

EU Iran Sanctions – What Implementation Day Means in Practice

19 JANUARY 2016

On Saturday 16 January 2016, being the so-called Implementation Day, the Council of the European Union announced that it has lifted all nuclear-related economic and financial sanctions against Iran.

This follows verification by the International Atomic Energy Agency (IAEA) that Iran has implemented the agreed nuclear-related measures as set out in the international agreement on the nuclear program of Iran, known as the Joint Comprehensive Plan of Action (JCPOA), reached on 14 July 2015 in Vienna between Iran, the P5+1 (the five permanent members of the United Nations Security Council—China, France, Russia, United Kingdom, United States—plus Germany), and the European Union.

Now that Iran has implemented the agreed measures set out in the JCPOA, the parties to the JCPOA will continue to cooperate with each other with an understanding that if Iran complies with the measures attributed to it in the JCPOA, all sanctions against Iran will be eventually lifted.

Nature of the EU sanctions lifted on Implementation Day

Full details of the sanctions which were lifted on Implementation Day are available [here](#). However, the main changes are:

- The restrictions on financial transfers to and from Iran¹ (including the notification and authorisation regimes) are lifted.
- Banking activities, including the opening of branches of non-listed Iranian banks in Member States, are permitted. EU financial and credit institutions are also allowed to open in Iran.
- The provision of financial support for trade with Iran in the form of export credit or guarantees; of financial assistance to the Government of Iran; and of insurance and reinsurance to non-listed Iranian entities is permitted.
- The import or purchase, swap and transport of crude oil and petroleum products, gas and petrochemical products from Iran is permitted. EU persons are also able to export equipment or technology used in the oil, gas and petrochemical industries² to any Iranian person, or for use in Iran. Investing in the Iranian oil, gas and

petrochemical sectors, by the granting of any financial loan or credit to any Iranian person that is engaged in the oil, gas, and petrochemical industry is also permitted.

- 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.
- The sale, supply, purchase, export, transfer or transport of gold and precious metals as well as diamonds, and the provision of associated services, to, from or for the Government of Iran is permitted.
- Certain persons, entities and bodies are delisted and no longer subject to an asset freeze, a prohibition on making funds available and a visa ban. This covers UN listings and EU autonomous listings.³

EU Sanctions which have remained in place after Implementation Day

Full details of the sanctions which remain in place after Implementation Day are available [here](#).

However, the main changes are:

- A prohibition to sell, supply, or transfer arms and related materiel of all types⁴ and the provision of associated services. The EU arms embargo covers all goods included in the EU Common Military List.
- A prohibition to sell, supply, transfer, or export to Iran the goods and technology listed in Annex III to Council Regulation (EU) No 267/2012 (as amended),⁵ and any other item that the Member State determines could contribute to the development of nuclear weapon delivery systems, and the provision of associated services. Annex III lists all goods and technology contained in the Missile Technology Control Regime list.
- Proliferation-sensitive transfers and activities concerning certain goods and technology, including associated services, are subject to prior authorisation to be granted on a case-by-case basis.⁶ See Annexes I and II to Council Regulation 267/2012 (as amended) for a list of the goods and technology subject to prior authorisation.⁷
- The sale, supply, transfer or export to Iran of Enterprise Resource Planning software, designed specifically for use in nuclear and military industries, and the provision of associated services is subject to prior authorisation to be granted on a case-by-case basis.⁸
- The sale, supply, transfer or export to Iran 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.⁹
- Measures concerning the inspection of cargoes to and from Iran and those related to the provision of bunkering or ship supply services in relation to items which will continue to be prohibited remain in place.
- Restrictive measures (i.e. targeted asset freezing financial sanctions) against 29 listed persons and 94 listed entities relating to human rights violations and terrorism under Council Regulation 267/2012 and in Council Regulation 264/2012.

While these latest developments open Iran up for business in many key industries, certain activities continue to be prohibited, while other activities require prior authorisation before they can be lawfully carried on.

¹ Such financial transfers relate to those 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.

² Such industries covering exploration, production and refining of oil and natural gas, including the liquefaction of natural gas.

³ For further information on the persons and entities that are delisted please consult Council Implementing Regulation (EU) 2015/1862.

⁴ This includes weapons and ammunition, military vehicles, equipment, paramilitary equipment and spare parts for such arms and related materiel.

⁵ Council Regulation 267/2012 concerning restrictive measures against Iran, as modified by Council Regulation 2015/1861.

⁶ Prior authorisation to be sought from the competent authorities of the relevant Member State(s).

⁷ Annex I contains the goods and technology listed in the Nuclear Suppliers Group lists, while 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.

[8](#) Prior authorisation to be sought from the competent authorities of the relevant Member State(s).

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