI (autonomous listings) to Decision 2010/413/CFSP simultaneously with the IAEA-verified implementation by Iran of agreed nuclear-related measures. These individuals and entities are removed from the list of persons and entities subject to restrictive measures, set out in Annexes VIII (UN listings) and IX (autonomous listings) to Regulation (EU) No 267/2012 simultaneously with the IAEA-verified implementation by Iran of agreed nuclear-related measures (16 January 2016).

- Council Decision (CFSP) 2016/37 of 16 January 2016 concerning the date of application of Decision (CFSP) 2015/1863 amending Decision 2010/413/CFSP concerning restrictive measures against Iran<sup>40</sup>
- Notice: Information concerning the date of application of Council Regulation (EU) 2015/1861 of 18 October 2015 amending Regulation (EU) No 267/2012 concerning restrictive measures against Iran and Council Implementing Regulation (EU) 2015/1862 of 18 October 2015 implementing Regulation (EU) No 267/2012 concerning restrictive measures against Iran<sup>41</sup>

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<sup>38</sup> See Article 2 of Regulation (EU) 2015/1861. Declaration No 17 attached to the EU Treaties provides that: "in accordance with well-settled case law of the Court of Justice of the EU, the treaties and the law adopted by the Union on the basis of the Treaties have primacy over the law of the Member States (...)".

<sup>39</sup> Official Journal of the European Union L 274, 18.10.2015, p.161.

<sup>40</sup> Official Journal of the European Union L 111, 16.01.2016, p.1.

<sup>41</sup> Official Journal of the European Union C 151, 16.01.2016, p.1.

When the Council of the EU noted that the Director-General of the IAEA had presented a report to the IAEA Board of Governors and to the United Nations Security Council which confirmed that Iran had taken the measures specified in JCPOA, the Council Decision, Regulation and Implementing Regulation lifting all EU economic and financial sanctions came into effect on the same day. A legal act and related notice intended exclusively to confirm that the legislation adopted on Adoption Day<sup>42</sup> shall apply were published in the Official Journal of the European Union<sup>43</sup>.

Finally, the Council of the EU issued a Statement<sup>44</sup> noting that the commitment to lift all EU nuclear-related sanctions is without prejudice to the dispute resolution mechanism specified in the JCPOA and to the reintroduction of EU sanctions in the case of significant non-performance by Iran of its commitments under the JCPOA. However, all parties involved in the JCPOA process will engage in ensuring that the JCPOA is successfully implemented and sustained.

- Council Implementing Decision (CFSP) 2016/78 of 22 January 2016 implementing Decision 2010/413/CFSP concerning restrictive measures against Iran<sup>45</sup>

This Decision suspended the application of the asset freeze (including the prohibition to make funds and economic resources available) for two entities which had been delisted by the UN Security Council on 17 January 2016.

- Council Implementing Regulation (EU) 2016/74 of 22 January 2016 implementing Regulation (EU) No 267/2012 concerning restrictive measures against Iran<sup>46</sup>

This Regulation implements Council Implementing Decision (CFSP) 2016/78 by lifting the asset freeze measures applying to two entities following a decision by the UN Security Council to delist them on 17 January 2016.

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<sup>42</sup> Official Journal of the European Union L 274, 18.10.2015, p.1.

<sup>43</sup> See Article 2 of Council Decision (CFSP) 2015/1863 of 18 October 2015.

<sup>44</sup> Official Journal of the European Union C 345/01, Pb C 345, 18.10.2015, p 1.

<sup>45</sup> Official Journal of the European Union L 16, 23.1.2016, p.25.

<sup>46</sup> Official Journal of the European Union L 16, 23.01.2016, p.6.



## **5. Proliferation-related sanctions and restrictions remaining in place after Implementation Day**

This section describes the proliferation-related sanctions and restrictions that remain in place after Implementation Day (16 January 2016). These concern the arms embargo, sanctions related to missile technology, restrictions on certain nuclear-related transfers and activities, provisions concerning certain metals and software which are subject to an authorisation regime, as well as related listings which remain in force after Implementation Day.

Measures concerning inspection of cargoes to and from Iran and those related to the provision of bunkering or ship supply services continue to apply after Implementation Day in relation to items which continue to be prohibited.

### **5.1. Proliferation-related sanctions**

- Arms embargo

A prohibition to sell, supply, or transfer, directly or indirectly, or procure arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, paramilitary equipment and spare parts for such arms and related materiel; and the provision of associated services continues to apply after Implementation Day. The EU arms embargo covers all goods included in the EU common military list.<sup>47</sup>

The EU arms embargo stays in place until Transition Day.<sup>48</sup>

- Missile technology sanctions

A prohibition to sell, supply, transfer, export or procure, directly or indirectly, the goods and technology listed in Annex III to Council Regulation (EU) No 267/2012 concerning restrictive measures against Iran, as modified by Council Regulation No 2015/1861<sup>49</sup> (hereafter: Council Regulation 267/2012 (as amended)), and any other item that the Member State determines that could contribute to the development of nuclear weapon delivery systems, and the provision of associated services continues to apply. Annex III lists all goods

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<sup>47</sup> Link to the UE CML.

<sup>48</sup> As specified in Annex V, paragraph 20.1, of the JCPOA.

<sup>49</sup> Official Journal of the European Union L 274, 18.10.2015, p.15.

and technology contained in the Missile Technology Control Regime list. For more information on the Missile Technology Control Regime lists, it is recommended to consult the Guidelines of the Missile Technology Control Regime.<sup>50</sup>

It is to be noted that in case an item whose specific technical characteristics or specifications fall within the categories covered by both Annex I and Annex III to Council Regulation 267/2012 (as amended), the item is considered to fall within Annex III, meaning that a prohibition always applies in this situation.<sup>51</sup>

EU missile technology sanctions stay in place until Transition Day.<sup>52</sup>

- Remaining individuals and entities subject to restrictive measures

Certain persons and entities (UN and EU listings) remain subject to an asset freeze, visa ban and prohibition on the provision of specialised financial messaging services (SWIFT) until Transition Day.<sup>53</sup>

## 5.2. Proliferation-related restrictions (authorisation regimes including the Procurement Channel)

- Nuclear transfers and activities

As of Implementation Day, proliferation-sensitive transfers and activities concerning certain goods and technology, including associated services, such as technical and financial assistance and related investments are subject to prior authorisation to be granted on a case-by-case basis by the competent authorities of the Member State.<sup>54</sup>

The lists of goods and technology subject to prior authorisation are to be found in Annexes I and II to Council Regulation 267/2012 (as amended).

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<sup>50</sup> <http://www.mtc.info/english/guidelines.html>

<sup>51</sup> According to the introductory note in Annex I to Council Regulation 267/2012 (as amended).

<sup>52</sup> As specified in Annex V, paragraph 20.1, of the JCPOA.

<sup>53</sup> Persons and entities as set out in Annexes VIII (UN listings) and IX (autonomous listings) to Regulation (EU) No 267/2012.

<sup>54</sup> Competent authorities of each Member State are identified in Annex X to Council Regulation 267/2012 concerning restrictive measures against Iran.

Annex I contains the goods and technology listed in the Nuclear Suppliers Group lists. For more information on the Nuclear Suppliers Group list, it is recommended to consult the Guidelines for Nuclear Transfers of the Nuclear Supplier Group.<sup>55</sup>

In the case of goods and technology listed in Annex I, any transfer or related activity falls within the procurement channel as described in the JCPOA<sup>56</sup> and UN Security Council resolution 2231(2015)<sup>57</sup>. Consequently, the national competent authority will have to submit a request for authorisation to the UN Security Council. The Procurement Working Group of the Joint Commission will make a recommendation to the UN Security Council on every request for authorisation. Each E3+3 State and Iran participate in the Procurement Working Group and the High Representative serves as the Coordinator.

For more information on the functioning of the Procurement Working Group, it is recommended to consult the Procurement Working Group guidelines.<sup>58</sup>

Another group of goods and technology subject to prior authorisation on a case-by-case basis by the competent authorities of Member States is listed in Annex II to Council Regulation 267/2012 (as amended). Annex II contains other dual-use goods and technology that could contribute to reprocessing, enrichment-related, heavy water-related or other activities inconsistent with the JCPOA. In this case the authorisation is granted by the national competent authority only in accordance with the EU legal framework.

- Metals and Software

The sale, supply transfer or export of Enterprise Resource Planning software, designed specifically for use in nuclear and military industries, as described in Annex VIIA to Council Regulation 267/2012 (as amended), and the provision of associated services is subject to prior

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<sup>55</sup> <http://www.nuclearsuppliersgroup.org/en/guidelines>

<sup>56</sup> Annex IV of the JCPOA.

<sup>57</sup> Exceptions may apply in relation to certain goods for light-water reactors or in respect of transactions necessary to implement Iran's nuclear-related commitments specified in the JCPOA or required for the preparation for the implementation of the JCPOA. For further details, consult Council Regulation 267/2012 (as amended).

<sup>58</sup> <http://www.un.org/en/sc/2231/proliferation-nuclear-activities.shtml>

authorisation to be granted on a case-by-case basis by the competent authorities of the Member State.<sup>59</sup>

The sale, supply, transfer or export of certain graphite and raw or semi-finished metals and the provision of associated services is subject to prior authorisation to be granted on a case-by-case basis by the competent authorities of the Member State.<sup>60</sup> The list of goods covered by this restriction can be found in Annex VIIB to Council Regulation 267/2012 (as amended).

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<sup>59</sup> Competent authorities of each Member State are identified in Annex X to Council Regulation 267/2012 concerning restrictive measures against Iran.

<sup>60</sup> Competent authorities of each Member State are identified in Annex X to Council Regulation 267/2012 concerning restrictive measures against Iran.

## **6. Non-nuclear proliferation-related sanctions and restrictive measures**

Sanctions imposed by the EU in view of the human rights situation in Iran, support for terrorism and other grounds are not part of the JCPOA, and remain in place.

Measures adopted by the EU in relation to concerns on human rights violations include an asset freeze and visa ban on 84 persons and one entity responsible for grave human rights violations, as well as a ban on exports to Iran of equipment which might be used for internal repression and of equipment for monitoring telecommunications.<sup>61</sup>

Iranian persons who are also listed under EU terrorism and Syria sanctions regimes (or any other EU sanctions regime)<sup>62</sup> continue to be subject to restrictive measures under these regimes which are outside the scope of the JCPOA.

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<sup>61</sup> Please consult Annexes III and IV to Council Regulation (EU) No 359/2011 of 12 April 2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Iran (<http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32011R0359&qid=1452107764652>).

<sup>62</sup> EU measures to combat terrorism: Common Position 2001/931 and Council Regulation (EC) No 2580/2001.

Sanctions regime in view of the situation in Syria: Council Decision 2013/255/CFSP and Council Regulation (EU) No 36/2012.

## **7. Questions and Answers**

This section contains a description of practical issues raised by EU Member States or third States and the business community. The aim of this section is to serve as a practical tool on the implementation of the JCPOA and the uniform application of the aforementioned legal acts within the EU. Therefore, this section could be updated in light of experience on the implementation of the JCPOA and relevant legal acts. The questions are divided by main categories.

### **General questions**

1. When is Implementation Day scheduled to occur according to the JCPOA?

*Implementation Day occurred on 16 January 2016 when the IAEA verified the implementation by Iran of the nuclear-related measures as described in the relevant paragraphs of the JCPOA, and simultaneously the E3/EU+3 lifted sanctions as described in the relevant paragraphs of the JCPOA.*

2. What sanctions were lifted on Implementation Day and is there a list of the sanctions that were lifted?

*On Implementation Day (16 January 2016), the EU lifted all its economic and financial sanctions taken in connection with the Iranian nuclear programme. Details on sanctions which were lifted on Implementation Day are to be found in section 3 of this Information Note.*

3. What sanctions remain in place on Implementation Day?

*Proliferation-related sanctions which remain in place are described in section 5 of this Information Note. Restrictive measures not related to nuclear issues or proliferation, such as those related to human rights and support for terrorism, as described in section 6 of this Information Note, remain in place as they are not covered by the JCPOA.*

## 4. What exports to Iran are permitted?

*As of Implementation Day (16 January 2016), all exports to Iran are permitted, with the following exceptions:*

- Prior authorisation to be granted on a case-by-case basis by the competent authority of the relevant Member State is needed for the export of goods and technology in Annexes I, II, VIIA and VIIB to Council Regulation 267/2012, as modified by Council Regulation No 2015/1861;*
- A prohibition is maintained on the export of arms as detailed in the EU Common Military List and missiles-related goods and technology as detailed in Annex III (Missile Technology Control Regime list) to Council Regulation 267/2012 concerning restrictive measures against Iran, as modified by Council Regulation No 2015/1861;*
- In addition, it remains prohibited under the Iran human rights sanctions regime to export equipment which might be used for internal repression and equipment for monitoring telecommunications since this is outside the scope of the JCPOA;*
- Finally, any export to or for the benefit of any person or entity listed under any EU sanctions regime shall remain prohibited (prohibition to make economic resources available to listed persons or entities)*

## 5. Are there any export control rules that apply to exports to third countries?

*Any export control rules that apply independently from the sanctions taken in connection with the Iranian nuclear programme continue to apply. Any such controls apply to exports to any country outside the EU. In addition, goods and technology in Annexes I, II, VIIA and VIIB to Council Regulation 267/2012, as modified by Council Regulation No 2015/1861 are subject to specific authorisation regimes if they are for an Iranian person, entity or body in or outside Iran.*

6. What does the term "associated services" mean when used in Annex II of the JCPOA?

*For the purposes of Annex II of the JCPOA the term "associated services" means any service – including technical assistance, training, insurance, re-insurance, brokering, transportation or financial service – necessary and ordinarily incident to the underlying activity for which sanctions have been lifted pursuant to the JCPOA.<sup>63</sup> It is noted that the EU legal acts provide further clarity regarding the scope of lifting of sanctions on associated services for each measure.*

7. Does the lifting of sanctions also include the lifting of restrictions currently in place on Iranian students?

*As of Implementation Day (16 January 2016), Member States are no longer under a UN or EU imposed obligation to prevent specialised teaching or training of Iranian nationals of disciplines which would contribute to Iran's proliferation-sensitive nuclear activities and development of nuclear weapon delivery systems.<sup>64</sup> However, other international obligations and commitments including UN Security Council resolution 1540 and commitments of Member States under the international export control regimes concerning intangible transfer of controlled technology related to Weapons of Mass Destruction proliferation as well as non-assistance obligations under the Chemical Weapons Convention and Biological Weapons Convention continue to apply. Member States may also have additional national approval schemes that remain in place.*

8. What will happen if Iran does not comply with the provisions of the JCPOA?

*If Iran or the E3/EU+3 believes that the commitments under the JCPOA are not met, the issue could be referred to the Joint Commission. The Joint Commission would try to solve the issue through the dispute resolution mechanism described in the JCPOA. If at the end of the process the complaining participant believes the issue still has not been resolved to its satisfaction, and if the complaining*

<sup>63</sup> Footnote 3 in Annex II of the JCPOA.

<sup>64</sup> Annex II, paragraph 1.5.1, of the JCPOA.



*participant deems the issue to constitute significant non-performance, it can notify the UN Security Council that it believes the issue constitutes significant non-performance of the obligations under the JCPOA. The UN Security Council will vote on a resolution to continue the sanctions lifting and if this resolution has not been adopted within 30 days of the notification, then the provisions of the old UN Security Council resolutions<sup>65</sup> will be re-imposed, unless the UN Security Council decides otherwise.*

*In such an event, the European Union, following the necessary Council decision, will reintroduce ("snapback") EU sanctions taken in connection with the Iranian nuclear programme that have been suspended and/or terminated.*

9. Is it possible that new sanctions on Iran will be introduced by the UN/EU/U.S.?

*The EU and the U.S. will refrain from re-introducing or re-imposing sanctions that have been lifted under the JCPOA or from imposing new nuclear-related sanctions, without prejudice to the dispute resolution process provided for under the JCPOA. There will be no new nuclear-related UN Security Council sanctions, without prejudice to the dispute resolution process provided for under the JCPOA.*

10. What kind of support is established for evaluating and determining if an activity is consistent with the JCPOA?

*The Joint Commission consisting of the E3/EU+3 and Iran is established to monitor the implementation of the JCPOA and carries out the functions specified in Annex IV of the JCPOA.<sup>66</sup>*

*For the review and recommendations on proposals for nuclear-related transfers to or activities with Iran the Joint Commission is assisted by the Procurement Working Group. As regards the lifting of sanctions the Joint Commission is assisted by a Working Group on Implementation of Sanctions Lifting. The High*

<sup>65</sup> UN Security Council resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010) and 2224 (2015).

<sup>66</sup> Annex IV, paragraph 2.1.1 to 2.1.16, of the JCPOA.

*Representative serves as the coordinator of the Joint Commission and both working groups.*

### **Financial, banking and insurance measures**

11. Is it permissible to access financial and banking services in Iran?

*The restrictions on accessing financial and banking services in Iran (as contained in EU Council Decision 2010/413/CFSP and Council Regulation 267/2012) are lifted as of Implementation Day (16 January 2016).*

12. Does the lifting of measures on banking allow the reopening of correspondent banking accounts?

*As of Implementation Day (16 January 2016), banking activities including the establishment of new correspondent banking relationships with Iranian banks are allowed, provided that the Iranian financial institution is not a listed entity.*

13. Can an EU person or entity use any Iranian bank for its business and engage in banking transactions? Or are there still Iranian banks listed?

*Certain Iranian banks remain listed (Ansar Bank, Bank Saderat Iran and Bank Saderat plc, and Mehr Bank). Hence, due diligence should be performed to ensure that the Iranian bank is not listed as activities and transactions with these banks remain prohibited. Banking transactions or relationships with non-listed Iranian banks are permissible.*

14. Is there any limitation to opening a new bank account or entering into a correspondent banking relationship with non-listed financial institutions domiciled in Iran or their branches or subsidiaries?

*All restrictive measures concerning financial, banking and insurance measures are lifted and, as of Implementation Day (16 January 2016), it is permissible to open a new bank account or to enter into correspondent banking relationships with credit or financial institutions domiciled in Iran (or their branches or subsidiaries), provided that they are not listed.*

15. Is there any limitation to opening branches, subsidiaries or representative offices of Iranian banks in EU Member States or of European banks in Iran?

*As of Implementation Day (16 January 2016), non-listed Iranian banks are allowed to open branches, subsidiaries or representative offices in EU Member States. EU financial institutions are then permitted to open branches, subsidiaries or representative offices in Iran.*

16. What sanctions on the Central Bank of Iran (CBI) and other listed Iranian financial institutions will remain?

*The CBI and certain other listed Iranian financial institutions were delisted and therefore sanctions related to these entities are no longer applicable.*

17. Is there any limitation for the Central Bank of Iran (CBI) to access its funds and economic resources?

*The CBI was delisted on Implementation Day (16 January 2016), hence sanctions related to this entity are no longer applicable as of that day and any funds or economic resources that have been frozen pursuant to its listing were released.*

18. Is there any limitation for financial institutions supplying financial messaging services for the Central Bank of Iran (CBI) and other non-listed financial institutions?

*The prohibition for financial institutions to supply specialised financial messaging services used to exchange financial data applies in relation to listed entities. The CBI and certain other listed Iranian financial institutions were delisted. Therefore, financial institutions can supply financial messaging services for the CBI and other non-listed financial institutions.*

19. Will financial institutions be exposed to U.S. sanctions for transacting with Iranian financial institutions if those Iranian financial institutions have banking relationships with Iranian persons on the SDN list?

*This question addresses the U.S. sanction regime and for an accurate response reference is made to the U.S. Guidelines and FAQs on the OFAC website.<sup>67</sup>*

20. Are Iranian banks allowed to reconnect to SWIFT?

*As of Implementation Day (16 January 2016), Iranian banks which are no longer included in the list of persons and entities subject to EU restrictive measures are allowed to reconnect to SWIFT<sup>68</sup>. Persons and entities delisted on Implementation Day are included in the Annex to Council Implementing Regulation (EU) 2015/1862 of 18 October 2015, implementing Regulation (EU) No 267/2012 concerning restrictive measures against Iran. Additional entities delisted on 22 January 2016 are included in the Annex to Council Implementing Regulation (EU) 2016/74 of 22 January 2016, implementing Regulation (EU) No 267/2012 concerning restrictive measures against Iran*

*Against this background reference is made to a statement published by SWIFT<sup>69</sup>, that banks delisted by the Implementing Regulation will automatically be able to reconnect to SWIFT on Implementation Day, following the completion of SWIFT's normal connection process (i.e. administrative and systems checks, connectivity and technical arrangements).*

21. Is it permissible for EU financial institutions to clear transactions involving non-listed Iranian persons or entities after Implementation Day?

*Yes, EU financial institutions are permitted to clear transactions with non-listed Iranian persons or entities. EU financial institutions will have to ensure, however,*

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<sup>67</sup> <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx>

<sup>68</sup> The following Iranian banks remain listed: Ansar Bank, Bank Saderat Iran and Bank Saderat plc, and Mehr Bank. See annexes VIII (UN listings) and IX (autonomous listings) to Regulation (EU) No 267/2012.

<sup>69</sup>

[http://www.swift.com/about\\_swift/shownews?param\\_dcr=news.data/en/swift\\_com/2015/Iran\\_sanctions\\_agreement\\_update.xml](http://www.swift.com/about_swift/shownews?param_dcr=news.data/en/swift_com/2015/Iran_sanctions_agreement_update.xml)

*that they do not clear transactions through other financial systems, or with other entities, where such activity is not allowed.*<sup>70</sup>

22. Is it permissible to transfer funds to and from Iran?

*As of Implementation Day (16 January 2016), the prohibition to transfer funds with non-listed Iranian banks is lifted. Consequently, all limitations to transfer funds to or from Iran applicable to non-listed Iranian banks, financial institutions and bureaux de change, as well as any subsidiary or branch, cease to apply.*

23. Is it still necessary to file notifications and requests for authorisations relating to the transfer of funds pursuant to Articles 30, 30a of Council Regulation 267/2012 as currently applicable? Is there any limitation in relation to the amount of funds that can be transferred?

*As of Implementation Day (16 January 2016), there is no requirement to file notifications and requests for authorisations relating to the transfer of funds to and from Iran as these articles are removed from Council Regulation 267/2012<sup>71</sup>. Equally, restrictions linked to the amount of funds to be transferred no longer apply in accordance with the JCPOA.*

24. Is it permissible to transfer funds to and from Iran for foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes?

*According to the restrictions on transfer of funds to and from Iran in place before Implementation Day the transfer of funds regarding foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes were permitted under certain conditions. However, as of Implementation Day, the provisions regarding transfer of funds to and from Iran are lifted and the limitations to transfer funds cease to apply with the exception of transfer of funds or economic resources to listed persons or entities.*

<sup>70</sup> <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx>

<sup>71</sup> Article 1 (15), Council Regulation (EU) 2015/1861 of 18 October 2015 amending Council Regulation 267/2012.

25. Is it permissible for listed person and entities to use frozen funds for extraordinary expenses?

*Those persons and entities that are removed from the list have immediate access to their funds on that same day. The persons and entities remaining listed do not have access to their funds. However, exemptions to take account of in particular basic needs of targeted persons, legal fees, and extraordinary expenses remain in force and listed persons can request an authorisation from the competent authorities of Member States in order to use their funds where a valid derogation applies.*

26. Is there any limitation for Iranian banks and financial institutions, bodies and entities to access their funds and economic resources?

*Non-listed Iranian banks and financial institutions are not subject to any asset freeze measures by the European Union. Therefore, their funds in the EU are not frozen. On Implementation Day (16 January 2016), a number of listed Iranian banks and financial institutions were delisted followed by additional Iranian banks on 23 January 2016. Consequently, delisted Iranian banks and financial institutions had access to their frozen funds in the EU. However, a limited number of Iranian banks and financial institutions remain listed (Ansar Bank, Bank Saderat Iran and Bank Saderat plc, and Mehr Bank) and not able to access their funds in the EU, unless specifically provided for in Council Regulation 267/2012.*

27. How does the lifting of sanctions provided under the EU legal acts in accordance with the JCPOA affect the provision of insurance and reinsurance for transactions involving Iran?

*As of Implementation Day (16 January 2016), it is permitted to provide insurance and reinsurance to Iran or the Government of Iran or any non-listed Iranian person, entity or body acting on their behalf or at their direction.<sup>72</sup>*

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<sup>72</sup> Annex II, paragraph 3.2.3 of the JCPOA.

28. Is the purchase or sale of Iranian issued sovereign debt allowed?

*The sale or purchase of public or public-guaranteed bonds issued by, for example, the Government of Iran or the Central Bank of Iran, or Iranian banks and credit or financial institutions, and providing related services thereto, is permitted as of Implementation Day (16 January 2016). The same applies to any natural or legal person entity or body acting on behalf or owned and controlled by them.*

29. Are there any limitations on the provision of financial support for trade with Iran, including export credits, guarantees or insurance?

*As of Implementation Day (16 January 2016), EU Member States are no longer prohibited from entering into new commitments to provide financial support for trade with Iran, including the granting of export credits, guarantees or insurance, to EU nationals or entities.*

30. Is there any limitation for persons to enter into new commitments for grants or concessional loans to the Government of Iran?

*As of Implementation Day (16 January 2016), EU Member States are no longer prohibited from entering into new commitments for grants, financial assistance and concessional loans to the Government of Iran, including through their participation in international financial institutions.*

31. Is there any limitation to financial institutions opening a new representative office or establishing a new branch or subsidiary in Iran?

*As of Implementation Day (16 January 2016), EU financial institutions are able to open representative offices, subsidiaries or banking accounts in Iran. It is also permissible to establish new joint ventures with Iranian financial institutions. However, EU financial institutions cannot engage in banking activities with those Iranian banks that remain listed under EU sanctions.*

## Oil, gas and petrochemical sectors

32. Are petrochemicals covered by the lifting of sanctions?

*Yes, activities related to Iranian petrochemicals are covered by the lifting of sanctions on Implementation Day (16 January 2016).<sup>73</sup>*

33. Is it permissible to purchase, acquire, sell or market petroleum products, petrochemical products and natural gas to or from Iran?

*Yes, as of Implementation Day (16 January 2016), it is permissible to purchase, acquire, sell or market petroleum products, petrochemical products and natural gas to or from Iran and to provide associated services.<sup>74</sup>*

34. Does the lifting of sanctions on Iranian crude oil, petroleum products, petrochemical products and liquefied natural gas also cover the provision of transport?

*The transport of Iranian oil and petrochemical products, and the provision of insurance and re-insurance, including protection and indemnity (P&I) insurance, are permissible. As of Implementation Day (16 January 2016), the transport of Iranian petroleum products and liquefied natural gas, and the provision of insurance and re-insurance, including protection and indemnity (P&I) insurance, are also permissible. As of Implementation Day, other activities and transactions related to Iranian oil and natural gas such as the provision of financing are also allowed.<sup>75</sup>*

35. Are sanctions on entities such as the National Iranian Oil Company lifted?

*All entities removed from the list are no longer subject to restrictive measures. As of Implementation Day (16 January 2016), the National Iranian Oil Company, as well as its listed subsidiaries and affiliated companies, are removed from the list*

<sup>73</sup> Annex II, paragraph 3.3.1, of the JCPOA.

<sup>74</sup> Annex II, paragraphs 1.2.2. and 1.2.5, of the JCPOA.

<sup>75</sup> Annex II, paragraph 3.3.1, of the JCPOA.



*of listed entities and as a consequence the sanctions on these entities are lifted and transactions are allowed.*

36. Is it permissible to invest in Iran's oil, gas and petrochemical sectors?

*Yes, as of Implementation Day (16 January 2016), it is permissible to invest in Iran's oil, gas and petrochemical sectors.<sup>76</sup>*

37. The JCPOA provides that on Implementation Day the application of efforts to reduce Iran's crude oil sales are ceased, including limitations on: the quantities of Iran crude oil sold; the countries that can purchase Iranian crude oil and the use of Iranian oil revenues. What will this entail?

*This question addresses the U.S. sanction regime and for an accurate response reference is made to the U.S. Guidelines and FAQ's on the OFAC website.<sup>77</sup>*

38. Is it prohibited for an EU person to conduct business with an Iranian entity in which a natural person or entity listed by the EU retains a minority or non-controlling interest?

*EU persons are prohibited from making available funds or economic resources to listed persons or entities directly or indirectly. The criteria to establish control or ownership and whether funds or economic resources are made indirectly available to designated persons and entities are to be found in the 'Guidelines on implementation and evaluation of restrictive measures (sanctions) in the framework of the EU Common Foreign and Security Policy'.<sup>78</sup>*

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<sup>76</sup> Annex II, paragraph 1.2.4, of the JCPOA.

<sup>77</sup> <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx>

<sup>78</sup> See link to 'New elements on the notions of ownership and control and the making available of funds or economic resources' in section 8 on reference documents.

### Shipping, shipbuilding and transport sectors

39. Is it permissible to provide vessels designed for the transport of Iranian oil and petrochemical products?

*Yes, it is permissible to supply vessels designed for the transport or storage of oil and petrochemical products to non-listed Iranian persons or entities as well as to any person or entity for the transport of Iranian oil or petrochemical products.<sup>79</sup>*

40. Is it permissible to export naval equipment and technology for shipbuilding to Iran?

*Yes, as of Implementation Day (16 January 2016), it is permissible to export naval equipment and technology for shipbuilding, maintenance or refit, to Iran or to non-listed Iranian or Iranian-owned enterprises engaged in this sector.<sup>80</sup>*

41. Is it permissible to construct and repair Iranian vessels?

*Yes, as of Implementation Day (16 January 2016), it is allowed to sell, supply, transfer or export naval equipment and technology for ship building, maintenance or refit, to Iran or to any Iranian persons engaged in this sector such as NITC and IRISL. The participation in the design, construction and repair of cargo vessels and oil tankers for Iran or for non-listed Iranian persons or Iranian-owned enterprises engaged in this sector such as NITC and IRISL is also allowed as of Implementation Day.<sup>81</sup>*

42. Is it permissible to provide flagging and classification services to vessels owned or controlled by Iranian persons?

*Yes, as of Implementation Day (16 January 2016), the provision of flagging and classification services, including those pertaining to technical specification, registration and identification numbers of any kind, to Iranian oil tankers and cargo vessels owned or controlled by non-listed Iranian or Iranian-owned*

<sup>79</sup> Annex II, paragraphs 1.3.1 and 1.3.2, of the JCPOA.

<sup>80</sup> Annex II, paragraph 3.4.1 of the JCPOA

<sup>81</sup> Annex II, paragraph 3.4.1. of the JCPOA.

*enterprises engaged in the shipping and shipbuilding sectors such as NITC and IRISL is allowed.*

43. Is it permissible to provide bunkering or ship supply services to Iranian owned or Iranian contracted vessels?

*Yes, as of Implementation Day (16 January 2016), it is permitted to provide bunkering or ship supply services to Iranian-owned or Iranian-contracted vessels, including chartered vessels, not carrying prohibited items.<sup>82</sup>*

#### **Gold, other precious metals, banknotes and coinage**

44. Is it permissible to mint coins for Iran or deliver newly printed or unissued Iranian dominated banknotes to the Central Bank of Iran?

*As of Implementation Day (16 January 2016), the delivery of newly minted coinage and newly printed or unissued Iranian dominated banknotes to or for the benefit of Central Bank of Iran is allowed.<sup>83</sup>*

45. Is it permissible to export diamonds to Iran?

*As of Implementation Day (16 January 2016), the sale, purchase, transportation or brokering of diamonds to Iran is allowed.<sup>84</sup>*

46. Is it permissible to supply, sell, purchase, transfer, export or import gold and other precious metals to and from Iran, the Government of Iran, its public bodies, corporations and agencies, any person, entity or body owned or controlled by them?

*Yes, it is permissible to sell, supply, purchase, export, or transfer gold and precious metals, to provide related brokering, financing and security services to, or from or for the Government of Iran, its public bodies, corporations and agencies or the Central Bank of Iran its public bodies, corporations and agencies,*

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<sup>82</sup> Annex II, paragraph 3.4.4 of the JCPOA

<sup>83</sup> Annex II, paragraph 1.4.1, of the JCPOA

<sup>84</sup> Annex II, paragraph 1.4.1, of the JCPOA

*any person, entity or body acting on their behalf or at their direction, or any entity or body owned or controlled by them.*

#### **Metals / Software**

47. Are all restrictions on the export of software lifted?

*As of Implementation Day (16 January 2016), the export of software to Iran is permitted, with the following exceptions:*

- *Prior authorisation to be granted on a case-by-case basis by the competent authority of the relevant Member State is needed for the sale, supply, transfer or export of Enterprise Resource Planning software, designed specifically for use in nuclear and military industries as set out in Annex VIIA to Council Regulation 267/2012, as modified by Council Regulation No 2015/1861, and the provision of associated services;*
- *Prior authorisation to be granted on a case-by-case basis by the competent authority of the relevant Member State is needed for the sale, supply, transfer or export of software related to nuclear equipment and technologies as set out in Annexes I and II to Council Regulation 267/2012, as modified by Council Regulation No 2015/1861;*
- *On the contrary, the sale, supply, transfer or export of software related to ballistic missiles as set out in Annex III to Council Regulation 267/2012, as modified by Council Regulation No 2015/1861, is still subject to a prohibition.*

48. What metals are still subject to restriction on the sale, supply or export to Iran?

*As of Implementation Day (16 January 2016), the export of metals to Iran is permitted with the following exception:*

- *Prior authorisation to be granted on a case-by-case basis by the competent authorities of the Member State is needed for the sale, supply, transfer or export of graphite and raw or semi-finished metals and the provision of technical assistance or training, financing or financial assistance. The list of items covered by this restriction can be found in*

*Annex VIIB to Council Regulation 267/2012, as modified by Council Regulation No 2015/1861.*

49. Is an entity allowed to invest in the production or in a production facility in Iran for the production of metals covered by an export authorisation regime?

*Yes, the JCPOA does not preclude investment in Iran in sectors related to goods the sale, supply, transfer or export, of which remain subject to an authorisation regime.*

50. Is the sale or export of aluminium oxide (alumina) to Iran subject to prior EU authorisation?

*The list of graphite and raw or semi-finished metals subject to prior authorisation to be granted on a case-by-case basis by the competent authority of the relevant Member State<sup>85</sup> can be found in Annex VIIB to Council Regulation 267/2012, as modified by Council Regulation No 2015/1861.*

51. Is it permissible to sell, supply, transfer, export or to provide technical and financial assistance related to software to an Iranian person body or entity?

*Sale, supply, transfer or export of Enterprise Resource Planning software<sup>86</sup>, including updates and provision of associated services, to any Iranian person, entity or body, or for use in Iran is no longer prohibited as of Implementation Day (16 January 2016) but is subject to prior authorisation to be granted on a case-by-case basis by the competent authorities of the Member States.*

### **Nuclear proliferation-related measures**

52. Where can the list of dual-use goods which can be exported to Iran be found?

*The lists of dual-use goods which can be exported to Iran – subject to prior authorisation – are to be found in Annexes I (Nuclear Suppliers Group (NSG) list, Parts I and II) and II (EU autonomous list) of Council Regulation 267/2012, as*

<sup>85</sup> Competent authorities of each Member State are identified in Annex X to Council Regulation 267/2012 concerning restrictive measures against Iran.

<sup>86</sup> Described in Annex VIIA to Council Regulation 267/2012 as modified by Council Regulation No 2015/1861.

*modified by Council Regulation No 2015/1861. In addition to this, export licenses for other dual-use goods listed in Annex I of Regulation (EC) No 428/2009 can be applied for in line with the provisions of that regulation.*

53. Is it permissible to apply for a license to export dual-use goods to Iran?

*Yes, licenses to export dual-use goods should be requested from the competent authority in the relevant Member State. A list of the national competent authorities is to be found in Annex X of Council Regulation 267/2012, as modified by Council Regulation No 2015/1861.*

54. Is an authorisation for the export of dual-use goods granted by an EU Member State valid in other EU Member States?

*Yes, authorisations for the export of dual-use goods granted by the competent authorities of the Member State where the exporter is established shall be valid throughout the Union.*

55. How much time will it take to obtain a licence?

*This is a matter for the relevant competent authority responsible for issuing licenses.*

56. Article 2d(3)(b) Council Regulation 267/2012, as modified by Council Regulation No 2015/1861, states that Member States shall notify the IAEA of supplied products included in the NSG list: Is a reference to both lists (NSG Part I and II) intended?

*Notification obligation concerns both lists – Part I and II - of the Nuclear Suppliers Group (NSG) and is to be found in Annex I to Council Regulation 267/2012, as modified by Council Regulation No 2015/1861.*

#### **Arms & ballistic missiles**

57. Are arms exports also subject to prior authorisation in the procurement channel?

*The EU arms embargo was not lifted on Implementation Day (16 January 2016). Sanctions related to arms, including the provision of associated services, remain in place until Transition Day.*

**Listing of persons, entities and bodies (asset freeze and visa ban)**

58. Is it permissible to do business with anybody in Iran? Or are there still persons and entities listed?

*Yes, in general terms, as of Implementation Day (16 January 2016), it is permissible to do business with Iranian persons or entities, with the exception of those that remain listed until Transition Day or are listed under a different sanctions regime and thus remain subject to the asset freeze measures, including the prohibition to make funds or economic resources available. It is advised to consult these lists before engaging in a business relationship. A central register of persons and entities that are subject to EU sanctions is available online.<sup>87</sup>*

59. How to verify if an entity or individual is on the sanctions list?

*It is the responsibility of every person or entity within the European Union, and EU nationals anywhere in the world to conduct due diligence checks to ensure that they are not making funds or economic resources available to a listed person.*

*A central register of persons and entities that are subject to EU sanctions is available online.<sup>88</sup>*

60. Does the JCPOA allow new sanctions to be imposed against Iranian persons or entities for providing support to the Government of Iran after Implementation Day?

*In accordance with the JCPOA, the EU will refrain from imposing new sanctions against Iranian persons or entities exclusively on the grounds of providing support, such as material, logistical or financial support, to the Government of Iran.*

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<sup>87</sup> [http://eeas.europa.eu/cfsp/sanctions/consol-list/index\\_en.htm](http://eeas.europa.eu/cfsp/sanctions/consol-list/index_en.htm)

<sup>88</sup> [http://eeas.europa.eu/cfsp/sanctions/consol-list/index\\_en.htm](http://eeas.europa.eu/cfsp/sanctions/consol-list/index_en.htm)

## Reintroduction of sanctions

61. What would trigger the reintroduction of EU economic and financial sanctions?

*In the event of a significant non-performance by Iran of its commitments under the JCPOA and having exhausted all the steps under the dispute resolution mechanism, the European Union shall reintroduce EU sanctions ("snapback") that have been lifted. It should be noted that all parties to the JCPOA are determined to avoid any behaviour which could be qualified as non-performance and to avoid a re-imposition of sanctions by engaging in the Dispute Resolution Mechanism.*

62. How will EU sanctions be reintroduced in case of snapback?

*A decision by the Council of the European Union, based on a recommendation by the High Representative of the European Union for Foreign Affairs and Security Policy, France, Germany and the United Kingdom, will reintroduce all EU sanctions taken in connection with the Iranian nuclear programme that have been suspended and/or terminated. Reintroduction of EU sanctions in case of significant non-performance by Iran of its commitments under the JCPOA will be done consistent with previous provisions when sanctions were originally imposed.*

63. What happens with existing contracts in the event of the reintroduction of EU sanctions?

*In the event of the reintroduction of EU sanctions, sanctions will not apply with retroactive effect. The execution of contracts concluded while the JCPOA sanctions relief was in force and in accordance with the EU legal framework will be permitted consistent with previous provisions when sanctions were originally imposed, in order to allow companies to wind down their activities. Details about the period of time allowed for the execution of prior contracts will be specified in the legal acts providing for the reintroduction of EU sanctions. For example, the reintroduction of sanctions on investment activities would not retroactively penalise investment made before the date of snapback, and the execution of investment contracts concluded before the reintroduction of sanctions will be permitted consistent with previous provisions when sanctions were originally*



*imposed. Contracts that were permitted when the sanctions regime was still in place will not be targeted by the reintroduction of sanctions.*

64. Is the moment of a snapback publicly announced?

*The reintroduction of EU sanctions will imply the adoption of legal acts terminating the suspension of articles in Council Decision 2010/413CFSP, as amended by Council Decision 2015/1863, and reintroducing the corresponding articles in Council Regulation 267/2012, as modified by Council Regulation 2015/1861. These legal acts will be published in the Official Journal of the European Union and therefore publicly available.<sup>89</sup>*

### **Procurement channel**

65. How does the procurement channel function?

*The UN Security Council will respond to requests by States to export certain goods to and perform certain activities in Iran (NSG list/Annex I to Council Regulation 267/2012, as modified by Council Regulation 2015/1861) after the recommendation of the Procurement Working Group/Joint Commission.*

66. What is the role of the Procurement Working Group?

*The role of the Procurement Working Group is to review and make recommendations on behalf of the Joint Commission on proposals for nuclear-related transfers to or activities with Iran through a Procurement Working Group.<sup>90</sup>*

67. Who is the “Coordinator” in point 6.4.1 of JCPOA Annex IV?

*The High Representative serves as the Coordinator of the Procurement Working Group.<sup>91</sup>*

<sup>89</sup> See Article 2 of Council Decision (CFSP) 2015/1863 of 18 October 2015.

<sup>90</sup> Annex IV, paragraph 6.2, of the JCPOA.

<sup>91</sup> Annex IV, paragraph 6.3, of the JCPOA

68. How is confidentiality of information when sending an authorisation application ensured? For example, on sensitive business-related information.

*The operation of the Procurement Working Group is subject to the confidentiality rules of the UN.<sup>92</sup>*

69. How will the Procurement Working Group communicate its authorisation decisions to domestic authorities?

*The Procurement Working Group will review applications and make a recommendation to the UN Security Council, which will then communicate its decision to national competent authorities.*

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<sup>92</sup> Annex IV, paragraph 3.4, of the JCPOA

## **8. Reference documents**

### **Joint Comprehensive Plan of Action (JCPOA)**

- JCPOA

[http://eeas.europa.eu/statements-eeas/docs/iran\\_agreement/iran\\_joint-comprehensive-plan-of-action\\_en.pdf](http://eeas.europa.eu/statements-eeas/docs/iran_agreement/iran_joint-comprehensive-plan-of-action_en.pdf)

- JCPOA – Annex I – Nuclear-related measures

[http://eeas.europa.eu/statements-eeas/docs/iran\\_agreement/annex\\_1\\_nuclear\\_related\\_commitments\\_en.pdf](http://eeas.europa.eu/statements-eeas/docs/iran_agreement/annex_1_nuclear_related_commitments_en.pdf)

- JCPOA – Annex II – Sanctions-related commitments

[http://eeas.europa.eu/statements-eeas/docs/iran\\_agreement/annex\\_2\\_sanctions\\_related\\_commitments\\_en.pdf](http://eeas.europa.eu/statements-eeas/docs/iran_agreement/annex_2_sanctions_related_commitments_en.pdf)

Attachments Annex II

[http://eeas.europa.eu/statements-eeas/docs/iran\\_agreement/annex\\_1\\_attachements\\_en.pdf](http://eeas.europa.eu/statements-eeas/docs/iran_agreement/annex_1_attachements_en.pdf)

- JCPOA – Annex III – Civil Nuclear Cooperation

[http://eeas.europa.eu/statements-eeas/docs/iran\\_agreement/annex\\_3\\_civil\\_nuclear\\_cooperation\\_en.pdf](http://eeas.europa.eu/statements-eeas/docs/iran_agreement/annex_3_civil_nuclear_cooperation_en.pdf)

- JCPOA – Annex IV – Joint Commission

[http://eeas.europa.eu/statements-eeas/docs/iran\\_agreement/annex\\_4\\_joint\\_commission\\_en.pdf](http://eeas.europa.eu/statements-eeas/docs/iran_agreement/annex_4_joint_commission_en.pdf)

- JCPOA – Annex V – Implementation Plan

[http://eeas.europa.eu/statements-eeas/docs/iran\\_agreement/annex\\_5\\_implementation\\_plan\\_en.pdf](http://eeas.europa.eu/statements-eeas/docs/iran_agreement/annex_5_implementation_plan_en.pdf)

### **United Nations**

- UN Security Council resolution 2231(2015)

<http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N15/225/27/PDF/N1522527.pdf?OpenElement>

- UN Security Council

<http://www.un.org/en/sc/>

### **EU legal acts**

- Council Decision 2010/413/CFSP of 26 July 2010 concerning restrictive measures against Iran and repealing Common Position 2007/140/CFSP

<http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1452107576951&uri=CELEX:32010D0413>

- Council Decision (CFSP) 2015/1863 of 18 October 2015 amending Decision 2010/413/CFSP concerning restrictive measures against Iran

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D1863&from=EN>

- Council Regulation No 267/2012 of 23 March 2012 concerning restrictive measures against Iran and repealing Regulation (EU) No 961/2010

<http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1452107630568&uri=CELEX:32012R0267>

- Council Regulation (EU) 2015/1861 of 18 October 2015 amending Regulation (EU) 267/2012 concerning restrictive measures against Iran. (including annexes)

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R1861&from=EN>

- Council Implementing Regulation (EU) 2015/1862 of 18 October 2015 implementing Regulation (EU) No 267/2012 concerning restrictive measures against Iran

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R1862&qid=1452102679407&from=EN>

- Council Decision (CFSP) 2016/37 of 16 January 2016 concerning the date of application of Decision (CFSP) 2015/1863 amending Decision 2010/413/CFSP concerning restrictive measures against Iran

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2016:0111:TOC>

- Notice: Information concerning the date of application of Council Regulation (EU) 2015/1861 of 18 October 2015 amending Regulation (EU) No 267/2012 concerning restrictive measures against Iran (OJ L 274, 18.10.2015, p. 1) and Council Implementing Regulation (EU) 2015/1862 of 18 October 2015 implementing Regulation (EU) No 267/2012 concerning restrictive measures against Iran (OJ L 274, 18.10.2015, p. 161)

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C:2016:0151:TOC>

- Council Implementing Decision (CFSP) 2016/78 of 22 January 2016 implementing Decision 2010/413/CFSP concerning restrictive measures against Iran

[http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_2016.016.01.0025.01.ENG&toc=OJ:L:2016:016:TOC](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_2016.016.01.0025.01.ENG&toc=OJ:L:2016:016:TOC)

- Council Implementing Regulation (EU) 2016/74 of 22 January 2016 implementing Regulation (EU) No 267/2012 concerning restrictive measures against Iran

[http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_2016.016.01.0006.01.ENG&toc=OJ:L:2016:016:TOC](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_2016.016.01.0006.01.ENG&toc=OJ:L:2016:016:TOC)

#### **Other relevant EU documents**

- Frequently Asked Questions on EU restrictive measures

[http://eeas.europa.eu/cfsp/sanctions/docs/frequently\\_asked\\_questions\\_en.pdf](http://eeas.europa.eu/cfsp/sanctions/docs/frequently_asked_questions_en.pdf)

- Guidelines on implementation and evaluation of restrictive measures in the framework of the EU Common Foreign and Security Policy

<http://register.consilium.europa.eu/doc/srv?l=EN&f=ST%2011205%202012%20INIT>

- New elements on the notions of ownership and control and the making available of funds or economic resources

<http://register.consilium.europa.eu/pdf/en/13/st09/st09068.en13.pdf>

- EU Best Practices for the effective implementation of restrictive measures

<http://data.consilium.europa.eu/doc/document/ST-10254-2015-INIT/en/pdf>

**U.S. OFAC website**

<https://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx>