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Iran Sanctions

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Summary

The comprehensive nuclear accord (Joint Comprehensive Plan of Action, or JCPOA), finalized on July 14, 2015, provides Iran broad relief from U.S., U.N., and multilateral sanctions on Iran's energy, financial, shipping, automotive, and other sectors. Sanctions were suspended or lifted upon the International Atomic Energy Agency (IAEA) certification on January 16, 2016, that Iran had complied with the stipulated nuclear dismantlement commitments under the agreement ("Implementation Day"). On Implementation Day, Administration waivers of relevant sanctions laws took effect and relevant Executive Orders (E.O.s) were revoked by E.O. 13716.

Remaining in place are those secondary sanctions (sanctions on foreign firms) that have been imposed because of Iran's support for terrorism, its human rights abuses, its interference in specified countries in the region, and its missile and advanced conventional weapons programs. Most sanctions that apply to U.S. companies, including regulations barring transactions between U.S. and Iranian banks, remain in place. Under U.N. Security Council Resolution 2231 (July 2015, most U.N. sanctions terminated as of Implementation Day, but U.N. restrictions on Iran's development of nuclear-capable ballistic missiles and its importation or exportation of arms remain in place for several years.

During 2010-2013, sanctions significantly harmed Iran's economy and contributed to Iran's decision to accept the JCPOA. The sanctions and related diplomatic pressure caused or contributed to the following:

- Iran's crude oil exports fell from about 2.5 million barrels per day (mbd) in 2011 to about 1.1 mbd by mid-2013. The effect of that export volume reduction was further compounded by a fall in oil prices since mid-2014. Sanctions also made inaccessible about $120 billion in Iranian reserves held in banks abroad.
- Iran's economy shrank by 9% in the two years that ended in March 2014, before stabilizing since 2015 as a result of modest sanctions relief under an interim nuclear agreement that went into effect on January 20, 2014. Growth of about 4% is expected for 2016 largely because of the sanctions relief.
- Sanctions and sanctions relief have contributed to the electoral success of Iran's President, Hassan Rouhani.

Sanctions relief gives Iran the option of resurrecting its civilian economy as well as expanding its regional influence. Iran is able to freely export crude oil and to be paid directly for it and for other goods with hard currency. Iran's banks are being reintegrated into the international financial system and Iran has full access to its hard currency reserves held abroad. The JCPOA contains no restrictions on how Iran can utilize its funds. Iran's ability to procure equipment for its nuclear and missile programs and to import advanced conventional weaponry remains constricted by sanctions, but Iran has been able to develop its nuclear and missile programs and to assist pro-Iranian movements and governments in the region even when sanctions had maximum effect.

Some in Congress have proposed legislation to sanction Iran's continued missile development and Iran's Islamic Revolutionary Guard Corps (IRGC), which supports pro-Iranian movements and governments as well as helps secure the regime, as well as to extend the Iran Sanctions Act, which expires on December 31, 2016. Other legislation seeks to prevent finalization of a major U.S. sale of passenger aircraft to Iran Air. However, some sanctions legislation that might affect Iran's behavior might also be inconsistent with the JCPOA. See also CRS Report R43333, *Iran Nuclear Agreement*, by (name redacted) and (name redacted); CRS Report R43311, *Iran: U.S. Economic Sanctions and the Authority to Lift Restrictions*, by (name redacted); and CRS Report RL32048, *Iran: Politics, Gulf Security, and U.S. Policy*, by (name redacted).

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Overview and Objectives

U.S. sanctions—and U.S. attempts to impose multilateral and international sanctions—have been a significant component of U.S. Iran policy since the 1979 revolution. The objectives of U.S. sanctions have evolved over time. In the 1980s and 1990s, U.S. sanctions were intended to try to compel Iran to cease supporting acts of terrorism and to limit Iran's strategic power in the Middle East more generally. Since the mid-2000s, U.S. sanctions have focused on ensuring that Iran's nuclear program is for purely civilian uses and, since 2010, the international community has cooperated with a U.S.-led and U.N.-authorized sanctions regime in pursuit of that goal. Still, sanctions against Iran have multiple objectives and address multiple perceived threats from Iran simultaneously.

This report analyzes U.S. and international sanctions against Iran and provides some examples, based on open sources, of companies and countries that conduct business with Iran. CRS has no way to independently corroborate any of the reporting on which these examples are based and no mandate to assess whether any firm or other entity is complying with U.S. or international sanctions against Iran. The sections below are grouped by function, in the chronological order in which these themes have emerged.[1]

Blocked Iranian Property and Assets

Post-JCPOA Status: Iranian Assets Still Frozen, but Some Issues Resolved

U.S. sanctions on Iran were first imposed during the U.S.-Iran hostage crisis of 1979-1981, in the form of executive orders issued by President Jimmy Carter blocking nearly all Iranian assets held in the United States. Many of these assets were unblocked by subsequent orders when the crisis was resolved in early 1981 in accordance with the "Algiers Accords." Assets still frozen are analyzed below.

U.S.-Iran Claims Tribunal. The Accords established a "U.S.-Iran Claims Tribunal" at the Hague that continues to arbitrate cases resulting from the 1980 break in relations and freezing of some of Iran's assets. All of the 4,700 private U.S. claims against Iran were resolved in the first 20 years of the Tribunal, resulting in $2.5 billion in awards to U.S. nationals and firms.

The major government-to-government cases involved Iranian claims for compensation for hundreds of foreign military sales (FMS) cases that were halted in concert with the rift in U.S.-Iran relations when the Shah's government fell in 1979. In 1991, the George W. Bush Administration paid $278 million from the Treasury Department Judgment Fund to settle FMS cases involving weapons Iran had received but which were in the United States undergoing repair and impounded when the Shah fell.

On January 17, 2016, the day after Implementation Day of the JCPOA, the United States announced it had settled with Iran for FMS cases involving weaponry the Shah's military was paying for but were not completed when the Shah fell. The dispute involved a DOD account ("FMS Trust Fund") that has had a balance since 1990 of $400 million ($600 million minus $200

[1] On November 13, 2012, the Administration published in the *Federal Register* (Volume 77, Number 219) "Policy Guidance" explaining how it implements many of the sanctions, and in particular defining what products and chemicals constitute "petroleum," "petroleum products," and "petrochemical products" that are used in the laws and executive orders discussed below. See: http://www.gpo.gov/fdsys/pkg/FR-2012-11-13/pdf/2012-27642.pdf.

million paid to Iran to settle some FMS cases in 1990). Under the January 2016 settlement, the United States sent Iran the $400 million balance in the FMS Trust Fund plus $1.3 billion in accrued interest, the latter of which came from the Department of the Treasury's "Judgment Fund." In order not to violate U.S. regulations barring direct U.S. dollar transfers to Iranian banks, the funds were remitted to Iran in January and early February 2016 in foreign hard currency provided by the central banks of the Netherlands and of Switzerland. Some remaining claims involving the FMS relationship with Iran remain under arbitration at the Tribunal.

Other Frozen Assets. Including Iranian assets blocked under Executive Order 13599 of February 2010, discussed below, about $1.97 billion in U.S.-based Iranian assets are blocked, according to the 2014 "Terrorist Assets Report."[2] The United States is not committed to unblock any of these funds under the JCPOA. The bulk of the funds (about $1.75 billion) are bonds belonging to Iran's Central Bank that were improperly placed in a U.S.-based Citigroup account by Clearstream, a Luxembourg-based securities intermediary. The assets were frozen by court order in 2008. About $50 million of Iran's frozen assets consists of Iranian diplomatic property and accounts, including proceeds from rents received on the former Iranian embassy in Washington, DC, and 10 other properties in several states, along with related bank accounts.[3]

The frozen asset total does not include Iran-related real estate holdings that the U.S. Attorney for the Southern District of New York seized in 2009. These were assets of the Assa Company, a UK-chartered entity, which allegedly was maintaining the interests of Bank Melli in a 36-story office building in New York City and several other properties around the United States (in Texas, California, Virginia, Maryland, and other parts of New York City). An Iranian foundation, the Alavi Foundation, allegedly is an investor in the building. The Department of the Treasury report avoids valuing real estate holdings, but public sources assess these assets at a value of nearly $1 billion. Litigation is underway to force the sale of the properties, and possibly distribute proceeds to victims of Iranian terrorism.[4]

There have been initiatives to use at least some of Iran's frozen assets to pay the approximately $46 billion in court awards to victims of Iranian terrorism. These include the families of the 241 U.S. soldiers killed in the October 23, 1983, bombing of the U.S. Marine barracks in Beirut. In recent years, U.S. funds equivalent to the balance in the DOD account have been used to pay a small portion of these judgments. The Algiers Accords apparently precluded compensation for the 52 U.S. diplomats held hostage by Iran from November 1979 until January 1981. A provision of the FY2016 Consolidated Appropriation (Section 404 of P.L. 114-113) sets up a mechanism for paying damages to the U.S. embassy hostages and other victims of Iran-sponsored terrorism (and terrorist acts by other state sponsors of terrorism) using settlement payments paid by various banks for concealing Iran-related transactions (see "Financial/Banking Sanctions" section below) and possibly proceeds from other Iranian frozen assets. In April 2016, the U.S. Supreme Court determined the Central Bank assets discussed above could be used to pay the terrorism judgements—a decision that resulted in Iranian threats to sue the United States at the International Court of Justice at the Hague. See CRS Report RL31258, *Suits Against Terrorist States by Victims of Terrorism*, by (name redacted) .

Other past financial disputes include the mistaken U.S. shoot-down on July 3, 1988, of an Iranian Airbus passenger jet (Iran Air flight 655), for which the United States paid Iran $61.8 million in compensation ($300,000 per wage-earning victim, $150,000 per nonwage earner) for the 248

[2] https://www.treasury.gov/resource-center/sanctions/Programs/Documents/tar2014.pdf.

[3] http://www.treasury.gov/resource-center/sanctions/Documents/tar2010.pdf.

[4] "U.S. Court Reverses Record Forfeiture Order over Iran Assets." Associated Press. July 21, 2016.

Iranians killed. The United States did not compensate Iran for the airplane itself, although officials involved in the negotiations told CRS in November 2012 that the United States later arranged to provide a substitute, used aircraft to Iran.

Executive Order 13599 Impounding Iran-Owned Assets

Post-JCPOA Status: Still in Effect.

Executive Order 13599, issued February 5, 2012, directs the blocking of U.S.-based assets of entities determined to be "owned or controlled by the Iranian government." The order requires that any U.S.-based assets of the Central Bank of Iran, or of any Iranian government-controlled entity, be impounded by U.S. financial institutions. U.S. persons are prohibited from any dealings with such entities. U.S. financial institutions previously were required to merely refuse such transactions or return funds to Iran. Numerous designations have been made under order, as shown in **Table 6**, such as the June 4, 2013, naming of 38 entities—mostly including oil, petrochemical, and investment companies—that are under the umbrella of an Iranian entity called the "Execution of Imam Khomeini's Order" (EIKO).[5] EIKO is characterized by the Department of the Treasury as an Iranian leadership entity that controls "massive off-the-books investments, shielded from the view of the Iranian entities and international regulators." In accordance with the JCPOA, EIKO-controlled companies were "de-listed" from sanctions imposed by the order on Implementation Day.

Many entities "de-listed" as sanctioned entities under other Executive Orders were re-categorized by the Department of the Treasury as subject to sanctions enforcement under E.O. 13599. For such entities, U.S. persons (firms and individuals) cannot do business with them, but foreign companies are able to resume trade with them without risk of U.S. sanction.

Sanctions for Iran's Support for Terrorism and Destabilizing Regional Activities

Most of the hostage crisis-related sanctions were lifted upon resolution of the hostage crisis in 1981. The United States began imposing sanctions against Iran again in the mid-1980s as its support for regional groups committing acts of international terrorism increased. The Secretary of State designated Iran a "state sponsor of terrorism" on January 23, 1984, following the October 1983 bombing of the U.S. Marine barracks in Lebanon perpetrated by elements that later became Hezbollah. This designation triggers substantial sanctions on any nation so designated.

Sanctions Triggered by Terrorism List Designation: Ban on U.S. Aid, Arms Sales, Dual-Use Exports, and Certain Programs for Iran

Post-JCPOA Status: All Sanctions in This Section Still in Effect/Not Waived

The U.S. naming of Iran as a "state sponsor of terrorism"—commonly referred to as Iran's inclusion on the U.S. "terrorism list"—triggers several sanctions. The designation is made under

[5] http://global.factiva.com/hp/printsavews.aspx?pp=Print&hc=Publication; and Department of Treasury announcement of June 4, 2013.

the authority of Section 6(j) of the Export Administration Act of 1979 (P.L. 96-72, as amended), sanctioning countries determined to have provided repeated support for acts of international terrorism. The sanctions triggered by Iran's state sponsor of terrorism designation are:

- *Restrictions on sales of U.S. dual use items*. The restriction—a presumption of denial of any license applications to sell dual use items to Iran—is required by the Export Administration Act, as continued by executive orders issued under the authority of the International Emergency Economic Powers Act, IEEPA.
- *Ban on direct U.S. financial assistance and arms sales to Iran*. Section 620A of the Foreign Assistance Act, FAA (P.L. 87-95) and Section 40 of the Arms Export Control Act (P.L. 95-92, as amended), respectively, bar any U.S. foreign assistance to terrorism list countries. Included in the definition of foreign assistance are U.S. government loans, credits, credit insurance, and Ex-Im Bank loan guarantees. Successive foreign aid appropriations laws since the late 1980s have banned direct assistance to Iran, and with no waiver provisions.
- *Requirement that the United States vote to oppose multilateral lending*. U.S. officials are required to vote against multilateral lending to any terrorism list country by Section 1621 of the International Financial Institutions Act (P.L. 95-118, as amended [added by Section 327 of the Anti-Terrorism and Effective Death Penalty Act of 1996 (P.L. 104-132)]). Waiver authority is provided.
- *Withholding of U.S. foreign assistance to Countries that Assist or Sell Arms to Terrorism List Countries*. Under Sections 620G and 620H of the Foreign Assistance Act, as added by the Anti-Terrorism and Effective Death Penalty Act (Sections 325 and 326 of P.L. 104-132), the President is required to withhold foreign aid from any country that aids or sells arms to a terrorism list country. Waiver authority is provided. Section 321 of that act makes it a crime for a U.S. person to conduct financial transactions with terrorism list governments.
- *Withholding of U.S. Aid to Organizations That Assist Iran*. Section 307 of the FAA (added in 1985) names Iran as unable to benefit from U.S. contributions to international organizations, and require proportionate cuts if these institutions work in Iran. For example, if an international organization spends 3% of its budget for programs in Iran, then the United States is required to withhold 3% of its contribution to that international organization. No waiver is provided for.

Exception for U.S. Humanitarian Aid

The terrorism list designation, and other U.S. sanctions laws, does not bar disaster aid. The United States donated $125,000, through relief agencies, to help victims of two earthquakes in Iran (February and May 1997); $350,000 worth of aid to the victims of a June 22, 2002, earthquake; and $5.7 million in assistance (out of total governmental pledges of about $32 million) for the victims of the December 2003 earthquake in Bam, Iran, which killed as many as 40,000 people. The U.S. military flew in 68,000 kilograms of supplies to Bam.

Requirements for Removal from Terrorism List

Terminating the sanctions triggered by Iran's terrorism list designation would require Iran's removal from the terrorism list. The Arms Export Control Act spells out two different requirements for a President to remove a country from the list, depending on whether the country's regime has changed.

If the regime has changed, the President can remove a country from the list immediately by certifying that change in a report to Congress. *If the regime has not changed*, the President must report to Congress 45 days in advance of the effective date of removal. The President must certify that (1) the country has not supported international terrorism within the preceding six months, and (2) the country has provided assurances it will not do so in the future. In this latter circumstance, Congress has the opportunity to block the removal by enacting a joint resolution to that effect. The President has the option of vetoing the joint resolution, in which case blocking the removal would require a congressional veto override vote.

Executive Order 13224 Sanctioning Terrorism-Supporting Entities

Post-JCPOA Status: Still in Effect, No Entities "De-listed"

Executive Order 13324 (September 23, 2001) mandates the freezing of the U.S.-based assets of and a ban on U.S. transactions with entities determined by the Administration to be supporting international terrorism. This order was issued two weeks after the September 11, 2001, attacks on the United States, under the authority of the IEEPA, the National Emergencies Act, the U.N. Participation Act of 1945, and Section 301 of the *U.S. Code*, and initially targeted Al Qaeda-related entities. *The Order was issued after the September 11 attacks on the United States and initially listed mostly Sunni Muslim entities. The Order is not specific to Iran*.

Implementation: Iranian and Iran-related entities designated under the Order are listed in the table at the end of this report.

Executive Orders Sanctioning Iran's Involvement in Iraq and Syria

Current Status: Still in Effect, No Entities "De-Listed"

Some sanctions have been imposed to try to curtail Iran's destabilizing influence in the region.

- *Executive Order 13438*. Issued on July 7, 2007, the order sanctions persons who are determined by the Administration to be posing a threat to Iraqi stability, presumably by providing arms or funds to Shiite militias there. Persons sanctioned under the order include IRGC-Qods Force officers, Iraqi Shiite militia-linked figures, and other entities. The order remains in effect even though many of the entities sanctioned thus far have been working, as of 2014, to defeat the Islamic State organization in Iraq.
- *Executive Order 13572*. Issued on April 29, 2011, the order sanctions those individuals determined to be responsible for human rights abuses and repression of the Syrian people. The IRGC-Qods Force (IRGC-QF), IRGC-QF commander Qasem Soleimani, and others are sanctioned under this order.

Implementation: Several Iran-related entities have been designated under these orders, as listed in the tables at the end of this report.

Ban on U.S. Trade and Investment with Iran

Post-JCPOA Status: Minor Relaxation of Regulations

In 1995, the Clinton Administration significantly expanded U.S. sanctions with Executive Order 12959 (May 6, 1995), banning U.S. trade with and investment in Iran. The order was issued under the authority primarily of the International Emergency Economic Powers Act (IEEPA, 50 U.S.C. 1701 et seq.),[6] which gives the President wide powers to regulate commerce with a foreign country when a ”state of emergency” is declared in relations with that country. Executive Order 12959 superseded an earlier Executive Order (12957 of March 15, 1995) barring U.S. investment in Iran’s energy sector, which accompanied President Clinton’s declaration of a “state of emergency” with respect to Iran. A subsequent Executive Order, 13059 (August 19, 1997), added a prohibition on U.S. companies’ knowingly exporting goods to a third country for incorporation into products destined for Iran. Each March since 1995, the U.S. Administration has renewed the Iran state of emergency declaration. IEEPA gives the President the authority to make modifications to the trade ban by altering regulations to license transactions with Iran. The trade regulations are stipulated in Section 560 of the Code of Federal Regulations (Iranian Transactions Regulations, ITRs).

Section 103 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA, P.L. 111-195) codified the trade ban. It also reinstated the full ban on imports that had been relaxed by April 2000 regulations allowing importation into the United States of Iranian nuts, fruit products (such as pomegranate juice), carpets, and caviar. U.S. imports from Iran after that time were negligible.[7] CISADA also exempted from the trade ban (1) information technology to support personal communications among the Iranian people; (2) goods to allow civilian aircraft to fly safely; and (3) goods for supporting democracy in Iran. Section 101 of the Iran Freedom Support Act (P.L. 109-293) separately codified the ban on U.S. investment in Iran, but gives the President the authority to terminate this sanction if he notifies Congress 15 days in advance (or 3 days in advance if there are “exigent circumstances”).

Post-JCPOA Status: In accordance with the JCPOA, the United States (using the President’s licensing authority under IEEPA) again relaxed the import ban to allow importation to the United States of the Iranian luxury goods discussed above (carpets, caviar, etc.), but not to permit general trade in goods. The modifications were made in the Departments of State and of the Treasury guidance issued on Implementation Day.[8]

What U.S.-Iran Trade Is Allowed or Prohibited?

The following provisions apply to the U.S. trade ban on Iran as specified in regulations (Iran Transaction Regulations, ITRs) written pursuant to the executive orders and laws discussed above. The regulations are administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury.

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[6] The executive order was issued not only under the authority of IEEPA but also the National Emergencies Act (50 U.S.C. 1601 et seq.; §505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-9) and §301 of Title 3, *United States Code*.

[7] Imports were mainly of artwork for exhibitions around the United States, which are counted as imports even though the works return to Iran after the exhibitions conclude.

[8] The text of the guidance is at https://www.treasury.gov/resource-center/sanctions/Programs/Documents/implement_guide_jcpoa.pdf.

Unless specified, the trade restrictions discussed in this section remain in place in the post-JCPOA period.

- *Oil Transactions*. The 1995 trade ban expanded a 1987 ban on imports from Iran that was imposed by Executive Order 12613 of October 29, 1987. The 1987 ban, authorized by Section 505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-9), barred the importation of Iranian oil into the United States but did not ban the trading of Iranian oil overseas. The 1995 ban prohibited that activity explicitly, but provides for U.S. companies to apply for licenses to conduct "swaps" of Caspian Sea oil with Iran. These swaps have been prohibited in practice; a Mobil Corporation application to do so was denied in April 1999, and no applications have been submitted since.
- The regulations pursuant to the 1995 trade ban (ITRs) *do not ban the importation, from foreign refiners, of gasoline or other energy products in which Iranian oil is mixed with oil from other producers*. The product of a refinery (for example major refineries in the EU countries) is considered to be a product of the country where that refinery is located, even if some Iran-origin crude oil is present.
- *Transshipment and Brokering*. The ITRs prohibit U.S. transshipment of goods across Iran and ban any activities by U.S. persons to broker commercial transactions involving Iran.
- *Civilian Airline Parts*. The ITRs have always permitted the licensing of goods related to the safe operation of civilian aircraft for sale to Iran (§560.528 of Title 31, C.F.R.). Some spare parts sales were licensed under that provision. However, from June 2011 until Implementation Day, Iran's largest state-owned airline, Iran Air, was sanctioned under Executive Order 13382 (see below), rendering licensing of parts or repairs for that airline impermissible. Several other Iranian airlines have been sanctioned under that and Executive Order 13224. *Under the JCPOA, the United States has relaxed restrictions on sales of parts for commercial aircraft and licensing of sales of whole commercial aircraft, including to Iran Air (which has been "de-listed" as a sanctioned entity in accordance with the JCPOA).*[9] *A March 2016 general license allows for U.S. aircraft and parts suppliers to negotiate sales with Iranian airlines that are not sanctioned, and Boeing has announced a major sale to Iran Air, as discussed later.*
- *Personal Communications, Remittances, and Publishing*. The ITRs permit personal communications (phone calls, emails) between the United States and Iran or on personal remittances. In December 2004, the ITRs were modified to allow Americans to engage in ordinary publishing activities with entities in Iran (and Cuba and Sudan). In May 2013, OFAC issued a general license (no specific license application requirement) for the exportation to Iran of goods (such as cell phones) and services, on a fee basis, that enhance the ability of the Iranian people to access communication technology.
- *Food and Medical Exports.* After April 1999, sales to Iran by U.S. firms of food and medical products were permitted, subject to OFAC licensing. In October

[9] *Reuters*, February 21, 2014; "Exclusive: Boeing Says Gets U.S. License to Sell Spare Parts to Iran," *Reuters*, April 4, 2014.

2012, OFAC attempted to facilitate medical sales by issuing a list of medical products, such as scalpels, prosthetics, canes, burn dressings, and other products that could be sold to Iran under general license. The list was expanded in July and November 2013 to include electrocardiograms, electroencephalograms, dialysis machines, MRI machines, CT scanners, X-Ray machines, genetic testing products, oxygen tanks, contraceptives, and nuclear medicine imaging machines. According to OFAC, licenses for exports of medical products not on the "general license" list are routinely expedited for sale to Iran. Regulations have a specific definition of "food" that can be licensed for sale to Iran, and that definition excludes alcohol, cigarettes, gum, or fertilizer.[10] This definition addresses information in a December 24, 2010,[11] article that said that OFAC had approved exports to Iran of condiments such food additives and body-building supplements that have uses other than purely nutritive. U.S. policy has long been to inform foreign banks that financing approved transactions is not subject to sanctions.

- *Humanitarian and Related Services*. Private nonfinancial donations by U.S. residents to Iranian victims of natural disasters (such as mailed packages of food, toys, clothes, etc.) have not been prohibited, but donations to relief organizations require a specific OFAC license. On September 10, 2013, the Department of the Treasury eliminated licensing requirements for the provision to Iran of services for health projects, disaster relief, wildlife conservation, human rights projects, and activities related to sports matches and events. The amended regulations also allowed importation from Iran of services related to sporting activities, including sponsorship of players, coaching, referees, and training. In some cases, such as the earthquake in Bam in 2003 and the earthquake in northwestern Iran in August 2012, OFAC has issued blanket temporary general licensing for relief organizations to work in Iran, provided they do not spend more than $300,000.
- *Export Financing and Financing Guarantees*. As far as financing of approved U.S. sales to Iran, private letters of credit (from non-Iranian banks) can be used to finance approved transactions. This interpretation falls under the ITRs' provisions that transactions that are *incidental* to an approved transaction are allowed. Title IX of the Trade Sanctions Reform and Export Enhancement Act of 2000 (P.L. 106-387) bans the use of official credit guarantees (such as the Ex-Im Bank) for food and medical sales to Iran and other countries on the U.S. terrorism list, except Cuba, although allowing for a presidential waiver to permit such credit guarantees. The Ex-Im Bank is separately already prohibited from guaranteeing any loans to Iran because of Iran's continued inclusion on the terrorism list. The JCPOA does not commit the United States to make credit guarantees available for Iran transactions.

Application to Foreign Subsidiaries of U.S. Firms

The ITRs do not ban subsidiaries of U.S. firms from dealing with Iran, as long as the subsidiary is not "controlled" by the parent company. For legal and policy purposes, such foreign subsidiaries are considered foreign persons subject to the laws of the country in which the subsidiaries are incorporated. Section 218 of the Iran Threat Reduction and Syrian Human Rights Act

[10] https://www.treasury.gov/resource-center/sanctions/Programs/Documents/gl_food_exports.pdf.

[11] The information in this bullet is taken from Jo Becker, "With U.S. Leave, Companies Skirt Iran Sanctions," *New York Times*, December 24, 2010.

(ITRSHRA, P.L. 112-158) holds "controlled" foreign subsidiaries of U.S. companies to the same standards as U.S. parent firms, defining a controlled subsidiary as (1) one that is more than 50% owned by the U.S. parent; (2) one in which the parent firm holds a majority on the Board of Directors of the subsidiary; or (3) one in which the parent firm directs the operations of the subsidiary. No waiver is specifically provided under Section 218.

Under the JCPOA, the United States has licensed "controlled" foreign subsidiaries to conduct transactions with Iran that are permissible under JCPOA (almost all forms of civilian trade). The Administration asserts that the President has authority under IEEPA to license transactions with Iran, the ITRSHRA notwithstanding. This was implemented in the State and Treasury guidance issued on Implementation Day with the issuance of "General License H: Authorizing Certain Transactions Relating to Foreign Entities Owned or Controlled by a United States Person."[12]

Trade Ban Easing and Termination

Termination: Section 401 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA, P.L. 111-195) provides for the President to terminate the trade ban if the Administration certifies to Congress that Iran no longer satisfies the requirements to be designated as a state sponsor of terrorism and that Iran has ceased pursuing and has dismantled its nuclear, biological, and chemical weapons and ballistic missiles and related launch technology. Alternatively, the trade ban provision in CISADA could be repealed by congressional action.

Waiver Authority: Section 103(b)(vi) of CISADA allows the President to license exports to Iran if he determines that doing so is in the national interest of the United States. There is no similar provision in CISADA to ease the ban on U.S. imports from Iran. The State and Treasury Department guidance issued on Implementation Day asserts that the statement of licensing policy fulfills the requirements of Section 103 of CISADA.

Sanctions on Iran's Energy Sector

Post-JCPOA Status: Sanctions on Foreign Firms Waived/Terminated

In 1996, Congress and the Clinton Administration sought to deny Iran the financial resources to support terrorist organizations and other armed factions or to further its nuclear and WMD programs by pressuring its vital energy sector. Iran's oil sector is as old as the petroleum industry itself (early 20th century), and Iran's onshore oil fields are in need of substantial investment. Iran has 136.3 billion barrels of proven oil reserves, the third largest after Saudi Arabia and Canada. Iran's large natural gas resources (940 trillion cubic feet, exceeded only by Russia) were virtually undeveloped prior to the late 1990s. Iran's gas export sector remains small—most of its gas is injected into its oil fields to boost their production—but it was expanding prior to 2013. In 2005, the energy sector generated about 20% of Iran's GDP, about 80% of its foreign exchange earnings, and about 50% of its government revenue, but these percentages have declined substantially since as Iran has diversified its economy as a response to sanctions.

The Iran Sanctions Act, Amendments, and Its Applications

Post-JCPOA Status: Virtually All Provisions Waived

The Iran Sanctions Act (ISA) has been a pivotal component of U.S. sanctions against Iran's energy sector, and its provisions have, since enactment in 1996, been expanded to other Iranian industries. ISA sought to thwart Iran's 1995 opening of the sector to foreign investment in late

[12] https://www.treasury.gov/resource-center/sanctions/Programs/Documents/implement_guide_jcpoa.pdf.

1995 through a "buy-back" program in which foreign firms gradually recoup their investments as oil and gas is produced. In September 1995, then-Senator Alfonse D'Amato introduced a bill to sanction foreign firms' exports to Iran of energy technology. A revised version instead sanctioning *investment* in Iran's energy sector, and also applying all provisions to Libya, passed the Senate. The Iran and Libya Sanctions Act (ILSA) was signed on August 5, 1996 (P.L. 104-172). It was later retitled the Iran Sanctions Act after it terminated with respect to Libya in 2006. ISA was the first major "extra-territorial sanction" on Iran—a sanction that authorizes U.S. penalties against third country firms. ISA's authorities were expanded significantly over the subsequent years.

Key Sanctions "Triggers" Under ISA

ISA consists of a number of "triggers"— transactions with Iran that would be considered violations of ISA and could cause a firm or entity to be sanctioned under ISA's provisions. The triggers, as added by amendments over time, are detailed below:

Trigger 1 (Original Trigger): "Investment" To Develop Iran's Oil and Gas Fields

The core trigger of ISA when first enacted was a requirement that the President sanction companies (entities, persons) that make an "investment"[13] of more than $20 million[14] in one year in Iran's energy sector.[15] The definition of "investment" in ISA (§14 [9]) includes not only equity and royalty arrangements but any contract that includes "responsibility for the development of petroleum resources" of Iran. The definition includes additions to existing investment (added by P.L. 107-24) and pipelines to or through Iran and contracts to lead the construction, upgrading, or expansions of energy projects (added by CISADA).

Implementation: Several firms were sanctioned under ISA for investing in Iran's oil and gas fields, as discussed below.

Trigger 2: Sales of WMD and Related Technologies, Advanced Conventional Weaponry, and Participation in Uranium Mining Ventures

This provision of ISA was not waived under the JCPOA.

The Iran Freedom Support Act (P.L. 109-293, signed September 30, 2006) created *Section 5(b)(1)* of ISA, subjecting to ISA sanctions firms or persons determined to have sold to Iran (1) "chemical, biological, or nuclear weapons or related technologies" or (2) "destabilizing numbers and types" of advanced conventional weapons. Sanctions can be applied if the exporter knew (or had cause to know) that the end-user of the item was Iran. The definitions do not specifically include ballistic or cruise missiles, but those weapons could be considered "related technologies" or, potentially, a "destabilizing number and type" of advanced conventional weapon.

[13] As amended by CISADA (P.L. 111-195), these definitions include pipelines to or through Iran, as well as contracts to lead the construction, upgrading, or expansions of energy projects. CISADA also changes the definition of investment to eliminate the exemption from sanctions for sales of energy-related equipment to Iran, if such sales are structured as investments or ongoing profit-earning ventures.

[14] Under §4(d) of the original act, for Iran, the threshold dropped to $20 million, from $40 million, one year after enactment, when U.S. allies did not join a multilateral sanctions regime against Iran. P.L. 111-195 explicitly sets the threshold investment level at $20 million. For Libya, the threshold was $40 million, and transactions subject to sanctions included export to Libya of technology banned by Pan Am 103-related Security Council Resolutions 748 (March 31, 1992) and 883 (November 11, 1993).

[15] The original ISA definition of energy sector included oil and natural gas, and CISADA added to that definition liquefied natural gas (LNG), oil or LNG tankers, and products to make or transport pipelines that transport oil or LNG.

The Iran Threat Reduction and Syria Human Rights Act (ITRSHRA, P.L. 112-158, signed August 10, 2012) created *Section 5(b)(2)* of ISA subjecting to sanctions entities determined by the Administration to participate in a joint venture with Iran relating to the mining, production, or transportation of uranium.

Implementation: No ISA sanctions have been imposed on any entities under these provisions.

Trigger 3: Sales of Gasoline

Section 102(a) of CISADA amended Section 5 of ISA to exploit Iran's dependency on imported gasoline (40% dependency at that time). It followed legislation such as H.R. 2880 (110th Congress, not enacted); P.L. 111-85 that prohibited the use of U.S. funds to fill the Strategic Petroleum Reserve with products from firms that sell gasoline to Iran; and P.L. 111-117 that denies Ex-Im Bank credits to any firm that sold gasoline or related equipment and services to Iran. Those initiatives prompted Reliance Industries Ltd. of India to cease new sales of gasoline to Iran as of December 2008.[16] The section subjects to sanctions:

- Sales to Iran of over $1 million worth (or $5 million in a one year period) of gasoline and related aviation and other fuels. (Fuel oil, a petroleum by-product, is not included in the definition of refined petroleum.)
- Sales to Iran of equipment or services (same dollar threshold as above) which would help Iran make or import gasoline. Examples of such sales include equipment and services that Iran can use to construct or maintain its oil refineries, or provision of related services such as shipping or port operations.

Implementation: Several firms were sanctioned under ISA for selling or shipping gasoline to Iran.

Trigger 4: Provision of Equipment or Services for Oil, Gas, and Petrochemicals Production

Section 201 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (ITRSHA, P.L. 112-158) codified an Executive Order, 13590 (November 21, 2011) by adding Section 5(a)(5 and 6) to ISA sanctioning firms that

- provide to Iran $1 million or more (or $5 million in a one year period) worth of goods or services that Iran could use to maintain or enhance its oil and gas sector. This subjects to sanctions, for example, transactions with Iran by global oil services firms and the sale to Iran of energy industry equipment such as drills, pumps, vacuums, oil rigs, and like equipment.
- provide to Iran $250,000 (or $1 million in a one year period) worth of goods or services that Iran could use to maintain or expand its production of petrochemical products.[17] *This provision was not altered by the JPA.*

Implementation: Some firms were sanctioned under this provision, as shown in the table below.

[16] The Ex-Im Bank, in August 2008, had extended $900 million in financing guarantees to Reliance.

[17] A definition of chemicals and products considered "petrochemical products" is found in a Policy Guidance statement. See *Federal Register*, November 13, 2012, http://www.gpo.gov/fdsys/pkg/FR-2012-11-13/pdf/2012-27642.pdf.

Trigger 5: Transporting Iranian Crude Oil

Section 201 of the ITRSHRA amends ISA by sanctioning entities the Administration determines:

- owned a vessel that was used to transport Iranian crude oil. This sanction does not apply in cases of transporting oil to countries that have received exemptions under P.L. 112-81 (discussed below). The section also *authorizes but does not require* the President, subject to regulations, to prohibit a ship from putting to port in the United States for two years, if it is owned by a person sanctioned under this provision. *(Adds Section 5[a][7] to ISA.)*
- participated in a joint oil and gas development venture with Iran, outside Iran, if that venture was established after January 1, 2002. The effective date exempts energy ventures in the Caspian Sea, such as the Shah Deniz oil field there. *(Adds Section 5[a][4] to ISA.)*

Implementation. Some firms have been sanctioned for providing ships to transport Iranian oil.

Application of ISA Sanctions to Insurance for Iranian Oil Entities and Purchases of Iranian Bonds by ITRSHRA

Separate provisions of the ITRSHR Act (Sections 212, 213, and 302)—*which do not amend ISA*—require the application of ISA sanctions (the same 5 out of 12 sanctions as required in ISA itself) on any company that

- purchases or facilitates the issuance of sovereign debt of the government of Iran, including Iranian government bonds; or
- provides insurance or reinsurance for the National Iranian Oil Company (NIOC) or the National Iranian Tanker Company (NITC); or
- Section 312 of the ITRSHRA required an Administration determination, within 45 days of enactment (by September 24, 2012) whether NIOC and NITC are IRGC agents or affiliates. Such a determination would subject financial transactions with NIOC and NITC to sanctions under CISADA (prohibition on opening U.S.-based accounts).

Implementation. On September 24, 2012, the Department of the Treasury informed Congress that it had determined that NIOC and NITC are agents or affiliates of the IRGC. On November 8, 2012, the Department of the Treasury named NIOC as a proliferation entity under Executive Order 13382—a designation that, in accordance with Section 104 of CISADA, bars any foreign bank determined to have dealt directly with NIOC (including with a NIOC bank account in a foreign country) from opening or maintaining a U.S.-based account.

Sanctions on dealings with NIOC and NITC were waived in accordance with the JPA (interim nuclear deal) and designations of these entities under Executive Order 13382 were rescinded in accordance with the JCPOA.

Some major components of NIOC were not sanctioned at any time, including the Iranian Offshore Oil Company; the National Iranian Gas Export Co.; and Petroleum Engineering and Development Co. There are also independent Iranian energy firms, such as Pasargad Oil Co, Zagros Petrochem Co, Sazeh Consultants, Qeshm Energy, and Sadid Industrial Group. Their relations with NIOC or the Islamic Revolutionary Guard Corps (IRGC, see below) are unclear.

Iran Freedom and Counter-Proliferation Act (IFCA): Sanctions on Iran's Energy, Shipbuilding, and Shipping Sectors and for Helping Iran Acquire Certain Items

Post-JCPOA Status: Provisions of ISA and IFCA, below, waived

The National Defense Authorization Act for FY2013 (H.R. 4310, P.L. 112-239, signed January 2, 2013)—Subtitle D, The Iran Freedom and Counter-Proliferation Act (IFCA)—imposes at least five out of the 12 ISA sanctions (as of July 1, 2013, 180 days after enactment) on entities determined to have engaged in the transactions below. (*The IFCA provisions do not amend ISA itself. Waiver authority is discussed in the box below.*) Sanctions are authorized for entities that:

- *Energy, Shipbuilding, and Shipping Sector*. Provide goods or services to the energy, shipbuilding, and shipping sectors of Iran, or to port operations there—or which provide insurance for such transactions. This provision is Section 1244 of IFCA, which also blocks U.S.-based property and U.S.-based banking activity on violators. *The sanctions did not apply when such transactions involved purchases of Iranian oil by countries that have active exemptions under P.L. 112-81 or to the purchase of natural gas from Iran.*
- *Insurance for Related Activities*. Provide underwriting services, insurance, or reinsurance for a broad range of transactions with Iran, including those related to shipping oil, gasoline, or other goods for the energy, shipping, or shipbuilding sectors in Iran. This provision is Section 1246. (*There is no exception to this sanction for countries exempted under P.L. 112-81*.)
- *Dealings in Precious Metals.* Provide precious metals to Iran (including gold) or semi-finished metals or software for integrating industrial processes. (Section 1245 of IFCA.) The section affected foreign firms that transferred these items ld or other precious metals to Iran in exchange for oil or any other product. There is no exception to this sanction for countries exempted under P.L. 112-81. *The provision does not amend ISA.*
- *Dealings in U.S. Bank Notes*. IFCA codifies Section 5 of Executive Order 13622, discussed below, blocking U.S.-based property of individuals or firms determined to have helped Iran deal in U.S. bank notes or to have provided financial support to NIOC, NICO, or the Central Bank of Iran.

Implementation: On August 29, 2014, the State Department sanctioned UAE-based Goldentex FZE in accordance with IFCA for providing support to Iran's shipping sector. The tables at the end of this report include several firms and individuals sanctioned under Executive Order 13622, below, for dealing in U.S. bank notes.

Executive Order 13622: Applies ISA Sanctions on the Purchase of Iranian Crude Oil and Petrochemical Products and Dealings in Iranian Bank Notes

Post-JCPOA Status: Revoked (by E.O. 13716)

Executive Order 13622 (July 30, 2012) applied the same sanctions requirements as provided by ISA—as well as restrictions on foreign banks (see below)—to entities the Administration determines have engaged in the following activities. (An executive order cannot amend a statute, and *E.O. 13622 does not amend ISA itself.*)

- Purchased oil or other petroleum products from Iran.[18] *The part of this order pertaining to petrochemical purchases is suspended under the JPA.*
- Conducted transactions with the National Iranian Oil Company (NIOC) or Naftiran Intertrade Company (NICO).
- Helped Iran purchase U.S. bank notes or precious metals.

E.O. 13622 sanctions did not apply if the parent country of the entity has received an exemption under Section 1245 of P.L. 112-81—an exemption earned for "significantly reducing" oil purchases from Iran. (See below for more information on the exemption process.)

Implementation: The firms sanctioned under this Order are in the tables at the end of this report.

Executive Order 13645: Applies ISA and Other Sanctions on Iran's Automotive Sector, Rial Trading, and Helping Iran Acquire Precious Stones—

Post-JCPOA Status: Revoked (by E.O 13716)

Executive Order 13645 of June 3, 2013 (effective July 1, 2013), does the following:

- Imposes ISA sanctions on firms that supply goods or services to Iran's automotive (cars, trucks, buses, motorcycles, and related parts) sector, and blocks foreign banks from the U.S. market if they finance transactions with Iran's automotive sector. (An executive order cannot amend a law, so the order does not amend ISA.) *This provision was suspended to implement the JPA.*
- Blocks U.S.-based property and prohibits U.S. bank accounts for foreign banks that conduct transactions in Iran's currency, the *rial*, or hold *rial* accounts. This provision mostly affected banks in countries bordering or near Iran.
- Expands the application of Executive Order 13622 (above) to helping Iran acquire precious stones or jewels.
- Blocks U.S.-based property of a person that conducts transactions with an Iranian entity listed as a Specially Designated Nationals (SDN) or Blocked Person.

Mandate and Time Frame to Investigate ISA Violations

In the original version of ISA, there was no firm requirement, and no time limit, for the Administration to investigate potential violations and determine that a firm has violated ISA's provisions. The Iran Freedom Support Act (P.L. 109-293, signed September 30, 2006) added a provision calling for, *but not requiring*, a 180-day time limit for a violation determination.[19] CISADA (Section 102[g][5]) mandated that the Administration begin an investigation of potential ISA violations when there is "credible information" about a potential violation, and made mandatory the 180-day time limit for a determination of violation.

The Iran Threat Reduction and Syria Human Rights Act (P.L. 112-158), defines the "credible information" needed to begin an investigation of a violation to include a corporate announcement or corporate filing to its shareholders that it has undertaken transactions with Iran that are

[18] A definition of what chemicals and products are considered "petroleum products" for the purposes of the order are in the policy guidance issued November 13, 2012, http://www.gpo.gov/fdsys/pkg/FR-2012-11-13/pdf/2012-27642.pdf.

[19] Other ISA amendments under that law included recommending against U.S. nuclear agreements with countries that supply nuclear technology to Iran and expanding provisions of the USA Patriot Act (P.L. 107-56) to curb money-laundering for use to further WMD programs.

potentially sanctionable under ISA. It also says the President *may* (not mandatory) use as credible information reports from the Government Accountability Office and the Congressional Research Service. In addition, section 219 of ITRSHRA requires that an investigation of an ISA violation begin if a company reports in its filings to the Securities and Exchange Commission (SEC) that it has knowingly engaged in activities that would violate ISA (or Section 104 of CISADA or transactions with entities designated under E.O 13224 or 13382, see below).

Available Sanctions Under ISA

Once a firm is determined to be a violator, the original version of ISA required the imposition of *two* of a menu of six sanctions on that firm. The Iran Freedom Support Act added three new possible sanctions and required the imposition of at least three out of the nine against violators. CISADA added three more sanctions to the ISA menu and required imposition of at least *5 out of the 12* sanctions. Executive Orders 13590 and 13622 provide for exactly the same penalties as those in ISA. The 12 available sanctions against the sanctioned entity, from which the Secretary of State or the Treasury can select, are:

1. denial of Export-Import Bank loans, credits, or credit guarantees for U.S. exports to the sanctioned entity (original ISA)

2. denial of licenses for the U.S. export of military or militarily useful technology to the entity (original ISA)

3. denial of U.S. bank loans exceeding $10 million in one year to the entity (original ISA)

4. if the entity is a financial institution, a prohibition on its service as a primary dealer in U.S. government bonds; and/or a prohibition on its serving as a repository for U.S. government funds (each counts as one sanction) (original ISA)

5. prohibition on U.S. government procurement from the entity (original ISA)

6. prohibitions in transactions in foreign exchange by the entity (added by CISADA)

7. prohibition on any credit or payments between the entity and any U.S. financial institution (added by CISADA)

8. prohibition of the sanctioned entity from acquiring, holding, using, or trading any U.S.-based property which the sanctioned entity has a (financial) interest in (added by CISADA)

9. restriction on imports from the sanctioned entity, in accordance with the International Emergency Economic Powers Act (IEEPA; 50 U.S.C. 1701) (original ISA)

10. a ban on a U.S. person from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person (added by Iran Threat Reduction and Syria Human Rights Act, P.L. 112-158)

11. exclusion from the United States of corporate officers or controlling shareholders of a sanctioned firm (added by P.L. 112-158)

12. imposition of any of the ISA sanctions on principal offices of a sanctioned firm (added by P.L. 112-158).

Mandatory Sanction: Prohibition on Contracts with the U.S. Government CISADA (§102[b]) added a requirement in ISA that companies, as a condition of obtaining a U.S. government contract, certify to the relevant U.S. government agency that the firm—*and any companies it owns or controls*—are not violating ISA. Regulations to implement this requirement were issued on September 29, 2010.

Executive Order 13574 of May 23, 2011: This executive order made a blanket stipulation that, when an entity is sanctioned under Section 5 of ISA (the primary triggers), the penalties to be imposed are numbers 3, 6, 7, 8, and 9, above. The order also clarified that it is the responsibility of the Department of the Treasury to implement those ISA sanctions that involve the financial sector, including bans on loans, credits, and foreign exchange for, or imports from, the sanctioned entity, as well as blockage of property of the sanctioned entity (if these sanctions are selected by the Secretary of State, who makes the decision which penalties to impose on sanctioned entities). *This order was revoked by E.O. 13716 on Implementation Day, in accordance with the JCPOA.*

Oversight

ITRSHRA established several mechanisms for Congress to oversee whether the Administration is investigating ISA violations. Section 223 required a Government Accountability Office report, within 120 days of enactment, and another such report a year later, on companies that have undertaken specified activities with Iran that might constitute violations of ISA. Section 224 amended a reporting requirement in Section 110(b) of CISADA by requiring an Administration

report to Congress every 180 days on investment in Iran's energy sector, joint ventures with Iran, and estimates of Iran's imports and exports of petroleum products. The GAO reports have been issued; there is no information available on whether the required Administration reports have been issued as well.

Interpretations and Administration of ISA and Related Laws

The sections below provide information on how some key ISA provisions have been interpreted.

Application to Energy Pipelines

ISA's definition of "investment" that is subject to sanctions has been consistently interpreted by successive Administrations to include construction of energy pipelines to or through Iran. Such pipelines are deemed to help Iran develop its petroleum (oil and natural gas) sector. This interpretation was reinforced by amendments to ISA in CISADA, which specifically included in the definition of petroleum resources "products used to construct or maintain pipelines used to transport oil or liquefied natural gas." In March 2012, then-Secretary of State Clinton made clear that the Obama Administration interprets the provision to be applicable from the beginning of pipeline construction.[20]

Implementation. No entities involved in gas pipelines linking Iran to neighboring countries have been sanctioned. Pipeline projects that are under construction or consideration are discussed in the "international compliance" section below.

Application to Crude Oil Purchases

The original version of ISA did not provide for sanctioning purchases of crude oil from Iran. However, laws and Executive Orders discussed below took that step.

Shah Deniz Project Exception

The effective dates of U.S. sanctions laws excluded long-standing joint natural gas projects that involve some Iranian firms—particularly the Shah Deniz natural gas field and pipeline in the Caspian Sea. That project is run by a consortium in which Iran's Naftiran Intertrade Copmany (NICO) holds a passive 10% share, and includes BP, Azerbaijan's natural gas firm SOCAR, Russia's Lukoil, and other firms. NICO was sanctioned under ISA and other provisions (until JCPOA Implementation Day), but an OFAC factsheet of November 28, 2012, stated that the Shah Deniz consortium, as a whole, is not determined to be "a person owned or controlled by" the government of Iran, as defined in Executive Order 13599, and that transactions with the consortium would not violate U.S. law or regulations. The guidance appears to also apply to the second phase of the project, which also involves NICO and will carry gas to Europe.

Application to Purchases from Iran of Natural Gas Purchases

IFCA, discussed above, authorized sanctions on transactions with Iran's energy sector, but s*pecifically excluded from sanctions purchases of natural gas from Iran*. Still, *payments* for the natural gas might be subject to sanctions. *Purchases* of Iranian gas are distinguishable from the *construction of natural gas pipelines* involving Iran which, as discussed, is subject to sanctions.

[20] http://dawn.com/2012/03/01/tough-us-warning-on-iran-gas-pipeline/.

Application to Iranian Liquefied Natural Gas Development

The original version of ISA did not apply to the development by Iran of a liquefied natural gas (LNG) export capability. Iran has no LNG export terminals, in part because the technology for such terminals is patented by U.S. firms and unavailable for sale to Iran. However, CISADA specifically included LNG in the ISA definition of petroleum resources and therefore made subject to sanctions LNG investment in Iran or supply of LNG tankers or pipelines to Iran.

Application to Private Financing but Not Official Credit Guarantee Agencies

The definitions of investment and other activity that can be sanctioned under ISA clearly include financing for investment in Iran's energy sector, or for sales of gasoline and refinery-related equipment and services. Therefore, banks and other financial institutions that assist energy investment and refining and gasoline procurement activities could be sanctioned under ISA.

However, the definitions of financial institutions in Iran sanctions laws are interpreted not to apply to official credit guarantee agencies—such as France's COFACE and Germany's Hermes. These credit guarantee agencies are arms of their parent governments, and ISA does not provide for sanctioning governments or their agencies. Early versions of CISADA would have sanctioned such entities but such provisions were not included in the final law, reportedly to avoid a backlash from U.S. allies.

ISA Waiver, Exemptions, and Sunset Provisions

ISA Waiver Provisions

The President has the authority to waive sanctions on firms determined to have violated ISA provisions. Under the original version of ISA to waive sanctions if he certifies that doing so is *important* to the U.S. national interest (§9[c]). CISADA (§102[c]) changed the 9(c) ISA waiver standard to "*necessary*" to the national interest, and the Iran Threat Reduction Act modified the standard further to "*essential to the national security interests*" of the United States. For sanctionable transactions involving WMD equipment, the waiver standard, as modified by the Iran Threat Reduction Act, is "'*vital to the national security interests of the United States*."

Under the original version of ISA, there was also waiver authority (§4[c]) if the parent country of the violating firm joined a sanctions regime against Iran. This waiver provision was changed by the Iran Freedom Support Act (P.L. 109-293) to allow for a waiver determination based on U.S. vital national security interests. The Section 4(c) waiver was altered again, by CISADA, to provide for a six month (renewable) waiver if doing so is "*vital to the national interest," and* if the parent country of the violating entity is "closely cooperating" with U.S. efforts against Iran's WMD and advanced conventional weapons program. The criterion of "closely cooperating" is defined in the conference report as implementing all U.N. sanctions against Iran. It could be argued that using a Section 4 waiver, rather than a Section 9 waiver, would support U.S. diplomacy with the parent country of the offending entity.

ISA (§5[f]) also contains several exceptions such that the President is not required to impose sanctions that prevent procurement of defense articles and services under existing contracts, in cases where a firm is the sole source supplier of a particular defense article or service. The President is not required to prevent procurement of essential spare parts or component parts.

Related IFCA Waiver Authority

Sections 1244 and 1245 of IFCA provide for a waiver of sanctions for 180 days, renewable for 180-day periods, if such a waiver is determined to be vital to U.S. national security. These sections were waived in order to implement the JPA. In addition, Section 5(a)(7) of ISA was waived to allow for certain transactions with NIOC and NITC.

"Special Rule" Exempting Firms That End Their Business with Iran

Under a provision added by CISADA (§102[g][5]), ISA provides a means—a so-called "special rule"—for firms to avoid ISA sanctions by pledging to verifiably end their business with Iran and such business with Iran in the future. Under the special rule, which has been invoked on several occasions, as discussed below, the Administration is not required to impose sanctions against a firm that makes such pledges. However, firms are allowed several years, in some cases, to wind down existing business in Iran, in part because the buy-back program used by Iran pays energy firms back their investment over time, making it highly costly for them to suddenly end operations in Iran.

Administration Termination Process and Requirements

The Administration can immediately terminate all ISA provisions if the Administration certifies that three requirements are met:

(1) that Iran has ceased its efforts to acquire WMD; (2) that Iran has been removed from the U.S. list of state sponsors of terrorism; *and* (3) that Iran no longer "poses a significant threat" to U.S. national security and U.S. allies.[21]

This termination provision, and the sunset provision discussed below*, does not apply to those laws that apply ISA sanctions without specifically amending ISA.* The executive orders and laws that apply ISA sanctions to specified violators *but without amending ISA itself* can be revoked by a superseding executive order or congressional action that amends or repeals the provisions involved.

Sunset (Automatic Termination) Provisions

ISA is currently scheduled to sunset on December 31, 2016, as provided for by CISADA. This followed prior sunset extensions to December 31, 2011 (by P.L. 109-293); December 31, 2006 (P.L. 107-24, August 3, 2001); and August 5, 2001 (original law). P.L. 107-24 also required an Administration report on ISA's effectiveness within 24 to 30 months of enactment; that report was submitted to Congress in January 2004 and did not recommend that ISA be repealed. Several bills introduced in the 114th Congress would extend ISA beyond 2016, as discussed later in this report.

[21] This termination requirement added by P.L. 109-293 formally removed Libya from the act. Application of the act to Libya terminated on April 23, 2004, with a determination that Libya had fulfilled U.N. requirements.

Oil Export Sanctions: Section 1245 of the FY2012 NDAA Sanctioning Transactions with Iran's Central Bank

Post-JCPOA Status: Waived

In 2011, Congress sought to reduce Iran's exportation of oil outright by imposing sanctions on the mechanisms that importers use to pay Iran for oil. The sanctions imposed penalties on transactions with Iran's Central Bank. Section 1245 of the FY2012 National Defense Authorization Act (NDAA, P.L. 112-81, signed on December 31, 2011):

- Requires the President to prevent a foreign bank from opening an account in the United States—or impose strict limitations on existing U.S. accounts—if that bank processes payments through Iran's Central Bank. The provision applies to a foreign *central bank* only if the transaction with Iran's Central Bank is for oil purchases. The provision went into effect for *non-oil related* transactions 60 days after enactment (February 29, 2012), and for transactions for *oil purchases* after 180 days (June 28, 2012).
- *Exemption Provision*. The law provided a strong incentive for Iran's oil buyers to cut purchases of Iranian oil through an exemption provision. The President may grant an exemption for foreign banks—for any transactions with the Central Bank (not just for oil)—if the President certifies that the parent country of the bank has *significantly reduced* its purchases of oil from Iran. That determination is reviewed every 180 days and countries were required to reduce their oil buys from Iran, relative to the previous 180-day period, to retain the exemption. ITRSHRA amended Section 1245 such that any country that completely ceased purchasing oil from Iran would retain an exemption.
- Sanctions on transactions for oil apply only if the President certifies to Congress—90 days after enactment (by March 30, 2012), and every 90 days thereafter, based on a report by the Energy Information Administration to be completed 60 days after enactment (by February 29, 2012)—that the oil market *is* adequately supplied. The first such EIA report was issued on February 29, 2012, and on March 30, 2012, the President determined that there was a sufficient supply of oil worldwide to permit countries to reduce oil purchases from Iran. An EIA report of April 27, 2012, and Administration determination of June 11, 2012, made similar findings and certifications, triggering the sanctions as of June 28, 2012. Subsequent EIA reports and Administration determinations kept the sanctions triggers in place.

Although then-Treasury Under Secretary David Cohen told the Senate Foreign Relations Committee on December 2, 2011, that the provision could lead to a rise in oil prices that would benefit Iran, the Administration accepted the legislation. In the signing statement on the bill, President Obama indicated he would implement the provision so as not to damage U.S. relations with partner countries.

Waiver and Termination Provisions

The law provides for the President to waive the sanctions for 120 days, renewable for successive 120-day periods, if the President determines that doing so is in the national security interest. Outright repeal or amendment of this law would require congressional action.

This provision was waived to implement the JPA (to allow Iran's oil customers to maintain purchases level at 1.1 million barrels per day) and again to implement the JCPOA (to remove any ceiling on Iran's exports of oil).

Implementation: Exemptions Issued

The lack of precise definition of "significant reduction" in oil purchases gave the Administration flexibility in applying the exemption provision. On January 19, 2012, several Senators wrote to Treasury Secretary Geithner agreeing with outside experts that the Department of the Treasury should define "significant reduction" as an 18% purchase reduction based on total price paid (not just volumes).[22] Administration officials said they largely adopted that standard. The EU embargo on purchases of Iranian oil, announced January 23, 2012, and which took full effect by July 1, 2012, implied that virtually all EU oil customers of Iran would obtain exemptions. The table below on major Iranian oil customers indicates cuts made by major customers compared to 2011.

Exemptions Issued and Maintained[23]

- After March 20, 2012, Japan maintained an exemption for significantly reducing purchases and 10 EU countries were exempted for ending purchases pursuant to the EU Iran oil purchase embargo of July 1, 2012. The 10 EU countries are Belgium, Czech Republic, France, Germany, Greece, Italy, the Netherlands, Poland, Spain, and Britain. (Seventeen EU countries were not granted exemptions because they were not buying Iran's oil and could not "significantly reduce" buys from Iran.)
- After June 2012, the following countries maintained exemptions for significant reductions: China, India, South Korea, Turkey, and Taiwan.
- Also after June 2012, the following countries maintained exemptions for ending oil purchases from Iran: Singapore, Malaysia, South Africa, and Sri Lanka.

The provision is waived in accordance with the JCPOA, which removes the requirement for a country to qualify for a sanctions exemption.

Foreign Exchange Reserves "Lock Up" Provision of ITRSHRA

Post-JCPOA Status: Waived

The ability of Iran to repatriate its earned hard currency to the Central Bank was impeded by a provision of the ITRSHRA which went into effect on February 6, 2013—180 days after enactment. Section 504 of the Iran Threat Reduction Act amended P.L. 112-81 (adding "clause ii" to Paragraph D[1]) by requiring that any funds owed to Iran as a result of exempted transactions (oil purchases, for example) be credited to an account located in the country with primary jurisdiction over the foreign bank making the transaction. This provision essentially locked up any foreign exchanges Iran earned in foreign banks around the world, mainly the banks of Iran's

[22] Text of letter from Senators Mark Kirk and Robert Menendez to Secretary Geithner, January 19, 2012.

[23] Announcements by the Department of State, March 20, 2012, June 11, 2012, and June 28, 2012.

main oil customers. The provision largely compelled Iran to buy the products of the oil customer countries.

Waiver Provision

The waiver provision that applies to the sanctions imposed under the FY2012 NDAA (P.L. 112-81) applies to this hard currency "lock-up" provision.

To implement the JPA, a waiver was issued under P.L. 112-81 to allow Iran to receive some hard currency from ongoing oil sales in eight installments during the JPA period. Iran remained unable under the JPA to remove hard currency from existing accounts abroad. As of Implementation Day, the restriction has been waived completely, enabling Iran to gain access to hard currency from ongoing purchases of its oil.

Table 1. Top Oil Buyers From Iran and Reductions

(amounts in barrels per day, including condensates)

Country/Bloc	2011 Average	Average (JPA Start - Implementation Day)	Current Levels
European Union (particularly Italy, Spain, and Greece)	600,000	Negligible	Oil imports restarted as of March 2016 to nearly 2011 level
China	550,000	410,000	back to near 2011 level
Japan	325,000	190,000	back to near 2011 level
India	320,000	190,000	back to near 2011 level
South Korea	230,000	130,000	back to near 2011 level
Turkey	200,000	120,000	back to near 2011 level
South Africa	80,000	Negligible	unclear if imports restart
Malaysia	55,000	Negligible	same as above
Sri Lanka	35,000	Negligible	same as above
Taiwan	35,000	10,000	likely small increase
Singapore	20,000	Negligible	unclear if imports restart
Other	55,000	Negligible	likely small increase
Total	**2.5 mbd**	**1.057 mbd**	**2.4 mbd estimate**

Source and Note: International Energy Agency and rough estimates based on CRS conversations with foreign diplomats and press reports. Actual volumes might differ, and import volumes may fluctuate dramatically over short periods of time as actual tanker deliveries occur. Figures include purchases of condensates, which are light petroleum liquids that are associated with oil and natural gas production.

Weapons of Mass Destruction, Missile, and Conventional Arms Sanctions

Post-JCPOA Status: All Sanctions in This Section Remain in Force

Several laws and executive orders seek to bar Iran from obtaining U.S. or other technology that can be used for weapons of mass destruction (WMD) programs.

Iran-Iraq Arms Nonproliferation Act and Iraq Sanctions Act

The Iran-Iraq Arms Nonproliferation Act (Title XIV of the FY1993 National Defense Authorization Act, P.L. 102-484, signed in October 1992) imposes a number of sanctions on foreign entities that supply Iran with WMD technology or "destabilizing numbers and types of advanced conventional weapons."[24] *Advanced conventional weapons* are defined as:

(1) such long-range precision-guided munitions, fuel air explosives, cruise missiles, low observability aircraft, other radar evading aircraft, advanced military aircraft, military satellites, electromagnetic weapons, and laser weapons as the President determines destabilize the military balance or enhance the offensive capabilities in destabilizing ways;

(2) such advanced command, control, and communications systems, electronic warfare systems, or intelligence collections systems as the President determines destabilize the military balance or enhance offensive capabilities in destabilizing ways; and

(3) such other items or systems as the President may, by regulation, determine necessary for the purposes of this title.

These technologies are generally understood to include technology that could be used to develop ballistic missiles.

Sanctions to be Imposed: Sanctions imposed on violating entities include

- a ban, for two years, on U.S. government procurement from the entity;
- a ban, for two years, on licensing U.S. exports to that entity;
- authority (but not a requirement) to ban on imports to the United States from the entity.

If the violator is determined to be a foreign country, sanctions to be imposed are:

- a one-year ban on U.S. assistance to that country;
- a one-year requirement that the United States vote against international lending to it;
- a one-year suspension of U.S. co-production agreements with the country;
- a one-year suspension of technical exchanges with the country in military or dual use technology;
- a one-year ban on sales of U.S. arms to the country;
- an authorization to deny the country most-favored-nation trade status; and to ban U.S. trade with the country.

Section 1603 of the act amended an earlier law, the Iraq Sanctions Act of 1990 (Section 586G(a) of P.L. 101-513), to provide for a "presumption of denial" for all dual use exports to Iran (including computer software).

[24] The Act originally only applied to advanced conventional weapons. The extension to WMD, defined as chemical, biological, or nuclear weapons-related technology was added by the FY1996 National Defense Authorization Act (P.L. 104-106).

Implementation

A number of entities were sanctioned under the act in the 1990s. None of the designations remain active, because the sanctions have limited duration, as noted above. The entities sanctioned under the act are in the tables at the end of this report.

Waiver and Termination

Section 1606 of the act provides a presidential waiver for the provisions of the act, and for those imposed pursuant to the Iraq Sanctions Act of 1990, if the President determines a waiver is "essential to the national interest."

Terminating this sanction outright would require congressional action.

Anti-Terrorism and Effective Death Penalty Act of 1996

Another law reinforces the authority of the President to sanction governments that sell arms to Iran. Under Sections 620G and 620H of the Foreign Assistance Act, as added by the Anti-Terrorism and Effective Death Penalty Act of 1996 (Sections 325 and 326 of P.L. 104-132), the President is required to withhold foreign aid from any country that provides to a terrorism list country financial assistance or arms. Waiver authority is provided. Section 321 of that act also makes it a criminal offense for U.S. persons to conduct financial transactions with terrorism list governments. However, this particular sanction would not likely affect potential arms suppliers to Iran that do not receive U.S. foreign assistance.

Provision of the Iran Sanctions Act

As noted above, *Section 5(b)(1)* of ISA subjects to ISA sanctions firms or persons determined to have sold to Iran (1) technology useful for weapons of mass destruction (WMD) or (2) "destabilizing numbers and types" of advanced conventional weapons. No sanctions under this section have been imposed. *This, and Section 5(b)(2) pertaining to joint ventures to mine uranium, are the only provisions of ISA that were not waived to implement the JCPOA.*

Iran-North Korea-Syria Nonproliferation Act

The Iran Nonproliferation Act (P.L. 106-178, signed in March 2000) is now called the Iran-North Korea-Syria Nonproliferation Act (INKSNA) after amendments applying its provisions to North Korea and to Syria. It authorizes sanctions—for two years unless renewed—on foreign *persons* (individuals or corporations, not countries or governments) that are determined in a report by the Administration to have assisted Iran's WMD programs. Sanctions imposed include (1) a prohibition on U.S. exportation of arms and dual use items to the sanctioned entity; and (2) a ban on U.S. government procurement and of imports to the United States from the sanctioned entity under Executive Order 12938 (of November 14, 1994). INKSNA also bans U.S. extraordinary payments to the Russian Aviation and Space Agency in connection with the international space station unless the President can certify that the agency or entities under its control had not transferred any WMD or missile technology to Iran within the year prior.[25]

[25] The provision contains certain exceptions to ensure the safety of astronauts, but it nonetheless threatened to limit U.S. access to the international space station after April 2006, when Russia started charging the United States for transportation on its Soyuz spacecraft. Legislation in the 109th Congress (S. 1713, P.L. 109-112) amended the provision in order to facilitate continued U.S. access and extended INA sanctions provisions to Syria.

Implementation

Entities that have been sanctioned under this law are listed in the tables at the end of the report. Most of the sanctions have expired because most of the designations of violators were made more than two years ago. *The JCPOA requires the United States to suspend INKSNA sanctions against "the acquisition of nuclear-related commodities and services for nuclear activities contemplated in the JCPOA." No entities have been "de-listed" under this provision, to date.*

Waiver and Termination

Section 4 gives the President the authority to not impose sanctions if the President justifies that decision to Congress. Section 5 provides for exemptions from sanctions if certain conditions are met, particularly that the government with jurisdiction over the entity cooperating to stop future such transfers to Iran.

Termination of this law would require congressional action.

Executive Order 13382 on Proliferation-Supporting Entities

Status: Order Remains in Force, but Numerous Entities "De-Listed"

Executive Order 13382 (June 28, 2005) allows the President to block the assets of proliferators of weapons of mass destruction (WMD) and their supporters under the authority granted by the International Emergency Economic Powers Act (IEEPA; 50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), and Section 301 of Title 3, *United States Code*.

Implementation. The numerous entities sanctioned under the order for dealings with Iran are listed in the tables at the end of this report. Entities de-listed and to be de-listed in accordance with the JCPOA are in italics and boldface type, respectively.

Sanctions on the Islamic Revolutionary Guard Corps (IRGC)

No IRGC-related laws or executive orders were waived or suspended to implement the JCPOA. No IRGC affiliates were "de-listed" by the United States under the JCPOA, although it should be noted that the exact relationships between the IRGC and Iranian corporate or other entities is not always known precisely.

Numerous sanctions discussed in this report target Iran's Islamic Revolutionary Guard Corps (IRGC), which plays a role in repressing domestic dissent, developing Iran's energy sector, developing Iran's WMD programs particularly by procuring technology abroad, and supporting pro-Iranian militant movements and governments in the Middle East region. Much of the work on Iran's oil and gas fields is done through a series of contractors. Some of them, such as Khatam ol-Anbia and Oriental Kish, have been identified by the U.S. government as controlled by the IRGC and have been sanctioned under various executive orders. The 2011 appointment of Khatam ol-Anbia's chief, Rostam Ghasemi, as oil minister, caused the U.S. government and many experts to assess that the IRGC role in Iran's energy sector was large and growing. He was replaced by President Hassan Rouhani with a former Oil Minister and oil industry professional, but the IRGC involvement in Iran's energy sector is not shrinking. The *Wall Street Journal* reported on May 27, 2014, that Khatam ol-Anbia has $50 billion in contracts with the Iranian government, including in the energy sector but also in port and highway construction. It has as many as 40,000 employees. Sanctions targeting the IRGC are discussed below—and no IRGC-related sanctions have been waived or terminated to implement the JCPOA:

- The IRGC is named as a proliferation supporting entity under Executive Order 13382, and the Qods Force, the unit of the IRGC that assists pro-Iranian movements and countries abroad, is named as a terrorism supporting entity under Executive Order 13324. Several Iranian firms linked to the IRGC are sanctioned, as noted in the tables at the end of this report. Several IRGC commanders are named under other executive orders, discussed below, sanctioning Iranian human rights abusers, abusers of Syrian human rights, and entities undermining stability in Iraq.
- Section 311 of the ITRSHRA requires a certification by a contractor to the U.S. government that it is not knowingly engaging in a significant transaction with Iran's Islamic Revolutionary Guard Corps (IRGC), or any of its agents or affiliates that have been sanctioned under several executive orders discussed below. A contract may be terminated if it is determined that the company's certification of compliance was false.
- Section 302 of the Iran Threat Reduction Act imposes at least 5 out of 12 ISA sanctions on persons that materially assist, with financing or technology, the IRGC, or assist or engage in "significant" transactions with any of its affiliates that are sanctioned under Executive Order 13382, 13224, or similar executive orders discussed below—or which are determined to be affiliates of the IRGC. *Section 302 did not amend ISA.*
- Section 301 of the Iran Threat Reduction Act requires the President, within 90 days of enactment (by November 9, 2012), to identify "officials, agents, or affiliates" of the IRGC and to impose sanctions in accordance with Executive Order 13382 or 13224, including blocking any such designee's U.S.-based assets or property. Some of these designations, including of National Iranian Oil Company (NIOC), were made by the Treasury Department on November 8, 2012.
- Section 303 of the ITRSHRA requires the imposition of sanctions on agencies of foreign governments that provide technical or financial support, or goods and services to sanctioned (under U.S. executive orders or U.N. resolutions) members or affiliates of the IRGC. Sanctions include a ban on U.S. assistance or credits for that foreign government agency, a ban on defense sales to it, a ban on U.S. arms sales to it, and a ban on exports to it of controlled U.S. technology.
- Section 104 of CISADA sanctions foreign banks that conduct significant transactions with the IRGC or any of its agents or affiliates that are sanctioned under any Executive Order. It also sanctions any entity that assists Iran's Central Bank efforts to help the IRGC acquire WMD or support international terrorism.

Foreign Aid Restrictions for Suppliers of Iran

Some past foreign aid appropriations have withheld 60% of any U.S. assistance to the Russian Federation unless it terminates technical assistance to Iran's nuclear and ballistic missiles programs. The provision has applied to the fiscal year for which foreign aid is appropriated, and does not represent a permanent provision. Because U.S. aid to Russia generally has not gone to the Russian government, little or no funding was withheld as a result of the provision. The JCPOA makes no reference to any U.S. commitments to waive this sanction or to request that Congress not enact such a provision.

Sanctions on "Countries of Diversion Concern"

Title III of CISADA established authorities to sanction countries that allow U.S. technology that Iran could use in its nuclear and WMD programs to be reexported or diverted to Iran. Section 303 of CISADA authorizes the President to designate a country as a "Destination of Diversion Concern" if that country allows substantial diversion of goods, services, or technologies characterized in Section 302 of that law to Iranian end-users or Iranian intermediaries. The technologies specified include any goods that could contribute to Iran's nuclear or WMD programs, as well as goods listed on various U.S. controlled-technology lists such as the Commerce Control List or Munitions List. For any country designated as a country of diversion concern, there would be prohibition of denial for licenses of U.S. exports to that country of the goods that were being reexported or diverted to Iran.

Implementation: To date, no country has been designated a "Country of Diversion Concern." However, the potential for such designation has, according to some U.S. officials, caused some countries to adopt or enforce anti-proliferation laws and reduce illicit technology transfers to Iran.

Waiver and Termination

Waiver: The President may waive sanctions on countries designated as of Diversion Concern for 12 months, and additional 12-month periods, pursuant to certification that the country is taking steps to prevent diversions and reexports.

Termination: The designation terminates on the date the President certifies to Congress that the country has adequately strengthened its export controls to prevent such diversion and re-exports to Iran in the future. The JCPOA makes no reference to waiving or terminating this sanction.

Financial/Banking Sanctions

U.S. efforts to shut Iran out of the international banking system have gained strength as other countries have joined the effort. These efforts have been implemented primarily by the Department of the Treasury through progressively strong actions, particularly using the authority in legislation in 2011 to cut off Iran's Central Bank from the international financial system.

Targeted Financial Measures

Since 2006, the Department of the Treasury has used existing authorities to persuade foreign banks to cease dealing with Iran by attempting to convince the banks that Iran is using the international financial system to fund terrorist groups and acquire weapons-related technology. According to a GAO report of February 2013, the Department of the Treasury made overtures to 145 banks in 60 countries, including several visits to banks and officials in the UAE, and convinced at least 80 foreign banks to cease handling financial transactions with Iranian banks.

Settlements Paid by Banks for Illicit Iran-Related Transactions

Status: Continued Enforcement

As part of its efforts to ensure that Iran could not misuse the U.S. financial system, the Department of the Treasury and other U.S. authorities have announced financial settlements (forfeiture of assets and imposition of fines) with various banks that allegedly violated U.S. laws (International Emergency Economic Powers Act and the Trading with the Enemy Act) by helping Iran (and in some cases other countries such as Sudan, Syria, and Cuba) improperly access the

U.S. financial system. The settlement dollar amounts were reportedly determined, at least in part, by the dollar value, number and duration of illicit transactions conducted, and the strength of the evidence collected by the accusing U.S. regulators.[26] It is not known from available sources how the final settlement amounts compare to the amounts sought by the accusing U.S. regulators. (1) In 2004, UBS paid a $100 million fine for the unauthorized movement of U.S. dollars to Iran and other sanctioned countries; (2) in December 2005, the Dutch bank ABN Amro paid an $80 million fine for failing to fully report the processing of financial transactions involving Iran's Bank Melli; (3) in December 2009, Credit Suisse paid a $536 million settlement to various U.S. regulating agencies for illicitly processing Iranian transactions with U.S. banks;[27] (4) in June 2012, Dutch bank ING paid a $619 million settlement to several U.S. financial regulation entities for concealing the movement of billions of dollars through the U.S. financial system on behalf of Iranian and Cuban clients;[28] (5) in August 2012, Standard Chartered paid a $340 million settlement to New York State regulators for allegations that it had processed transactions on behalf of Iran;[29] (6) in January 2014, Luxembourg-based Clearstream Banking paid $152 million for helping Iran evade restrictions on dealing with U.S. banks; (7) in January 2014, the Bank of Moscow paid a $9.5 million settlement for illicitly moving money through the U.S. financial system on behalf of Bank Melli;[30] and (8) in June 2014, a U.S. judge issued a sentence conforming to the terms of a Justice Department settlement with BNP Paribas requiring the bank to plead guilty to helping Iran (and Sudan and Cuba) violate U.S. sanctions and to forfeit $8.9 billion and pay $140 million in fines.[31]

As noted in the section on Blocked Iranian Property above, the FY2016 Consolidated Appropriation (P.L. 114-113) provides for use of the proceeds of the settlements above to pay compensation to victims of Iranian terrorism.

Ban on Iranian Access to the U.S. Financial System

Status: Remains in Force

U.S. regulations have been intended to prevent Iran from misusing the U.S. financial system. The Iran Transactions Regulations (C.F.R. Section 560.516) allow U.S. banks to send funds (including U.S. dollars) to Iran for allowed (licensed) transactions. However, the U.S. dollars cannot be directly transferred to an Iranian bank, but must instead be channeled through an intermediary financial institution, such as a European bank. Section 560.510 specifically allows for U.S. payments to Iran to settle or pay judgments to Iran, such as those reached in connection with the U.S.-Iran Claims Tribunal, discussed above. However, the prohibition on dealing directly with Iranian banks still applies.

Ban on U-Turn Transactions. On November 6, 2008, the Department of the Treasury tightened regulations further by barring U.S. banks from handling any indirect transactions (U-turn transactions, meaning transactions with non-Iranian foreign banks that are handling transactions

[26] Analyst conversations with U.S. banking and sanctions experts. 2010-2015.

[27] http://www.justice.gov/opa/pr/credit-suisse-agrees-forfeit-536-million-connection-violations-international-emergency.

[28] http://www.nytimes.com/2012/06/13/business/ing-bank-to-pay-619-million-over-sanctions-violations.html?_r=0.

[29] Jessica Silver-Greenberg, "Regulator Says Bank Helped Iran Hide Deals," *New York Times*, August 7, 2012.

[30] Rick Gladstone. "U.S. Announces Actions to Enforce Iran Sanctions." *New York Times*, April 29, 2014.

[31] http://www.reuters.com/article/2015/05/01/us-bnp-paribas-settlement-sentencing-idUSKBN0NM41K20150501.

on behalf of an Iranian bank) with all Iranian banks.[32] This ban remains in effect under the JCPOA. Iran has argued that the ban is deterring European and other banks from re-entering the Iran market, as discussed later in this report.

CISADA: Sanctioning Foreign Banks That Conduct Transactions with Sanctioned Iranian Banks

Post-JCPOA Status: Banking-related Provisions Remain in Force, but Most Iranian Banks and Other Civilian Entities "De-listed."

Section 104 of CISADA—along with U.N. and EU sanctions—was intended to reduce the ability of Iran's pivotal import-export community (referred to in Iran as the "bazaar merchants" or "*bazaaris*") from obtaining "letters of credit" (trade financing) to buy or sell goods. Section 104 of CISADA requires the Secretary of the Treasury to prescribe several sets of regulations to forbid U.S. banks from opening new "correspondent accounts" or "payable-through accounts" (or force the cancellation of existing such accounts) for

- any foreign bank determined by the President to have facilitated (including by engaging in money laundering or helping Iran's Central Bank or other Iranian bank) Iran's efforts to acquire WMD or delivery systems or provide support to groups named as Foreign Terrorist Organizations (FTOs) by the United States.
- any foreign bank that facilitates (including by engaging in money laundering or helping Iran's Central Bank or other Iranian bank) "the activities of" an entity designated under by U.N. Security Council resolutions that sanction Iran.
- any foreign bank that transacts business with the IRGC or any of its affiliates designated under any U.S. Iran-related Executive Order.
- any foreign bank that transactions business with an entity that is sanctioned by Executive Order 13224 or 13382 (terrorism and proliferation activities, respectively). These orders are discussed above. A full list of such entities is at the end of this report, and entities "de-listed" are in italics.
- any foreign bank that does business with Iran's energy, shipping, and shipbuilding sectors, including with NIOC, NITC, and IRISL. This provision was added by Section 1244(d) of IFCA *but it does not specifically amend CISADA. The provision was waived to implement the JCPOA.*

Foreign banks that do not have operations in the United States typically establish correspondent accounts or payable-through accounts with U.S. banks as a means of accessing the U.S. financial system. The Department of the Treasury has authority to determine what constitutes a "significant" financial transaction.

Implementation of Section 104: Sanctions Imposed

On July 31, 2012, the Administration announced the first sanctions under Section 104 of CISADA. Sanctioned were the Bank of Kunlun in China and the Elaf Islamic Bank in Iraq. However, on May 17, 2013, the Department of the Treasury lifted sanctions on Elaf Islamic Bank

[32] For text of the OFAC ruling barring U-Turn transactions, see: https://www.treasury.gov/resource-center/sanctions/Documents/fr73_66541.pdf.

in Iraq, asserting that the bank had reduced its exposure to the Iranian financial sector and stopped providing services to an Iranian bank sanctioned by the EU (Export Development Bank of Iran).

Waiver and Termination

Under Section 401(a) of CISADA, the Section 104 sanctions provisions would terminate 30 days after the President certifies to Congress that Iran (1) has met the requirements for removal from the terrorism list, AND (2) has ceased pursuit, acquisition or development of, and verifiably dismantled its nuclear weapons and other WMD programs.

The Secretary of the Treasury may waive sanctions under Section 104, with the waiver taking effect 30 days after the Secretary determines that a waiver is necessary to the national interest and submits a report to Congress describing the reason for that determination.

As noted, Section 104 was not waived to implement the JCPOA, but many entities with which transactions would have triggered sanctions under Section 104 have been "de-listed" in accordance with the JCPOA.

Iran Designated a Money-Laundering Jurisdiction/FATF

Post-JCPOA Status: Central Bank remains designated under this section.

On November 21, 2011, the Administration took further steps to isolate Iran's banking system by identifying Iran as a "jurisdiction of primary money laundering concern"[33] under Section 311 of the USA Patriot Act (31 U.S.C. 5318A). The Department of the Treasury determined that Iran's financial system, including the Central Bank, constitutes a threat to governments or financial institutions that do business with these banks. The designation carried no immediate penalty, but it imposed additional requirements on U.S. banks to ensure against improper Iranian access to the U.S. financial system.

The designation of the Central Bank was, in part, justified by the Administration as implementing recommendations of the Financial Action Task Force (FATF)—a multi-lateral standard-setting body for anti-money and combating the financing of terrorism (AML/CFT). The FATF characterizes Iran as a high-risk and non-cooperative jurisdiction with respect to AMF/CFT issues.[34] On June 24, 2016, the FATF welcomed an "Action Plan" filed by Iran to address its strategic AML/CFT deficiencies and decided to suspend for one year "counter-measures"—mostly voluntary recommendations of increased due diligence with respect to Iran transactions—to assess Iran's implementation of its proposed Action Plan.

Divestment/State-Level Sanctions

Some U.S. laws require or call for divestment of shares of firms that conduct certain transactions with Iran. A divestment-promotion provision was contained in CISADA, providing a "safe harbor" for investment managers who sell shares of firms that invest in Iran's energy sector at levels that would trigger U.S. sanctions under the Iran Sanctions Act. As noted above, Section 219 of the ITRSHRA of 2012 requires companies to reports to the Securities and Exchange Commission whether they or any corporate affiliate has engaged in any transactions with Iran that could trigger sanctions under ISA, CISADA, and E.O 13382 and 13224.

[33] http://www.treasury.gov/press-center/press-releases/Pages/tg1367.aspx.

[34] http://www.fatf-gafi.org/publications/high-riskandnon-cooperativejurisdictions/documents/public-statement-february-2016.html.

Implementation: Numerous states have adopted laws, regulations, and policies to divest from—or avoid state government business with—foreign companies that conduct certain transactions with Iran. The JCPOA requires the United States to work with state and local governments to ensure that sanctions at these governmental levels do not conflict with the overall U.S. sanctions relief provided by the federal government under the JCPOA. Most states that have adopted measures to sanction transactions with Iran continue to enforce those measures.

Sanctions and Sanctions Exemptions to Support Democratic Change/Civil Society in Iran

Post-JCPOA Status: Virtually All Sanctions in This Section Remain in Effect. No Entities "De-listed."[35]

A trend in U.S. policy and legislation since the June 12, 2009, election-related uprising in Iran has been to support the ability of the domestic opposition in Iran to communicate and to sanction Iranian officials that commit human rights abuses. Sanctions on the IRGC represent one facet of that trend because the IRGC is key instrument through which the regime has suppressed oppositionists. Individuals and entities designated under the executive orders and provisions discussed below are listed in the tables at the end of this report. For those provisions that ban visas to enter the United States, the State Department interprets the provisions to apply to all members of the designated entity.[36]

Expanding Internet and Communications Freedoms

Some laws and Administration action focus on expanding Internet freedom in Iran or preventing the Iranian government from using the Internet to identify opponents. Subtitle D of the FY2010 Defense Authorization Act (P.L. 111-84), called the "VOICE" (Victims of Iranian Censorship) Act, contained several provisions to increase U.S. broadcasting to Iran and to identify (in a report to be submitted 180 days after enactment) companies that are selling Iran technology equipment that it can use to suppress or monitor the Internet usage of Iranians. The act authorized funds to document Iranian human rights abuses since the June 2009 Iranian presidential election. Section 1241 of the act also required an Administration report by January 31, 2010, on U.S. enforcement of sanctions against Iran, and the effect of those sanctions on Iran.

Countering Censorship of the Internet: CISADA, E.O. 13606, and E.O. 13628

- Section 106 of CISADA prohibits U.S. government contracts with foreign companies that sell technology that Iran could use to monitor or control Iranian usage of the Internet. The provisions were directed, in part, against Nokia (Finland) and Siemens (Germany) for reportedly selling Internet monitoring and censorship technology to Iran in 2008.[37] The provision was derived from the Reduce Iranian Cyber-Suppression Act (111th Congress, S. 1475 and H.R. 3284).

[35] Sections 5-7 and 15 of Executive Order 13628 which have to do primarily with Iran's energy sector, were revoked, but the remaining sections, which concern human rights issues, remain in place.

[36] U.S. Department of the Treasury, Office of Public Affairs, *Treasury Sanctions Iranian Security Forces for Human Rights Abuses*, June 9, 2011.

[37] Christopher Rhoads, "Iran's Web Spying Aided by Western Technology," *Wall Street Journal*, June 22, 2009.

- On April 23, 2012, President Obama issued an Executive Order (13606) directly addressing the issue by sanctioning persons who commit "Grave Human Rights Abuses by the Governments of Iran and Syria Via Information Technology (GHRAVITY)." The order blocks the U.S.-based property and essentially bars U.S. entry and bans any U.S. trade with persons and entities listed in an Annex and persons or entities subsequently determined to be (1) operating any technology that allows the Iranian (or Syrian) government to disrupt, monitor, or track computer usage by citizens of those countries or assisting the two governments in such disruptions or monitoring; or (2) selling to Iran (or Syria) any technology that enables those governments to carry out such actions.
- Section 403 of the ITRSHRA sanctions (visa ban, U.S.-based property blocked) persons/firms determined to have engaged in censorship in Iran, limited access to media, or—for example, a foreign satellite service provider—supported Iranian government jamming or frequency manipulation. On October 9, 2012, the President issued Executive Order 13628 reinforcing Section 403 by blocking the property of persons/firms determined to have committed the censorship, limited free expression, or assisted in jamming communications. The order also specifies the sanctions authorities of the Department of State and of the Treasury.

Laws and Actions to Promote Internet Communications by Iranians

- On March 8, 2010, OFAC amended the Iran Transactions Regulations to allow for a general license for providing free mass market software to Iranians. The ruling incorporated major features of the Iran Digital Empowerment Act (H.R. 4301 in the 111th Congress). The OFAC determination required a waiver of the provision of the Iran-Iraq Arms Nonproliferation Act (Section 1606 waiver provision) discussed above.
- Section 103(b)(2) of CISADA exempts equipment to help Iranians communicate and use the Internet from the U.S. export ban on Iran.
- On March 20, 2012, the Department of the Treasury amended U.S.-Iran trade regulations to permit several additional types of software and information technology products to be exported to Iran under general license, provided the products were available at no cost to the user.[38] The items included personal communications, personal data storage, browsers, plug-ins, document readers, and free mobile applications related to personal communications.
- On May 30, 2013, the Department of the Treasury amended the trade regulations further to allow for the sale, *on a cash basis* (no financing), to Iran of equipment that Iranians can use to communicate (e.g., cellphones, laptops, satellite Internet, website hosting, and related products and services).

[38] *Fact Sheet: Treasury Issues Interpretive Guidance and Statement of Licensing Policy on Internet Freedom in Iran*, March 20, 2012.

Measures to Sanction Human Rights Abuses and Promote the Opposition

Another part of the effort to help Iran's opposition has been legislation to sanction regime officials involved in suppressing the domestic opposition in Iran. Much of this legislation centers around amendments to Section 105 of CISADA.

- *Sanctions Against Iranian Human Rights Abusers.* Section 105 of CISADA, modeled on a Senate bill in the 111th Congress (S. 3022, the Iran Human Rights Sanctions Act), bans travel and freezes the U.S.-based assets of those Iranians determined to be human rights abusers. On September 29, 2010, pursuant to Section 105, President Obama issued Executive Order 13553 providing for CISADA sanctions against Iranians determined to be responsible for or complicit in post-2009 Iran election human rights abuses. Those sanctioned under the provisions are listed in the tables at the end of this report.
- *Sanctions on Sales of Anti-Riot Equipment.* Section 402 of the ITRSHRA amended Section 105 by adding provisions that sanction (visa ban, U.S. property blocked) any person or company that sells the Iranian government goods or technologies that it can use to commit human rights abuses against its people. Such goods include firearms, rubber bullets, police batons, chemical or pepper sprays, stun grenades, tear gas, water cannons, and like goods. In addition, ISA sanctions are to be imposed on any person determined to be selling such equipment to the IRGC.
- *Sanctions Against Iranian Government Broadcasters.* Section 1248 of IFCA (Subtitle D of P.L. 112-239) mandates inclusion of the Islamic Republic of Iran Broadcasting (IRIB), the state broadcasting umbrella group, as a human rights abuser—thereby imposing on it Section 105 sanctions.
- *Sanctions Against Iranian Profiteers*. Section 1249 of IFCA amends Section 105 by imposing sanctions on any person determined to have engaged in corruption or to have diverted or misappropriated humanitarian goods or funds for such goods for the Iranian people. The measure is intended to sanction Iranian profiteers who are, for example, using official connections to corner the market for vital medicines. This provision, which remains in forces, essentially codifies a similar provision of Executive Order 13645.
- *Separate Visa Bans.* On July 8, 2011, the State Department imposed visa restrictions on more than 50 Iranian officials for participating in political repression in Iran. The State Department did not release the names of those banned on the grounds that visa records are confidential. The action was taken under the authorities of Section 212(a)(3)(C) of the Immigration and Nationality Act, which renders inadmissible to the United States a foreign person whose activities could have serious consequences for the United States. On May 30, 2013, the State Department announced it had imposed visa restrictions on an additional 60 Iranian officials and other individuals who participated in human rights abuses related to political repression in Iran.[39]

[39] http://www.state.gov/r/pa/prs/ps/2013/05/210102.htm.

- There are certain exemptions in the case of high level Iranian visits to attend the United Nations. Under the U.N. Participation Act (P.L. 79-264) that provides for U.S. participation in the United Nations and as host nation of U.N. headquarters in New York, visas are routinely issued to heads of state and members of their entourage attending these meetings. In September 2012, the State Department refused visas for 20 members of Iranian President Ahmadinejad's traveling party on the grounds of past involvement in terrorism or human rights abuses. Still, in line with U.S. obligations under the act, then President Ahmadinejad was allowed to fly to the United States on Iran Air, even though Iran Air is a U.S.-sanctioned entity, and his plane reportedly was allowed to stay at Andrews Air Force base for the duration of his visit.

CISADA Section 105 Termination Provision

Section 105 contains its own specific authority to terminate the section through Administration action. Section 105 can be terminated if the President certifies to Congress that Iran has (1) unconditionally released all political prisoners detained in the aftermath of the June 2009 uprising; (2) ceased its practices of violence, unlawful detention, torture, and abuse of citizens who were engaged in peaceful protest; (3) fully investigated abuses of political activists that occurred after the uprising; and (4) committed to and is making progress toward establishing an independent judiciary and respecting human rights recognized in the Universal Declaration of Human Rights.

U.N. Sanctions

Post-JCPOA Status: Most U.N. Sanctions Lifted

U.N. sanctions apply to all U.N. member states. During 2006-2008, three U.N. Security Council resolutions—1737, 1747, and 1803—imposed sanctions primarily on Iran's weapons of mass destruction (WMD) infrastructure. Resolution 1929, adopted on June 9, 2010, was key for its assertion that the energy, financial, and other sectors of the Iranian economy support Iran's nuclear program. That assertion gave U.N. member states authorization to sanction those civilian sectors of Iran's economy. A summary of the major provisions of these resolutions is contained in the table below, and entities under U.N. sanctions are in **Table 4**.

U.N. Security Council Resolution 2231 of July 20, 2015, endorsed the JCPOA and superseded all prior Iran-related Resolutions as of Implementation Day. The U.N. sanctions that were lifted in accordance with the JCPOA were defined by the P5+1 as "nuclear-related" because the U.N. sanctions were imposed with the expressed purpose of persuading Iran to negotiate limits on its nuclear program.

Table 2. Summary of Provisions of U.N. Resolutions on Iran Nuclear Program (1737, 1747, 1803, 1929, and 2231)

Requires Iran to suspend uranium enrichment, to suspend construction of the heavy-water reactor at Arak, ratify the "Additional Protocol" to Iran's IAEA Safeguards Agreement. (1737)
Freezes the assets of Iranian persons and entities named in annexes to the resolutions, and requires that countries ban the travel of named Iranians. (1737, 1747, 1803, and 1929)
Prohibits transfer to Iran of nuclear, missile, and dual use items to Iran, except for use in light-water reactors (1737 and 1747). Resolution 2231 delegates to a Joint Commission the authority to approve Iran's applications to purchase dual-use items.
Resolution 1747 prohibited Iran from exporting arms. Resolution 2231 bans Iran from exporting arms for a maximum of five years.
Prohibits Iran from investing abroad in uranium mining, related nuclear technologies or nuclear capable ballistic missile technology, and prohibits Iran from developing, including testing, nuclear-capable ballistic missiles. (1929) Resolution 2231, "calls on" Iran to refrain from developing or testing ballistic missiles "designed to be" capable of carrying a nuclear warhead for a maximum of eight years.
Resolution 1929 mandated that countries not export major combat systems to Iran, but does not bar sales of missiles that are not on the U.N. Registry of Conventional Arms. Resolution 2231 makes arms sales to Iran subject to approval by the U.N. Security Council, for a maximum of five years.
Calls for voluntary restraint on transactions with Iranian banks, particularly Bank Melli and Bank Saderat. (1929) Not applicable under Resolution 2231.
Calls for vigilance on international lending to Iran and providing trade credits and other financing. (1929) Not applicable under Resolution 2231.
Resolution 1929 calls on countries to inspect cargoes carried by Iran Air Cargo and Islamic Republic of Iran Shipping Lines—or by any ships in national or international waters—if there are indications they carry cargo banned for carriage to Iran. Searches in international waters would require concurrence of the country where the ship is registered. Resolution 2231 requires U.N. member states to enforce continued restrictions discussed above.
A Sanctions Committee, composed of the 15 members of the Security Council, monitored implementation of all Iran sanctions and collected and disseminated information on Iranian violations and other entities involved in banned activities. A "panel of experts" was empowered by 1929 to assist the U.N. sanctions committee in implementing the resolution and previous Iran resolutions, and to suggest ways of more effective implementation. The panel of experts was not empowered under Resolution 2231 and has ended its operations.

Source: Text of U.N. Security Council resolutions 1737, 1747, 1803, 1929, and 2231. http://www.un.org.

Sanctions Relief since 2014

The following sections discuss sanctions relief provided under the November 2013 interim nuclear agreement (JPA) and, particularly, the JCPOA. Later sections discuss the degree to which Iran is receiving the expected benefits of sanctions relief.

Sanctions Eased by the JPA

U.S. officials said that the JPA provides "limited, temporary, targeted, and reversible" easing of international sanctions. Under the JPA (effective January 20, 2014-January 16, 2016):[40]

- Iran's current oil customers were not required reduce their oil purchases from Iran "significantly" from the levels they were when the JPA went into effect. To avoid penalizing these oil buyers while the JPA is in effect, the Administration

[40] The Administration sanctions suspensions and waivers are detailed at http://www.state.gov/p/nea/rls/220049.htm.

exercised waiver authority under Section 1245(d)(1) of the National Defense Authorization Act for FY2012 (P.L. 112-81) and Section 1244c(1) of IFCA (Title XII, subtitle D, of the FY2013 National Defense Authorization Act, P.L. 112-239). The Administration also stated it would not impose sanctions on foreign banks under Executive Orders 13622, 13645, and 13382 and related regulations. Waivers of Section 302(a) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (P.L. 112-158) and of Section 5(A)(7) of the Iran Sanctions Act (P.L. 104-172, as amended) were issued to permit transactions with NIOC. The European Union amended its regulations to allow shipping insurers to provide insurance for ships carrying oil from Iran.[41]

- Iran was able to receive directly $700 million per month in hard currency from oil sales and $65 million per month to make tuition payments for Iranian students abroad (paid directly to the educational institutions). The waiver of Section 1245(d)(1) of IFCA allowed those transactions to avoid sanction.
- Iran was able to sell petrochemicals and trade in gold and other precious metals, and to conduct transactions with foreign firms involved in Iran's automotive manufacturing sector. To enable these transactions, the Administration suspended application of Executive Orders 13622 and 13645, several provisions of U.S.-Iran trade regulations, and several sections of IFCA.
- The parties to the JPA pledged to facilitate humanitarian transactions. The United States licensed some safety-related repairs and inspections for certain Iranian airlines and issued a new "Statement of Licensing Policy" to enable U.S. aircraft manufacturers to sell the appropriate equipment to Iranian airlines. The Administration suspended application of Executive Order 13382 and certain provisions of U.S. trade regulations with Iran to allow the supply of equipment to Iran Air.
- The JPA required that the P5+1 "not impose new nuclear-related sanctions," if Iran complies, "to the extent permissible within their political systems."[42]

Sanctions Easing Under the JCPOA

Under the JCPOA, the great bulk of sanctions relief occurred at Implementation Day—the day (January 16, 2016) when the IAEA certified that Iran had completed stipulated core nuclear tasks. The following sanctions were eased:[43]

- **Type of Sanctions Removed or Suspended**. The sanctions suspended were mostly those imposed since U.N. Security Council Resolution 1929 was adopted in June 2010 and which targeted Iran's civilian economic sectors. U.S. sanctions targeting foreign firms' involvement in those sectors were waived or terminated, but those that prohibit U.S. firms from conducting transactions with Iran were generally not altered, with the exception of the sale to Iran of commercial aircraft and the importation of Iranian luxury goods.[44] The ban on direct Iranian

[41] Daniel Fineren, "Iran Nuclear Deal Shipping Insurance Element May Help Oil Sales," *Reuters*, November 24, 2013.

[42] White House Office of the Press Secretary. "Fact Sheet: First Step Understandings Regarding the Islamic Republic of Iran's Nuclear Program," November 23, 2013.

[43] http://www.politico.com/story/2015/07/full-text-iran-deal-120080.html.

[44] The U.S. importation of these luxury goods was permitted during 2000-2010, under a modification to the Executive Order 12959 that imposed a ban on U.S. trade with Iran.

transactions with the U.S. financial system also remains in place. The sanctions eased include[45] (1) energy sanctions, including those that limit Iran's exportation of oil and sanction foreign sales to Iran of gasoline and energy sector equipment, and which limit foreign investment in Iran's energy sector; (2) financial sector sanctions; (3) sanctions on Iran's auto sector and trading in the *rial*; (4) the EU ban on purchases of oil and gas from Iran; and (5) the ban on Iran's use of the SWIFT electronic payments system that facilitates the movement of funds.

- **U.S. Laws Waived and Executive Orders Terminated**. The suspension of U.S. sanctions required issuing waivers of the following laws:
- the energy/economy-related provisions of the Iran Sanctions Act (P.L. 104-172 as amended). These constitute the overwhelming bulk of the Act's provisions.
- Section 1245(d)(1) of the National Defense Authorization Act for FY2012 (P.L. 112-81);
- the economy-related Iran Threat Reduction and Syria Human Rights Act (P.L. 112-158), but not the human rights-related provisions
- the Iran Freedom and Counter-Proliferation Act (Subtitle D of P.L. 112-239)
- The core provision of CISADA (P.L. 111-195) that sanctions foreign banks was not waived, but most Iranian banks have been "de-listed" from designation under various U.S. Executive Orders (13224 and 13382), thereby re-opening many entities to the international financial system. Banks sanctioned for terrorism funding, including Bank Saderat, Ansar Bank, and Mehr Bank, were not de-listed.
- Executive Orders: 13574, 13590, 13622, 13645, and Sections 5-7 and 15 of Executive Order 13628 were revoked outright by Executive Order 13716.[46]
- To implement the JCPOA, the United States "de-listed" for sanctions the numerous specified Iranian economic entities and personalities (listed in Attachment III of the JCPOA), including the National Iranian Oil Company (NIOC), various Iranian banks, and many energy and shipping-related institutions. That step enabled foreign companies (including banks) to resume transactions with those Iranian entities without risking being penalized by the United States. (The tables at the end of the report depicts in italics and boldface those entities de-listed – or to be de-listed on "Transition Day"- October 2023).
- **Request for Congress to Lift Sanctions Outright**. The JCPOA requires the U.S. Administration, by "Transition Day," to request that Congress lift virtually all of the sanctions that will be suspended under the JCPOA. No outcome of such a request is mandated. The JCPOA requires all U.N. sanctions to terminate after 10 years of adoption ("Termination Day.")
- **U.S. Sanctions that Remain in Place**. The JCPOA does not commit the United States to suspend U.S. sanctions on Iran for terrorism or human rights abuses, and on foreign arms sales to Iran or sales of proliferation-sensitive technology

[45] http://iranmatters.belfercenter.org/blog/translation-iranian-factsheet-nuclear-negotiations; and author conversations with a wide range of Administration officials, think tank, and other experts, in Washington, DC, 2015.

[46] For more information on these Executive Orders and their provisions, see CRS Report RS20871, *Iran Sanctions*, by (name redacted) ; and CRS Report R43311, *Iran: U.S. Economic Sanctions and the Authority to Lift Restrictions*, by (name redacted) .

such as ballistic missile technology. U.S. sanctions that are not required to be suspended include (1) E.O. 13224 sanctioning terrorism entities (not specific to Iran); (2) the Iran-Iraq Arms Non-Proliferation Act that sanctions foreign firms that sell arms and weapons of mass destruction-related technology to Iran; (3) the Iran-North Korea-Syria Non-Proliferation Act (INKSNA);[47] (4) the section of ISA that sanctions provision to Iran of WMD-related technology and provision of destabilizing numbers and types of advanced conventional weapons; (5) the Executive Orders that sanction Iran's interference in Iraq (E.O. 13438) and assistance to repression by the Assad regime in Syria (E.O. 13572); and (6) Executive Orders (E.O. 13606 and 13628) and the provisions of CISADA, ITRSHRA, and IFCA that pertain to human rights or democratic change in Iran. The core provision of CISADA that sanctions foreign banks that deal with designated Iranian entities remains in place, although most entities related to Iran's energy and banking and civilian economic sectors were "de-listed." IRGC, military, proliferation-related, and human rights and terrorism related entities were not "de-listed." Iran also remains on the "terrorism list" and all sanctions triggered by that designation remain in place, and the JCPOA does not commit the United States to revoke Iran's placement on the terrorism list.

- **U.N. Sanctions on Arms Sales and Ballistic Missiles to Be Terminated After Several Years.** One issue that arose during final negotiations on the JCPOA was the suspension of U.N. sanctions on Iran's development of nuclear-capable ballistic missiles and on Iran's importation or exportation of conventional weaponry. The JCPOA does not impose any specific requirements on Iran on these issues, but Resolution 2231, which endorsed the JCPOA, "calls on" Iran not to develop ballistic missiles "designed to be capable" of developing nuclear weapons for a maximum of eight years from Adoption Day (October 18, 2015). The Resolution bans Iran's exportation of arms without Security Council approval for a maximum of five years and makes sales of major combat systems to Iran subject to Security Council approval for a maximum of five years. Since Implementation Day, the Administration has sanctioned additional entities, under Executive Order 13382, for involvement in Iran's continuing tests of ballistic missiles, as depicted in the tables at the end of this report.

Automatic Reimposition of Sanctions ("Snap-Back")

The JCPOA (paragraph 36 and 37) contains a mechanism for the "snap back" of U.N. sanctions if Iran does not satisfactorily resolve a compliance dispute. According to the JCPOA, the United States (or any veto-wielding member of the U.N. Security Council) would be able to block a U.N. Security Council resolution that would continue the lifting of U.N. sanctions despite Iran's refusal to resolve the dispute. In that case, "... the provisions of the old U.N. Security Council resolutions would be re-imposed, unless the U.N. Security Council decides otherwise." These provisions are included in Resolution 2231.

A related question is whether the effect of sanctions currently realized could ever be reconstituted if U.N. sanctions are lifted but U.S. sanctions are re-imposed. The effect of sanctions depended on the substantial degree of international cooperation with the sanctions regime that took place

[47] The JCPA does commit the United States to terminate sanctions with respect to some entities designated for sanctions under INKSNA.

after 2010. A wide range of countries depend on energy and other trade with Iran and might be reluctant to resume cooperating with U.S. sanctions unless Iran commits clear and egregious violations of its commitments.

International Implementation and Compliance[48]

During 2010-2013, converging international views on Iran produced substantial global cooperation in pressuring Iran with sanctions. Some countries apparently joined the sanctions regime primarily as a means of heading off unwanted military action against Iran by the United States or by Israel. Countries in the region cooperated at least partly in order to preserve their close relationships with the United States. With U.S. secondary sanctions suspended as of Implementation Day, the analysis in this section assesses compliance with those sanctions that remain in force. A comparison between U.S., U.N., and EU sanctions against Iran is contained in **Table 3** below. Broader issues of Iranian foreign policy can be found in CRS Report R44017, *Iran's Foreign Policy*, by (name redacted) .

Executive Order 13608 of May 1, 2012, gives the Department of the Treasury the ability to identify and sanction (cutting them off from the U.S. market) foreign persons who help Iran (or Syria) evade U.S. and multilateral sanctions. On January 10, 2013, the Department of the Treasury's Office of Foreign Assets Control issued an Advisory to highlight Iran's use of *hawalas* (traditional informal banking and money exchanges) in the Middle East and South Asia region to circumvent financial sanctions. Because the involvement of an Iranian client is often opaque, banks have sometimes inadvertently processed *hawala* transactions involving Iranians.

Europe

U.S. and European approaches on Iran converged after 2002, the year it was confirmed that Iran was developing a uranium enrichment capability. Previously, European and other countries appeared less concerned than the United States about Iranian policies and were reluctant to sanction Iran. After the passage of Resolution 1929 (June 2010), European Union (EU) sanctions on Iran became nearly as extensive as those of the United States as discussed below.

Status of EU Sanctions. Under the JCPOA, virtually all EU sanctions were lifted on Implementation Day. The EU retains an embargo on sales to Iran of arms, missile technology, other proliferation-sensitive items, and gear for internal repression. The bloc also continues to list 84 Iranians and one entity as ineligible to visit EU countries on human rights grounds, and the assets of these persons and entity are frozen.

The EU has lifted the ban on oil imports from Iran, which was imposed as of July 1, 2012, pursuant to a January 23, 2012, EU decision. Collectively, EU countries had bought about 600,000 barrels per day of Iranian oil in 2011, about a quarter of Iran's total oil exports. Because of the embargo, 10 EU countries received exemptions from U.S. sanctions under P.L. 112-81. The EU also banned imports of natural gas from Iran as of October 2012. Oil imports from Iran have resumed as of March 2016, and have reportedly returned to nearly 2011 levels.

In addition, the EU has lifted the following sanctions:

[48] Note: CRS has no mandate or capability to "judge" compliance of any country with U.S., multilateral, or international sanctions against Iran. This section is intended to analyze some major trends in third country cooperation with U.S. policy toward Iran, noting that there are many aspects to U.S. relations with the countries discussed here.

- a ban on insurance for shipping oil or petrochemicals from Iran (as of July 1, 2012). *The EU first eased this sanction to implement the JPA.*
- a ban on trade with Iran in gold, precious metals, diamonds, and petrochemical products. *The EU first eased this sanction to implement the JPA.*
- a freeze of the assets of Iran's Central Bank, although transactions were permitted for approved legitimate trade, and froze the assets of several Iranian firms involved in shipping.
- a ban on transactions between European and all Iranian banks, unless specifically authorized, and banned short-term export credits, guarantees, and insurance, as of October 15, 2012. *This sanction was first eased to implement the JPA.*
- a ban on exports to Iran of graphite, semi-finished metals such as aluminum and steel, industrial software, shipbuilding technology, oil storage capabilities, and flagging or classification services for Iranian tankers and cargo vessels. *Sanctions on sales to Iran's auto production sector were first lifted to implement the JPA.*
- *SWIFT Cutoff.* Section 220 of the ITRSHRA required reports on electronic payments systems such as the Brussels-based SWIFT (Society of Worldwide Interbank Financial Telecommunications) that might be doing business with Iran, but does not mandate sanctions against such systems. Subsequently, the EU requested that SWIFT cut off sanctioned Iranian banks from the network. SWIFT acceded to that request on March 17, 2012, denying access to 14 Iranian banks blacklisted by the EU. Iranian banks not sanctioned by the EU can still access the SWIFT system.[49] (The United States has sanctioned about 50 Iranian banks, but only those sanctioned by the EU were cut off from SWIFT.) And, some experts report that Iranian banks were still able to conduct electronic transactions with the European Central Bank via an electronic payments system called "Target II." The *SWIFT cutoff was lifted on Implementation Day and Iranian banks (those not still under any sanctions) resumed accessing the system in February 2016.*
- *De-Listings under the JCPOA*. Under EU Council decisions and regulations, the EU imposed sanctions on many Iranian entities—and a large proportion of these entities were "de-listed" by the EU on Implementation Day and relieved from EU sanctions. However, entities that remain sanctioned by the United States remain subject to U.S. sanctions, even if EU designations are removed.

The harmonization of U.S. and European sanctions on Iran after 2010 differs from early periods. During the 1990s, EU countries maintained a policy of "critical dialogue" with Iran, and the EU and Japan refused to join the 1995 U.S. trade and investment ban on Iran. The European dialogue with Iran was suspended in April 1997 in response to the German terrorism trial (Mykonos trial) that found high-level Iranian involvement in killing Iranian dissidents in Germany, but resumed in May 1998 during Mohammad Khatemi's presidency of Iran. In the 1990s, European and Japanese creditors bucked U.S. objections and rescheduled about $16 billion in Iranian debt bilaterally, in spite of Paris Club rules that call for multilateral rescheduling. In July 2002, Iran tapped international capital markets for the first time since the Islamic revolution, selling $500 million in bonds to European banks. During 2002-2005, there were active negotiations between the European Union and Iran on a "Trade and Cooperation Agreement" (TCA) that would have lowered the tariffs or increased quotas for Iranian exports to the EU countries.[50] Negotiations

[49] Avi Jorish, "Despite Sanctions, Iran's Money Flow Continues," *Wall Street Journal*, June 25, 2013.

[50] During the active period of talks, which began in December 2002, there were working groups focused not only on the (continued...)

were discontinued in late 2005 after Iran abrogated an agreement with several EU countries to suspend uranium enrichment.

China and Russia

Russia and China, two permanent members of the U.N. Security Council, historically have imposed only those sanctions required by Security Council resolutions.

Russia

Increasingly close politically primarily on the issue of the conflict in Syria, Iran and Russia reached a broad trade and energy deal in 2014 that included exchanging Iranian oil (500,000 barrels per day) for Russian goods. Russia is an oil exporter, the deal apparently would save Russia substantial oil transportation costs. Russia and Iran reaffirmed the deal following the April 2, 2015, framework nuclear accord, and press reports in early June 2015 indicated the two countries might start implementing the arrangement once the JCPOA sanctions relief takes effect.[51] Even though Iran and Russia have increased strategic cooperation, particularly in Syria, there is no indication this arrangement has been implemented.

Also in April 2015, Russia lifted its own ban on delivering the S-300 air defense system that it sold Iran in 2007 but refused to deliver after Resolution 1929 was adopted—even though that Resolution would technically not bar supply of that defensive system. In April 2016, Russia began delivering the five S-300 batteries Iran has bought. Iran's Defense Minister visited Russia in February 2016 to discuss a possible purchase of Su-30 combat aircraft and T-90 tanks. That sale would, as discussed above, require an unlikely approval of the U.N. Security Council. Alternatively, the two countries might complete the sale without such approval, presumably calculating on limited material penalty for doing so.

China

China has been Iran's largest oil customer and China was therefore pivotal to U.S. efforts to reduce Iran's revenue from oil sales. During 2012-2013 China cut its buys of oil from Iran to about 435,000 barrels per day from its 2011 average of 550,000 barrels per day. The State Department has asserted that, because China is the largest buyer of Iranian oil, percentage cuts by China had a large impact in reducing Iran's oil sales by volume and China merited a Section 1245 (P.L. 112-81) sanctions exemption. China reportedly has begun buying more Iranian oil now that sanctions do not apply, apparently buying amounts close to those it did in 2011. Several Chinese energy firms invested in Iran's energy sector, but some of these projects were mostly dormant after 2011. The firms can now resume work in earnest without risk of sanctions, but a depressed oil market might be postponing resumption of Chinese energy investment in Iran.

During 2012-2016, China settled much of its trade balance with Iran with goods rather than hard currency. Doing so was highly favorable to China financially. Press reports indicated that Iran's automotive sector—the largest industrial sector aside from the energy sector—obtained a significant proportion of its parts from China, and subsidiaries of two China-based companies, Geelran and Chery, produce cars in Iran. Iran's auto production fell about 60% during 2011-2013

(...continued)

TCA terms and proliferation issues but also on Iran's human rights record, Iran's efforts to derail the Middle East peace process, Iranian-sponsored terrorism, counter-narcotics, refugees, migration issues, and the Iranian opposition PMOI.

[51] "Iran Hopes to Begin Russia Oil-for-Goods Exports This Week: Report," *Reuters*, June 7, 2015.

because of sanctions, but recovered somewhat after the JPA went into effect.[52] Iran's auto parts imports are increasing now that Iran is able to obtain at least some trade financing. Iran and China also have a separate escrow account to pay for China's infrastructure projects in Iran, such as the long Niayesh Tunnel, funded by about $20 billion of Iran's hard currency reserves. In January 2016, days after Implementation Day, China's President Xi Jinping visited Iran during a trip to the Middle East region and the two countries agreed to increase trade to $600 billion yearly over the coming decade, and President Xi indicated that China sees Iran as a vital link in an effort to extend its economic influence westward through its "One Belt, One Road" initiative.

Japan/Korean Peninsula

Since 2010, in part in deference to their alliances with the United States, Japan and South Korea have imposed sanctions on Iran that are similar to those imposed by the United States and the EU. Both countries cut imports of Iranian oil sharply after 2011 and both were the main sources of the $700 million per month in direct hard currency payments to Iran for oil as provided for by the JPA. And, banks in the two countries are said by experts to be the repositories of a large part of the approximately $115 billion in foreign exchange (payments for oil shipments) that Iran holds abroad but could not (until Implementation Day) repatriate. Since Implementation Day, both countries have increased oil purchases to nearly 2011 levels.

Some South Korean firms have been active in energy infrastructure construction in Iran but, in December 2011, South Korea banned sales to Iran of energy sector equipment. South Korea generally paid Iran's Central Bank through local currency accounts at its Industrial Bank of Korea and Woori Bank, and it exports to Iran mainly iron, steel, consumer electronics, and appliances. Japan exports to Iran significant amounts of chemical and rubber products, as well as consumer electronics. The main South Korean refiners that import Iranian crude are SK Energy and Hyundai Oilbank.

North Korea. North Korea is an ally of Iran and, like Iran, has been subject to significant international sanctions. North Korea has always asserted that it is not bound by international sanctions against Iran, and it reportedly cooperates with Iran on a wide range of WMD-related ventures, particularly the development of ballistic missiles. There have been repeated speculation that Iran might, at some point, supply oil directly to North Korea, but no such arrangement has been confirmed. Instead, a portion of the Iranian oil China buys is reportedly sent to North Korea.

South Asia: India, Pakistan, and Afghanistan

India

India implemented U.N.-mandated sanctions against Iran and generally cooperated with multilateral efforts to use sanctions to achieve a nuclear agreement with Iran. During 2010-2016, India's private sector described Iran as a "controversial market"—a term used by many international firms to describe markets that entail reputational and financial risks. India began reducing economic relations with Iran in 2010, when India's central bank ceased using a Tehran-based regional body, the Asian Clearing Union, to handle transactions with Iran. In January 2012, Iran agreed to accept India's local currency, the rupee, to settle 45% of its oil sales to India. The account funds the sale to Iran of Indian wheat, pharmaceuticals, rice, sugar, soybeans, auto parts,

[52] Nahid Kalbasi."Have International Sanctions Crippled Iran's Auto Industry?" Washington Institute for Near East Policy, June 3, 2015.

and other products. Still, a large trade imbalance resulted, because the oil Iran exports to India are worth far more than the value of the products that India sells to Iran. India also reduced its imports of Iranian oil substantially after 2011 - by the time of the JPA, Iran was only supplying about 6% of India's oil imports (down from over 16% in 2008). India has incurred significant costs to retrofit refineries that were handling Iranian crude. However, imports apparently have increased to close to 2011 levels now that sanctions on Iran's exportation of crude oil have been lifted. Indian firms ended or slowed work on investments in Iranian oil and gas fields—work that is likely to resume now that sanctions have been lifted. India and Iran are considering using Turkey's Halkbank to transfer to Iran $6.5 billion for oil purchased by India during 2012-2016.[53]

In 2015, India and Iran agreed that India would help develop Iran's Chahbahar port that would enable India to trade with Afghanistan unimpeded by Pakistan. With sanctions on Iran now lifted, that project no longer entails risk to Indian firms involved. In May 2016, Indian Prime Minister Narendra Modi visited Iran and signed an agreement to invest $500 million to develop the port and related infrastructure.

Pakistan

One test of Pakistan's compliance with sanctions was a pipeline project that would carry Iranian gas to Pakistan – a project that U.S. officials on several occasions stated would be subject to ISA sanctions. Despite that threat, agreement on the $7 billion project was finalized on June 12, 2010, and construction was formally inaugurated in a ceremony attended by the Presidents of both countries on March 11, 2013. In line with an agreed completion date of mid-2014, Iran reportedly completed the pipeline on its side of the border. China's announcement in April 2015 of a $3 billion investment in the project seemed to remove financial hurdles to the line's completion, and the JCPOA removed sanctions impediments to the project.[54] However, during President Hassan Rouhani's visit to Pakistan in late March 2016, and possibly considering other competing projects, Pakistan still did not commit to complete the line, indicating that Pakistan might be considering alternative gas supply routes. In 2009, India dissociated itself from the project, which was initially conceived as bringing Iranian gas to India, over stated concerns about the security of the pipeline, the location at which the gas would be transferred to India, pricing of the gas, and tariffs.

Afghanistan

Iran has extensive security interests in Afghanistan. However, Afghanistan's economy is small, and very few Iran-Afghanistan economic interactions were subject to international sanctions. Iranian firms have been involved in road and building construction in Afghanistan, mostly near the Iranian border and in Kabul. Some reports say that Iranian currency traders acquired dollars that are plentiful in Afghanistan but in short supply in Iran. In 2012, there were allegations that Iran used an Iran-owned bank in Afghanistan, Arian Bank, to move funds in and out of Afghanistan, and the U.S. Department of the Treasury warned Afghan traders not to process dollar transactions for Iran. The Special Inspector General for Afghanistan Reconstruction reported in January 2013 that Afghan security forces might have used some of U.S. aid funds to purchase fuel from Iran. In September 2013, it was reported that Anham FZCO, a U.S. contractor

[53] "India Seeks to Pay $6.5 Billion to Iran for Oil Imports." Economic Times of India. May 16, 2016.

[54] *Asia Times*, March 21, 2014, http://www.atimes.com/atimes/South_Asia/SOU-02-210314.html.

building food storage shelters for U.S. troops in Afghanistan, might have violated U.S. sanctions by transshipping building materials through Iran.[55]

Turkey/South Caucasus

Iran has substantial economic relations with Turkey and the countries of the South Caucasus, although Iran's relations with Azerbaijan—even though that country is inhabited mostly by Shiite Muslims—are hindered by substantial political and ideological differences.

Turkey

Turkey remained a significant buyer of Iranian oil during the period of extensive sanctions and likely has returned to 2011 levels of oil purchases (about 200,000 bpd) now that sanctions have been lifted. Turkey is Iran's main gas customer via a pipeline built in 1997. During the pipeline's construction, the State Department testified that Turkey would be importing gas originating in Turkmenistan, not Iran, under a swap arrangement, and the State Department did not determine that the project was a violation of ISA. Even though direct Iranian gas exports to Turkey through the line began in 2001—with additional such exports through a second pipeline built in 2013—no ISA sanctions were imposed, possibly because the State Department views the line as crucial to the energy security of Turkey. Prior to the EU decision on October 15, 2012, to bar sales of Iranian gas to Europe, Turkey was also the main conduit for Iranian gas exports to Europe (primarily Bulgaria and Greece). Still, the rate at which Turkey increases economic interaction with post-sanctions Iran might be slow due to political disputes over Syria and other issues.

Earlier, press reports accused Turkey's Halkbank of settling much of Turkey's payments to Iran for oil or natural gas with shipments to Iran of gold. U.S. officials testified on May 15, 2013, that Turkey is not paying for its gas imports from Iran with gold, but that the gold going from Turkey to Iran consists mainly of Iranian private citizens' purchases of Turkish gold to hedge against the value of the *rial*. Halkbank is also discussed above in the section on India. On January 6, 2014, the Commerce Department issued an emergency order blocking a Turkey-based firm (3K Aviation Consulting and Logistics) from re-exporting two U.S.-made jet engines to Iran's Pouya Airline.[56]

Caucasus: Azerbaijan, Armenia, and Georgia

The Clinton and George W. Bush Administrations used the threat of ISA sanctions to deter oil pipeline routes involving Iran and thereby successfully promoted an alternate route from Azerbaijan (Baku) to Turkey (Ceyhan). The route became operational in 2005. Section 6 of Executive Order 13622 exempts from sanctions any pipelines that bring gas from Azerbaijan to Europe and Turkey.

In part because Iran and Azerbaijan are often at odds, Iran and Armenia—Azerbaijan's adversary—enjoy extensive economic relations. Armenia is Iran's largest direct gas customer, after Turkey. In May 2009, Iran and Armenia inaugurated a natural gas pipeline between the two, built by Gazprom of Russia. No determination of ISA sanctions has been issued. Armenia has said its banking controls are strong and that Iran is unable to process transactions illicitly through Armenia's banks.[57] However, observers in the South Caucasus assert that Iran is using Armenian

[55] "Pentagon Contractor Used Iran for Project," *Wall Street Journal*, September 26, 2013.

[56] "US Acts to Block Turkish Firm from Sending GE Engines to Iran," *Reuters*, January 6, 2014.

[57] Louis Charbonneau, "Iran Looks to Armenia to Skirt Banking Sanctions," *Reuters*, August 21, 2012.

banks operating in the Armenia-occupied Nagorno-Karabakh territory to circumvent international financial sanctions. These institutions could include Artsakhbank and Ameriabank.[58]

Some press reports say that Iran might have used another Caucasian state, Georgia, to circumvent sanctions. IRGC companies reportedly established over a hundred front companies in Georgia for the purpose of importing dual-use items and to boost Iran's non-oil exports. However, observers assert that after substantial Iran-Georgia economic ties were extensively publicized in mid-2013, Georgian businessmen reportedly have reduced transactions with Iran.

Persian Gulf and Iraq[59]

The Persian Gulf countries (Gulf Cooperation Council countries: Saudi Arabia, UAE, Qatar, Kuwait, Bahrain, and Oman) are oil exporters and close allies of the United States. As Iranian oil exports decreased after 2012, the Gulf states supplied the global oil market with additional oil. The Gulf states have also generally sought to prevent the re-exportation to Iran of U.S. technology, and they curtailed banking relationships with Iran. On the other hand, in order not to antagonize Iran, the Gulf countries maintained relatively normal trade with Iran. Gulf-based shipping companies such as United Arab Shipping Company reportedly continued to pay port loading fees to such sanctioned IRGC-controlled port operators as Tidewater, despite the imposition of sanctions on that company.[60]

The UAE is particularly closely watched by U.S. officials because of the large presence of Iranian firms there. Several UAE-based firms have been sanctioned for efforts to evade sanctions, as noted in the tables at the end of the report. U.S. officials praised the UAE's March 1, 2012, ban on transactions with Iran by Dubai-based Noor Islamic Bank; Iran reportedly used it to process a substantial portion of its oil payments. Some Iranian gas condensates (120,000 barrels per day) were imported by Emirates National Oil Company (ENOC) and refined mostly into jet fuel.

Iran and several of the Gulf states have had discussions on various energy and related projects, but few have materialized, in part because of broad regional disputes between Iran and the Gulf states. Kuwait and Iran have held talks on the construction of a 350-mile pipeline that would bring Iranian gas to Kuwait, but the project does not appear to be materializing. Similarly, Bahrain's discussions of purchasing Iranian gas have floundered.[61] Qatar and Iran both appear to be successfully sharing the large gas field in the Gulf waters between them.

The only GCC state that seems to be moving forward with economic joint ventures with Iran is Oman. Iran is a major investor in Oman's accelerating development of its Duqm port, which Iran envisions a major hub for Iran's trade outside the region. The two countries have reportedly discussed a gas pipeline linkage, and the two countries recommitted to the project in September 2015.

[58] Information provided to the author by regional observers. October 2013.

[59] The CRS Report RL32048, *Iran: Politics, Gulf Security, and U.S. Policy*, by (name redacted) , discusses the relations between Iran and other Middle Eastern states.

[60] Mark Wallace, "Closing U.S. Ports to Iran-Tainted Shipping. Op-ed," *Wall Street Journal*, March 15, 2013.

[61] http://www.kuwaittimes.net/read_news.php?newsid=NDQ0OTY1NTU4; http://english.farsnews.com/newstext.php?nn=8901181055.

Iraq

Iran has sought to use its close relations with Iraq's Shiite-dominated government to evade some sanctions. As noted above, the United States sanctioned an Iraqi bank that has cooperated with Iran's efforts, but lifted those sanctions when the bank reduced that business. Iraq presented the United States with a significant sanctions-related dilemma on July 23, 2013, when it signed an agreement with Iran to buy 850 million cubic feet per day of natural gas through a joint pipeline that enters Iraq at Diyala province and will supply several power plants. The two countries signed a contract for the pipeline construction, estimated at $365 million, in July 2011, and it reportedly has been completed on both sides of the border.[62] No sanctions have been imposed on the project. In May 2015, Iraq's Al Naser Airlines reportedly helped Iran's sanctioned Mahan Air acquire nine previously owned aircraft,[63] and the Department of the Treasury sanctioned Al Naser and other parties allegedly involved in the transfer in May 2015.

Iran is supplying advisers and weapons to help Iraq try to defeat Islamic State forces, an organization the United States has said needs to be degraded and ultimately defeated. The Iranian support to the Iraqi government has not been sanctioned, even though Iranian arms exports remain prohibited by Resolution 2231. The United States cited Resolution 1747 in pressing Iraq to halt military resupply flights from Iran to Syria. Iran supports the Assad government of Syria, whereas the United States has called for Assad to step down.[64]

Africa and Latin America

During the presidency of Ahmadinejad, Iran looked to several Latin American countries, particularly Venezuela, to try to circumvent international sanctions. For the most part, however, Iran's trade and other business dealings with Latin America were too modest to weaken the effect of international sanctions significantly. As noted elsewhere, several Venezuelan firms have been sanctioned for dealings with Iran.

Also during the term of Ahmadinejad, Iran sought to cultivate relations with some African countries to try to circumvent sanctions. However, many African countries have tended to avoid dealings with Iran, in part to avoid pressure from the United States. South Africa ended its buys of Iranian oil in 2012-2013. In June 2012, Kenya contracted to buy about 30 million barrels of Iranian oil, but cancelled the contract the following month after the United States warned that going ahead with the purchase could hurt U.S.-Kenya relations.

World Bank Loans/WTO Accession Talks

The July 27, 2010, EU measures narrowed substantially the prior differences between the EU and the United States over international lending to Iran. The United States representative to international financial institutions is required to vote against international lending, but that vote, although weighted, is not sufficient to block international lending. No new loans have been approved to Iran since 2005, including several environmental projects under the Bank's "Global Environmental Facility" (GEF). The initiative slated more than $7.5 million in loans for Iran to

[62] Ben Lando, "Iraq Inks Gas Supply Deal with Iran," *Iraq Oil Report,* July 23, 2013.

[63] Eli Lak, "Iran Sanctions Collapsing Already," *Bloomberg News,* May 11, 2015.

[64] Michael Gordon and Eric Schmitt, "Iran Secretly Sending Drones and Supplies to Iraq, U.S. Officials Say," *New York Times,* June 25, 2014.

dispose of harmful chemicals.[65] However, the lifting of sanctions is likely to increase international support for new international lending to Iran.

Earlier, in 1993, the United States voted its 16.5% share of the World Bank against loans to Iran of $460 million for electricity, health, and irrigation projects, but the loans were approved. To block that lending, the FY1994-FY1996 foreign aid appropriations (P.L. 103-87, P.L. 103-306, and P.L. 104-107) cut the amount appropriated for the U.S. contribution to the bank by the amount of those loans. The legislation contributed to a temporary halt in new bank lending to Iran.

During 1999-2005, Iran's moderating image had led the World Bank to consider new loans over U.S. opposition. In May 2000, the United States' allies outvoted the United States to approve $232 million in loans for health and sewage projects. During April 2003-May 2005, a total of $725 million in loans were approved for environmental management, housing reform, water and sanitation projects, and land management projects, in addition to $400 million in loans for earthquake relief.

WTO Accession

An issue related to sanctions is Iran's request to join the World Trade Organization (WTO). Iran began accession talks in 2006 after the George W. Bush Administration dropped its objection to Iran's application as part of an effort to incentivize Iran to reach an interim nuclear agreement. The lifting of sanctions presumably paves the way for talks to accelerate, but the accession process generally takes many years. Accession generally takes place by consensus of existing WTO members. Iran's accession might be complicated by the requirement that existing members trade with other members; as noted above, the U.S. ban on trade with Iran remains in force.

Table 3. Comparison Between U.S., U.N., and EU and Allied Country Sanctions (Prior to Implementation Day)

U.S. Sanctions	U.N. Sanctions	EU and Other Allied Countries
General Observation: Most sweeping sanctions on Iran of virtually any country in the world	As of 2010, U.N. sanctions were intended to give countries justification to cooperate with U.S. secondary sanctions. Post-JCPOA: Resolution 2231 is the only operative Resolution on Iran.	EU closely aligned its sanctions tightening with that of the United States. Most EU sanctions lifted in accordance with the JCPOA, although some sanctions on arms, dual-use items, and human rights remain. Japan, South Korean, and China sanctions also became extensive but were almost entirely lifted in concert with the JCPOA.
Ban on U.S. Trade with, Investment in, and Financing for Iran: Executive Order 12959 bans (with limited exceptions) U.S. firms from exporting to Iran, importing from Iran, or investing in Iran.	U.N. sanctions did not at any time ban civilian trade with Iran or general civilian sector investment in Iran.	No comprehensive EU ban on trade in civilian goods with Iran was imposed at any time. Japan and South Korea did not ban normal civilian trade with Iran.

[65] Barbara Slavin, "Obama Administration Holds Up Environmental Grants to Iran," *Al Monitor*, June 23, 2014.

U.S. Sanctions	U.N. Sanctions	EU and Other Allied Countries
Sanctions on Foreign Firms that Do Business with Iran's Energy Sector: The Iran Sanctions Act, P.L. 104-172, and subsequent laws and executive orders, discussed throughout the report, mandate sanctions on virtually any type of transaction with/in Iran's energy sector.	No U.N. equivalent existed. However, Resolution 1929 "not[es] the potential connection between Iran's revenues derived from its energy sector and the funding of Iran's proliferation-sensitive nuclear activities." This wording was interpreted as providing U.N. support for countries to ban their companies from dealing with Iran's energy sector.	With certain exceptions, the EU banned almost all dealings with Iran's energy sector after 2011. These sanctions now lifted. Japanese and South Korean measures banned new energy projects in Iran and called for restraint on ongoing projects. South Korea in December 2011 cautioned its firms not to sell energy or petrochemical equipment to Iran. Both cut oil purchases from Iran sharply. These sanctions now lifted.
Ban on Foreign Assistance: U.S. foreign assistance to Iran—other than purely humanitarian aid—is banned under §620A of the Foreign Assistance Act, which bans U.S. assistance to countries on the U.S. list of "state sponsors of terrorism." Iran is also routinely denied direct U.S. foreign aid under the annual foreign operations appropriations acts (most recently in §7007 of division H of P.L. 111-8).	No U.N. equivalent	EU measures of July 27, 2010, banned grants, aid, and concessional loans to Iran. Also prohibited financing of enterprises involved in Iran's energy sector. These sanctions now lifted. Japan and South Korea measures do not specifically ban aid or lending to Iran, but no such lending by these countries is under way.
Ban on Arms Exports to Iran: Iran is ineligible for U.S. arms exports under several laws, as discussed in the report.	As per Resolution 1929 (paragraph 8), as superseded by Resolution 2231, Security Council approval is required to sell Iran major weapons systems.	EU sanctions include a comprehensive ban on sale to Iran of all types of military equipment, not just major combat systems. Arms embargo remains post-JCPOA. No similar Japan and South Korean measures announced, but neither has exported arms to Iran.
Restriction on Exports to Iran of "Dual Use Items": Primarily under §6(j) of the Export Administration Act (P.L. 96-72) and §38 of the Arms Export Control Act, there is a denial of license applications to sell Iran goods that could have military applications.	U.N. resolutions on Iran banned the export of many dual-use items to Iran. Resolution 2231 sets up a procurement network for the P5+1 to approve of all purchases for Iran's ongoing nuclear program.	EU banned the sales of dual use items to Iran, including ballistic missile technology, in line with U.N. resolutions. These restrictions generally remain post-JCPOA. Japan and S. Korea have announced full adherence to strict export control regimes when evaluating sales to Iran. These restrictions generally remain post-JCPOA.

U.S. Sanctions	U.N. Sanctions	EU and Other Allied Countries
Sanctions Against Lending to Iran: Under §1621 of the International Financial Institutions Act (P.L. 95-118), U.S. representatives to international financial institutions, such as the World Bank, are required to vote against loans to Iran by those institutions.	Resolution 1747 (oper. paragraph 7) requested, but did not mandate, that countries and international financial institutions refrain from making grants or loans to Iran, except for development and humanitarian purposes. (No longer applicable.)	The July 27, 2010, measures prohibited EU members from providing grants, aid, and concessional loans to Iran, including through international financial institutions. Sanctions lifted post-JCPOA. Japan and South Korea banned medium- and long-term trade financing and financing guarantees. Short-term credit was still allowed. These sanctions now lifted.
Sanctions Against the Sale of Weapons of Mass Destruction-Related Technology to Iran: Several laws and regulations provide for sanctions against entities, Iranian or otherwise, that are determined to be involved in or supplying Iran's WMD programs (asset freezing, ban on transaction with the entity).	Resolution 1737 (oper. paragraph 12) imposed a worldwide freeze on the assets and property of Iranian WMD-related entities named in an Annex to the Resolution. Each subsequent resolution expanded the list of Iranian entities subject to these sanctions.	The EU measures imposed July 27, 2010, commit the EU to freezing the assets of WMD-related entities named in the U.N. resolutions, as well as numerous other named Iranian entities. Most of these restrictions remain. Japan and South Korea froze assets of U.N.-sanctioned entities. Most of these restrictions have been lifted.
Ban on Transactions with Terrorism Supporting Entities: Executive Order 13224 bans transactions with entities determined by the Administration to be supporting international terrorism. Numerous entities, including some of Iranian origin, have been designated.	No direct equivalent, but Resolution 1747 (oper. paragraph 5) bans Iran from exporting any arms. Resolution 2231 continues that restriction for a maximum of five years.	No direct equivalent, but many of the Iranian entities named as blocked by the EU, Japan, and South Korea overlap or complement Iranian entities named as terrorism supporting by the United States. Japan and S. Korea did not impose specific terrorism sanctions on Iran.
Human Rights Sanctions: CISADA provides for a prohibition on travel to the U.S., blocking of U.S.-based property, and ban on transactions with Iranians determined to be involved in serious human rights abuses against Iranians since the June 12, 2009, presidential election there, or with persons selling Iran equipment to commit such abuses.	No U.N. sanctions were imposed on Iran for terrorism or human rights abuses.	The EU sanctions announced July 27, 2010, contains an Annex of named Iranians subject to a ban on travel to the EU countries. An additional 60+ Iranians involved in human rights abuses remain sanctioned by the EU. The EU also retains a ban on providing equipment that can be used for internal repression. Japan and South Korea have announced bans on named Iranians, but primarily for WMD and not for human rights or terrorism.

U.S. Sanctions	U.N. Sanctions	EU and Other Allied Countries
Restrictions on Iranian Shipping: Under Executive Order 13382, the U.S. Department of the Treasury has named Islamic Republic of Iran Shipping Lines and several affiliated entities as entities whose U.S.-based property is to be frozen.	Resolution 1803 and 1929 authorize countries to inspect cargoes carried by Iran Air and Islamic Republic of Iran Shipping Lines (IRISL)—or any ships in national or international waters—if there is an indication that the shipments include goods whose export to Iran is banned. These resolutions no longer apply.	The EU measures announced July 27, 2010, bans Iran Air Cargo from access to EU airports. The measures also freeze the EU-based assets of IRISL and its affiliates. Insurance and reinsurance for Iranian firms is banned. These sanctions now lifted. Japan and South Korean measures took similar action against IRISL and Iran Air. Sanctions now lifted.
Banking Sanctions: During 2006-2011, several Iranian banks have been named as proliferation or terrorism supporting entities under Executive Orders 13382 and 13224, respectively (see **Table 4** at end of report). CISADA prohibits banking relationships with U.S. banks for any foreign bank that conducts transactions with Iran's Revolutionary Guard or with Iranian entities sanctioned under the various U.N. resolutions. FY2012 Defense Authorization (P.L. 112-81) prevents U.S. accounts with foreign banks that process transactions with Iran's Central Bank (with specified exemptions).	No direct equivalent However, two Iranian banks were named as sanctioned entities under the U.N. Security Council resolutions. U.N. restrictions on Iranian banking now lifted.	The EU froze Iran Central Bank assets January 23, 2012, and banned all transactions with Iranian banks unless authorized on October 15, 2012. Brussels-based SWIFT expelled sanctioned Iranian banks from the electronic payment transfer system. This restriction has been lifted. Japan and South Korea took similar measures South Korea imposed the 40,000 Euro threshhold requiring authorization. Japan and S. Korea froze the assets of 15 Iranian banks; South Korea targeted Bank Mellat for freeze. These sanctions now lifted.
Ballistic Missiles: U.S. proliferations laws provide for sanctions against foreign entities that help Iran with its nuclear and ballistic missile programs.	Resolution 1929 (paragraph 9) prohibited Iran from undertaking "any activity" related to ballistic missiles capable of delivering a nuclear weapon. Resolution 2231 calls on Iran not to develop or launch ballistic missiles designed to be capable of carrying a nuclear weapon.	EU measures on July 27, 2010, required adherence to this provision of Resolution 1929. EU has retained ban on providing ballistic missile technology to Iran in post-JCPOA period.

Private-Sector Cooperation

The imposition of sanctions on Iran by many governments has caused Iran to be viewed by many worldwide corporations as a "controversial market"—one that carries political and reputational risks. On the other hand, travelers to Iran say many foreign products, including U.S. products, have always been readily available in Iran. Many non-U.S. companies ended their business in Iran after 2010, but many of them are resuming transactions with Iran post-JCPOA.

- ABB of Switzerland, a major plant and equipment firm, said in January 2010 it would cease doing business with Iran. Siemens of Germany; Finemeccanica, a defense and transportation conglomerate of Italy; Thyssen-Krupp, a German steelmaker; and Indian conglomerate Tata subsequently followed suit.
- Even though selling finished cars to Iran (except by U.S. automakers) was not subject to any sanctions, Germany's Daimler (Mercedes-Benz) and Porsche;

Toyota (Japan); Fiat (Italy); and South Korea's Hyundai and Kia Motors suspended direct auto sales to Iran by 2011.

- As of 2007, BNP Paribas of France ceased pursuing new business in Iran, according to attorneys for the financial firm.
- In June 2011, the Danish shipping giant Maersk ceased operating out of Iran's three largest ports—decision based on the U.S. announcement on June 23, 2011, of sanctions on port operator Tidewater Middle East Co. under E.O. 13382.
- Well before Executive Order 13590 was issued (see above), one large oil services firm, Schlumberger, incorporated in the Netherlands Antilles, ended its business with Iran.[66] As of mid-2010, almost all energy sector-related sales to Iran became subject to sanctions and subsidiaries of U.S. energy equipment and energy-related shipping firms that were in the Iranian market apparently exited. These firms include Natco Group,[67] Overseas Shipholding Group,[68] UOP (United Oil Products, a Honeywell subsidiary based in Britain),[69] Itron,[70] Fluor,[71] Parker Drilling, Vantage Energy Services,[72] PMFG, Ceradyne, Colfax, Fuel Systems Solutions, General Maritime Company, Ameron International Corporation, and World Fuel Services Corp.

Foreign Subsidiaries of U.S. Firms That Have Exited the Iran Market

Many foreign subsidiaries of U.S. firms exited the Iran market voluntarily, before any of their business activities with Iran became subject to sanctions. The JCPOA commits the United States to licensing commerce with Iran by subsidiaries of U.S. companies, in cases where the ownership structure of the subsidiary might require a U.S. license to engage in Iran-related business. Therefore, many of the subsidiaries discussed below might resume business with Iran.

- Chemical manufacturer Huntsman announced in January 2010 its subsidiaries would halt sales to Iran.
- In January 2005, Iran said it had contracted with U.S. company Halliburton and an Iranian company, Oriental Kish, to drill for gas in Phases 9 and 10 of South Pars. Halliburton reportedly had been providing$30 million to $35 million worth of services per year through Oriental Kish.[73] In April 2007, Halliburton announced that its subsidiaries were no longer operating in Iran.
- As of early 2005, General Electric (GE) ceased pursuing new business in Iran, and it reportedly wound down preexisting contracts by July 2008. GE was selling

[66] Farah Stockman, "Oil Firm Says It Will Withdraw From Iran," *Boston Globe*, November 12, 2010.

[67] Form 10-K filed for fiscal year ended December 31, 2008.

[68] Paulo Prada and Betsy McKay, "Trading Outcry Intensifies," *Wall Street Journal*, March 27, 2007; Michael Brush, "Are You Investing in Terrorism?" *MSN Money*, July 9, 2007.

[69] *New York Times*, March 7, 2010, cited previously.

[70] "Subsidiaries of the Registrant at December 31, 2009," http://www.sec.gov/Archives/edgar/data/780571/000078057110000007/ex_21-1.htm.

[71] "Exhibit to 10-K Filed February 25, 2009." Officials of Fluor claim that their only dealings with Iran involve property in Iran owned by a Fluor subsidiary, which the subsidiary has been unable to dispose of. CRS conversation with Fluor, December 2009.

[72] Form 10-K for fiscal year ended December 31, 2007.

[73] "Iran Says Halliburton Won Drilling Contract," *Washington Times*, January 11, 2005.

Iran equipment and services for hydroelectric, oil, and gas services. However, GE subsidiary sales of medical diagnostic products such as MRI machines, marketed through Italian, Canadian, and French subsidiaries, were generally allowed.

- In March 1, 2010, Caterpillar Corp. and Ingersoll Rand altered their policies to prevent foreign subsidiaries from selling equipment to independent dealers that were reselling their equipment to Iran.[74]
- In 2010, foreign partners of several U.S. or multinational accounting firms cut their ties with Iran, including KPMG of the Netherlands, and local affiliates of U.S. firms PricewaterhouseCoopers and Ernst and Young.[75]
- Oilfield services firm Smith International stopped sales to Iran by its subsidiaries in March 2010. Another oil services firm, Flowserve, said its subsidiaries had voluntarily ceased new business with Iran in 2006.[76] Subsidiaries of FMC Technologies took similar action in 2009, as did those of Weatherford[77] in 2008. However, in November 2013, Weatherford was fined by the Department of the Treasury for violating sanctions against Iran and other countries.

Effects of Sanctions and Sanctions Relief

The following sections examine the effectiveness of sanctions on a variety of criteria and goals, and the effects of post-JCPOA sanctions relief. Some of Iran's complaints about remaining sanctions and its failing to receive all the expected benefits of the JCPOA are discussed as well.

Effect on Iran's Nuclear Program and Strategic Capabilities

Iran's acceptance of the JCPOA is widely assessed as evidence that sanctions shifted Iran's nuclear policies. Hassan Rouhani was elected President of Iran in June 2013 at least in part because of his stated commitment to achieving an easing of sanctions and ending Iran's international isolation, even if doing so meant agreeing to curbs on Iran's nuclear program. Still, in its recent "Worldwide Threat Assessment" briefings to Congress, the intelligence community has assessed that it does not know whether Iran plans to eventually develop a nuclear weapon.

A related question is whether sanctions slowed Iran's nuclear program or other WMD programs. Iran's nuclear program advanced despite sanctions. Director of National Intelligence James Clapper has testified that Iran continues to expand the scale, reach, and sophistication of its ballistic missile arsenal. Iran has continued to conduct short and medium-range ballistic missile tests even after the JCPOA entered into implementation. And, German intelligence and some U.S. proliferation organizations have reported that Iran continues to try to procure equipment that

[74] "Caterpillar Says Tightens 'No-Iran' Business Policy," *Reuters*, March 1, 2010; Ron Nixon, "2 Corporations Say Business With Tehran Will Be Curbed," *New York Times*, March 11, 2010.

[75] Peter Baker, "U.S. and Foreign Companies Feeling Pressure to Sever Ties With Iran," *New York Times*, April 24, 2010.

[76] In September 2011, the Commerce Department fined Flowserve $2.5 million to settle 288 charges of unlicensed exports and reexports of oil industry equipment to Iran, Syria, and other countries.

[77] Form 10-K for fiscal year ended December 31, 2008, claims firm directed its subsidiaries to cease new business in Iran and Cuba, Syria, and Sudan as of September 2007.

could be used for an eventual nuclear weapon.[78]Still, some argue that Iran's programs might have advanced faster in the absence of sanctions.[79]

Sanctions have largely prevented Iran from buying significant amounts of major combat systems since the early 1990s. Iran has been able to acquire defensive systems; Russia's delivery of the S-300 air defense system that began in April 2016 will augment Iran's air defense system to the point where Iran can threaten aircraft flown by the U.S. or other air forces. And, Iran's indigenous arms industry has grown over the past two decades, partly mitigating the effects of the U.N. ban. Iran also might have acquired some systems, such as small ships and mini-submarines, from foreign suppliers such as North Korea that do not abide by U.N. restrictions.[80] The most recent Defense Department report on Iran's military power, the executive summary of which was dated January 2016, states that Iran is "fielding increasingly lethal weapons systems, including more advanced naval mines and ballistic missiles, small but capable submarines, armed UAVs (unmanned aerial vehicles), coastal defense cruise missile batteries, attack craft, and antiship ballistic missiles."[81] Iran's combat power might increase if Russia and Iran move forward with the sale to Iran of Su-30 combat aircraft and T-90 tanks even though such a sale might violate Resolution 2231. Under that Resolution, these sales would require U.N. Security Council approval, and the United States, which has a Security Council veto, has said it would not grant that approval.

Effects on Iran's Regional Influence

Another question is whether sanctions relief will improve Iran's ability to accomplish its foreign policy objectives. Neither sanctions nor the significant fall in oil prices since mid-2014 materially reduced Iran's ability to arm militant movements in the Middle East or to support friendly governments such as that of President Bashar Al Assad of Syria and the Shiite-dominated government of Iraq. U.S. official and outside assessments assert that sanctions relief has not, to date, affected Iran's regional policy one way or another; Iran's activities in the region appear to have maintained the same level as was the case before sanctions were lifted. These assessements appear to support the Administration's forecasts that Iran would utilize the bulk of its added revenues to improve its civilian economy rather than to support increases in its regional interventions. However, the assessments refute forecasts by some Administration officials that the nuclear agreement, and sanctions relief, would cause Iran's regional policies to moderate. its civilian economy.

It is very difficult to discern precisely how Iran is deploying the added revenues produced by sanctions relief. Iran has access to the approximately $115 billion in foreign exchange that Iran is now able to access will be kept abroad for financial management purposes,[82] but Secretary of State Kerry told a Middle East policy think tank on April 18, 2016, that Iran had only moved $3 billion in foreign exchange to that time.[83] On the other hand, Iran reportedly used most of the $1.7 billion in U.S. funds that settled the Shah-era FMS case to augment its 2017 defense budget (see first section of this report for background on this settlement). In terms of congressional oversight,

[78] "Iran's AEOI Attempted to Procure Carbon Fiber." Institute for Science and International Security. July 7, 2016.

[79] Speech by National Security Adviser Tom Donilon at the Brookings Institution, November 22, 2011.

[80] Department of Defense, *Annual Report of Military Power of Iran*, April 2012.

[81] Department of Defense. "Executive Summary: Fiscal Year 2015 Annual Report on Military Power of Iran." January 2016.

[82] "Iran to Use Frozen Funds to Fund Investments: Central Bank," *Reuters*, July 23, 2015.

[83] Secretary of State John Kerry. "Remarks at J Street's National Gala Dinner." April 18, 2016.

a provision of the FY2016 Consolidated Appropriation (P.L. 114-113) requires an Administration report to Congress on how Iran has used the financial benefits of sanctions relief. And, a provision of the Iran Nuclear Agreement Review Act (P.L. 114-17) requires that a semi-annual report on Iran's compliance with the JCPOA include information on any Iranian use of funds to support acts of terrorism. Iran's use of funds in the region is analyzed in CRS Report R44017, *Iran's Foreign Policy*, by (name redacted) .

General Political Effects

Sanctions—and sanctions relief—appear to have produced some political change in Iran. The support of Iranians seeking reintegration with the international community and sanctions relief helped propel Rouhani—the most moderate of the candidates permitted to run—to a first round victory in the June 2013 presidential election. Many Iranians cheered the finalization of the JCPOA in July 15, 2015, undoubtedly contributing to Supreme Leader Khamene'i's acceptance of the deal. Sanctions relief helped pro-Rouhani candidates in the February 26, 2016, elections for the *Majles* (parliament). Pro-Rouhani candidates now control nearly half the body.

The economic benefits of sanctions relief were expected to assist Rouhani's bid for re-election in June 2017. However, Rouhani's political position might be weakening as reports mount that the economy has not benefitted as dramatically from the sanctions relief as Iranians expected. Hardliners, including Supreme Leader Khamene'i, have already criticized the United States for keeping some sanctions in place and thereby deterring companies and investors from re-entering the Iran market. This criticism could eventually be turned directly against Rouhani and his allies.

In addition, the IRGC and other hardliners are complaining that Rouhani's compromises with the FATF (see above) will bring unwanted scrutiny of – and perhaps hinder – Iran's financial support to its regional allies and proxies such as Lebanese Hezbollah. Moreover, some Iranian commercial banks have reportedly refused to work with IRGC-linked firms such as Khatem-ol-Anbiya (Ghorb) because of remaining sanctions on the IRGC and concerns that doing business with the IRGC would violate Iran's promises to the FATF. [84] The IRGC and other hardliners have increased their criticism of Rouhani for what they say are compromises that conflict with Iran's ideology.

No U.S. Administration has stated that sanctions on Iran were intended to bring about the change of Iran's regime. Some experts asserted that that outcome should have been the goal of the sanctions. Since 2012 there has been labor and other public unrest over escalating food prices and the fall of the value of Iran's currency, but the unrest has not been large or sustained.

Human Rights-Related Effects

It is difficult to draw any direct relationship between sanctions and Iran's human rights practices in general. Recent human rights reports by the State Department and the U.N. Special Rapporteur on Iran's human rights practices assess that there has not been measurable overall improvement in Iran's practices in recent years, particularly on the issue of allowing freedom of expression. Sanctions have apparently not reduced the regime's ability to monitor and censor use of the Internet. A Government Accountability Office (GAO) report of January 13, 2015 (GAO-15-258R), found that no foreign firms were reported to have exported technologies to the Iranian government for blocking telecommunications during 2014. The analysis suggested that several firms had fulfilled their pledges to stop selling the Iranian government such equipment, including

[84] http://www.timesofisrael.com/iran-banks-decline-to-work-with-guard-linked-firms-report/.

German telecommunications firm Siemens, Chinese Internet infrastructure firm Huawei, and South African firm MTN Group. In October 2012, Eutelsat, a significant provider of satellite service to Iran's state broadcasting establishment, ended that relationship after the EU sanctioned the head of the Islamic Republic of Iran Broadcasting (IRIB), Ezzatollah Zarghami.

Economic Effects

Sanctions took a substantial toll on Iran's economy and early indications are that Iran's economy has begun to rebound, although perhaps not to the extent that Iran's leaders and public expected.

- *GDP Decline, Stabilization, and Post-JCPOA Growth*. Treasury Secretary Jacob Lew told a Washington, DC, think tank on April 29, 2015, that Iran's GDP shrank by 9% in the two years ending in March 2014, and was 15%-20% smaller than it would have been had post-2010 sanctions not been imposed.[85] The unemployment rate rose to about 20% by 2014, according to a wide range of outside sources, and many others went unpaid for long periods or were only partially paid. In 2015, Iran's GDP was $400 billion at the official exchange rate, and $1.4 trillion if assessed on a "purchasing power parity (PPP) basis.
- The sanctions relief of the JPA enabled Iran to achieve slight growth of about 2%-3% in each of 2014 and 2015—growth that might have been somewhat stronger had oil prices not deteriorated.[86] Some experts estimated in 2015 that sanctions relief under the JCPOA might return Iran to nearly double-digit growth in the first year if Iran uses the sanctions relief mostly to try to rebuild its civilian economy. Those estimates were based on Iran's inherent economic strengths, such as an educated workforce—including the highest percentage of engineering graduates in the world. Rouhani sought to achieve a post-JCPOA expansion of about 8%. However, in part because investors and banks have been slow to return to the Iran market and oil prices remain low, the IMF and outside economists estimate that Iran might only achieve about 4%-4.5% growth during March 2016-March 2017.
- Although some new investments have been announced since sanctions were lifted, Iran is expected to receive only a fraction of the $500 billion in new investment it needs to modernize its infrastructure.[87] However, those investors that are returning to Iran are reportedly reaching agreements with state-backed conglomerates such as the Iranian Mines and Mining Industries Development and Renovation Organization and the state-owned car maker Khodro. Examples are a $2 billion deal between the Mines Development entity above and Italian steel producer Daneili in February 2016, and a $440 million deal between France's Peugeot and Khodro that same month.[88] These conglomerates, and other state-affiliated companies such as the IRGC's corporate affiliates and the clerical foundations (*bonyads*), have largely crowded out the traditional private sector in recent years. It is possible that sanctions relief will benefit primarily the state-

[85] Department of the Treasury. Remarks of Secretary Jacob J. Lew at the Washington Institute for Near East Policy 30th Anniversary Gala. April 29, 2015.

[86] http://www.worldbank.org/en/country/iran/overview.

[87] Golnar Motevalli. "Iran Still Makes Investors Think Twice." Bloomberg News, March 20, 2016.

[88] Thomas Erdbrink. "Sanctions' End Benefits State-Backed Iran Companies." *New York Times*, February 6, 2016.

backed portion of the economy and less so the traditional and emerging entrepreneurial sector.

- *Oil Exports and Availability for Export.* As noted in **Table 1**, sanctions drove Iran's crude oil sales down about 60% from the 2.5 mbd of sales in 2011. According to the comments by Treasury Secretary Lew, cited above, U.S. sanctions have cost Iran over $160 billion in oil revenues since 2012. Iran earned $120 billion from oil sales in 2011; about $35 billion in 2013; and, because of the fall in prices, even less in 2014 and 2015. The JPA capped Iran's crude oil exports at about 1.1 mbd[89] but Iran is now able to export oil freely again. Iran's oil exports have returned to 2.35 mbd—approaching 2011 levels. Still, the fall in prices means that Iran will only earn about $50 billion from oil sales in 2016—not even half what it earned in 2011.[90] Iran's oil production has increased since sanctions were lifted, returning to nearly the 4 mbd level of production in 2011.[91] Production fell during 2012-2015 to about 2.6-2.8 mbd, but Iran avoided an even steeper fall in production by storing about 50 million barrels on tankers in the Gulf or on shore. Iran, needing to quickly boost economic growth and revenues now that sanctions are lifted, has opposed suggestions by some other OPEC and by non-OPEC nations for an oil production freeze.
- *Banking/Access to U.S. Dollars*.[92] EU and other major global banks have been slow to re-enter the Iran market because of (1) reported concerns that the United States might still sanction such transactions under remaining sanctions provisions; (2) a lack of transparency in Iran's financial sector and its deficiencies in AML/CFT; (3) lingering concerns over past financial penalties paid when processing Iran-related transactions in the U.S. financial system (see above); and (4) extra costs and procedures caused by the inability to process Iran-related transactions through the U.S. financial system and/or use dollars. Iranian officials assert that the JCPOA (Paragraph 24) obligates the United States to remove any restrictions that prevent Iran from obtaining the full benefits of sanctions relief. Treasury Secretary Lew in March and April 2016 suggested the Administration might take steps to license transactions by foreign (non-Iranian) clearinghouses to acquire dollars that might facilitate transactions with Iran, without providing Iran with dollars directly.[93] However, doing so is not required by the JCPOA. In April and May 2016, Secretary of State Kerry met with European and other officials and banking institutions to encourage their re-entry into the Iran market without fear of being sanctioned. And, Iran's filing of its Action Plan with the FATF (discussed above) further ease bank hesitation to re-enter Iran.
- *Shipping Insurance*. Obtaining shipping insurance is crucial to Iran's expansion of its oil and other exports. A pool of 13 major insurance organizations, called the International Group of P & I Clubs, dominates the shipping insurance industry

[89] "Why Higher Iran Oil Exports Are Not Roiling Nuclear Deal," *Reuters*, June 13, 2014.

[90] "A Year After Iran Deal, Oil Flows but the Money's Stuck." *Bloomberg News*, July 25, 2016.

[91] Rick Gladstone, "Data on Iran Dims Outlook for Economy," *New York Times*, October 13, 2012.

[92] For more information, see: CRS Insight IN10547, *Iran Financial Sanctions Issues*, by (name redacted) and (name redacted) .

[93] See: Katherine Bauer. "Potential U.S. Clarification of Financial Sanctions Regulations." April 5, 2016. http://www.washingtoninstitute.org/policy-analysis/view/potential-u.s.-clarification-of-financial-sanctions-regulations.

and is based in New York. The U.S. presence of this pool renders it subject to the U.S. trade ban, which complicated Iran's ability to obtain re-insurance for Iran's shipping after Implementation Day. Foreign insurers worked with the Department of the Treasury to at least temporarily mitigate this difficulty by increasing the amount of so-called "fall back" shipping insurance the Clubs would provide.[94]

- *Hard Currency Inaccessible*. Not only did Iran's oil exports plummet from 2011-2014, but Iran could not access the hard currency it was being paid for its oil. By the time sanctions were lifted in January 2016, the total of Iranian hard currency reserves held in foreign banks stood at about $115 billion,[95] and Iranian officials stated in February 2016 that they have gained access to the funds. Iran has regained access to the SWIFT electronic payments system, enabling Iran to move money internationally. Of this amount, about $60 billion is owed to creditors such as China ($20 billion) or to repay non-performing loans extended to Iranian energy companies working in the Caspian and other areas in Iran's immediate neighborhood. And, Iran needs to—and says it is—keeping some of its remaining available reserves held abroad for cash management purposes. As noted above, Secretary Kerry said in April 2016 that Iran had moved only $3 billion of its foreign exchange assets since Implementation Day.
- *Currency Decline*. Sanctions caused the value of the rial on unofficial markets to decline about 56% from January 2012 until January 2014. The unofficial rate stabilized after the JPA began implementation at about 35,000 to the dollar. It recovered further after sanctions were lifted. During 2011-2013, the government frequently adjusted the official rate (currently about 27,000 to the dollar) to reduce the spread between it and the unofficial rate.
- *Inflation*. The drop in value of the currency caused inflation to accelerate during 2011-2013. The estimated actual inflation rate was between 50% and 70% (a higher figure than that acknowledged by Iran's Central Bank). The sanctions relief of the JPA reduced the inflation rate to about 15%. Inflation slowed to the single digits by June 2016, meeting the Central Bank's stated goal.[96]
- *Industrial Production*. Iran's light-medium manufacturing sector is expanding, but it is dependent on imported parts. The decline of the *rial* and financial sanctions that complicated obtaining trade credit created difficulties for Iranian manufacturers, who had to pre-pay for imported parts often through circuitous mechanisms. This difficulty is particularly acute in the automotive sector; Iran's production of automobiles fell by about 60% from 2011 to 2013. Press reports say that the auto sector, and manufacturing overall, improved modestly during the JPA and is rebounding further now that sanctions are lifted.

Iran's Economic Coping Strategies

Iran had some success mitigating the economic effect of sanctions, steps that also benefit Iran in the post-sanctions period.

[94] Keith Wallis. "As Iran's Oil Exports Surge, International Tankers Help Ship its Fuel." Reuters, June 6, 2016.

[95] CRS conversation with Department of the Treasury officials. July 2015.

[96] "A Year After Iran Deal, Oil Flows but the Money's Stuck." op.cit.

Promoting Non-Oil Exports. Iran has sought to substitute for crude oil sales by increasing sales of non-oil products, such as minerals, cement, urea fertilizer, and other agricultural and basic industrial goods. Non-oil exports now generate about two-thirds of the revenue required to fund Iran's imports of goods and services, reducing the proportion of funds that oil exports contribute to Iran's government revenues to about 22%.[97]

Oil Products/Condensate Sales. Iran increased sales of oil products such as petrochemicals and condensates. Iran exports the equivalent of about 200,000 barrels per day of crude oil in the form of condensates,[98]producing about $4.7 billion in revenue from that source.[99]

Reallocation of Investment Funds and Import Substitution. Sanctions compelled some Iranian manufacturers to increase domestic production of some goods as substitutes for imports. This trend was hailed by Iranian economists and political leaders including Supreme Leader Khamene'i, who have long maintained that Iran should build a "resistance economy"— an economy that does not depend on imports and big power investments. In addition, some private funds have gone into the Tehran stock exchange and hard assets, such as property. However, this latter trend generally benefitted the urban elite.

Partial Privatization/IRGC in the Economy. Some observers report that, over the past few years, portions of Iran's state-owned enterprises have been transferred to the control of quasi-governmental or partially private entities. Some of them are incorporated as holding companies, foundations, or investment groups. Observers, using data from the Iranian Privatization Organization, say there might be about 120 such entities that account for a significant proportion of Iran's GDP.[100] On the other hand, as noted above, a substantial part of the economy remains controlled by government-linked conglomerates, including corporations owned in whole or part by the IRGC or former IRGC officers. The percentage of Iran's economy that might be dominated by IRGC-linked entities is a matter of debate – with figures ranging from negligible to over 50% - but observers agree that IRGC companies have obtained positions in the telecommunications, railway, construction, and energy development sector, including the South Pars gas field.[101]

Subsidy Reductions. In 2007, Ahmadinejad's government began trying to wean the population off of generous subsidies by compensating families with cash payments of about $40 per month. Gasoline prices were raised to levels similar to those in other regional countries, and far above the subsidized price of 40 cents per gallon. However, in 2012 Ahmadinejad halted the subsidy phase-out effort. In April 2014, Rouhani resumed subsidy reductions by raising gasoline prices further and limiting the cash payments to only those families who could claim financial hardship. On December 1, 2014, subsidies on bread were reduced and bread prices rose 30%. In August 2015, cash subsidies to all but the poorest Iranians were ended. Rouhani also has improved collections of taxes and of price increases for electricity and natural gas utilities.[102] In March 2016, the outgoing *Majles* reduced subsidies even further than the Rouhani government had recommended.

[97] Testimony of Patrick Clawson before the Senate Banking Committee. January 21, 2015.

[98] Clifford Krauss, "With Gas Byproduct, Iran Sidesteps Sanctions," *New York Times*, August 13, 2014.

[99] "Iran Reaps Less Cash from Eased Sanctions Than Predicted," op. cit.

[100] Kevan Harris, "Iran's Political Economy Under and After the Sanctions," *Washington Post* blogs, April 23, 2015.

[101] http://www.wsj.com/articles/irans-government-and-revolutionary-guards-battle-for-control-of-economy-1463584510.

[102] Patrick Clawson testimony, January 21, 2015, op. cit.

Import Restrictions. To conserve hard currency, Iran reduced the supply of hard currency to importers of luxury goods, such as cars or cellphones, in order to maintain hard currency supplies to importers of essential goods.

Effect on Energy Sector Long-Term Development

ISA was enacted in large part to reduce Iran's oil and gas production capacity over the longer term by denying Iran the outside technology and investment to maintain or increase production. U.S. officials estimated in 2011 that Iran had lost $60 billion in investment in the sector as numerous major firms pulled out of Iran. Iran says it needs $130 billion-$145 billion in new investment by 2020 to keep oil production capacity from falling.[103] Further development of the large South Pars gas field alone requires $100 billion.[104]

Even though some international firms remain invested in Iran's energy sector, observers at key energy fields in Iran say there has been little development activity at Iran's various oil and gas development sites since 2010 as energy firms sought to avoid U.S. sanctions (see **Table 4**). Some work abandoned by foreign investors was assumed by domestic companies, particularly those linked to the IRGC. However, the Iranian firms are not as technically capable as the international firms that have withdrawn.

Now that sanctions on Iran's energy sector are lifted, Iran is reportedly working actively to lure foreign investors back into the sector. Since the JCPOA was agreed, representatives of several international energy firms have visited Iran to discuss future investment opportunities. Iran has revised the terms of new investment, under a concept called the "Iran Petroleum Contract," which makes investment more attractive by giving investing companies the rights to a set percentage of Iran's oil reserves for 20-25 years.[105] However, relatively low oil prices could limit new investment in Iran's energy sector at least in the short term.

Implementation Day also opens opportunities for Iran to resume developing its gas sector. Iran has used its gas development primarily to reinject into its oil fields rather than to export. Iran exports about 3.6 trillion cubic feet of gas, primarily to Turkey and Armenia. Sanctions have rendered Iran unable to develop a liquefied natural gas (LNG) export business, and derailed several gas ventures, including BP-NIOC joint venture in the Rhum gas field (200 miles off the Scotland coast) and inclusion of Iran in planned gas pipeline projects to Europe.

[103] Khajehpour presentation at CSIS, op. cit.

[104] "Iran Faces Steep Climb to Join Gas Superpowers by 2017," *International Oil Daily*, April 29, 2014.

[105] Thomas Erdbrink. "New Iran Battle Brews over Foreign Oil Titans." *New York Times*, February 1, 2016.

Table 4. Post-1999 Major Investments/Major Development Projects in Iran's Energy Sector

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/Goal
February 1999	**Doroud (oil)** (Energy Information Agency, Department of Energy, August 2006.) Total and ENI exempted from sanctions on September 30 because of pledge to exit Iran market	Total (France)/ENI (Italy)	$1 billion	205,000 bpd
April 1999	**Balal (oil)** ("Balal Field Development in Iran Completed," *World Market Research Centre*, May 17, 2004.)	Total/ Bow Valley (Canada)/ENI	$300 million	40,000 bpd
Nov. 1999	**Soroush and Nowruz (oil)** ("News in Brief: Iran." *Middle East Economic Digest* [MEED], January 24, 2003.) Royal Dutch exempted from sanctions on 9/30 because of pledge to exit Iran market	Royal Dutch Shell (Netherlands)/Japex (Japan)	$800 million	190,000 bpd
April 2000	**Anaran bloc (oil)** (MEED Special Report, December 16, 2005, pp. 48-50.)	Norsk Hydro and Statoil (Norway) and Gazprom and Lukoil (Russia) No production to date; Statoil and Norsk exited.	$105 million	65,000
July 2000	**Phase 4 and 5, South Pars (gas)** ENI exempted 9/30 based on pledge to exit Iran market	ENI Gas onstream as of Dec. 2004	$1.9 billion	2 billion cu. ft./day (cfd)
March 2001	**Caspian Sea oil exploration**—construction of submersible drilling rig for Iranian partner (IPR Strategic Business Information Database, March 11, 2001.)	GVA Consultants (Sweden)	$225 million	NA
June 2001	**Darkhovin (oil)** ("Darkhovin Production Doubles." Gulf Daily News, May 1, 2008.) ENI told CRS in April 2010 it would close out all Iran operations by 2013. ENI exempted from sanctions on 9/30, as discussed above	ENI Field in production	$1 billion	100,000 bpd
May 2002	**Masjid-e-Soleyman (oil)** ("CNPC Gains Upstream Foothold." MEED, September 3, 2004.)	Sheer Energy (Canada)/China National Petroleum Company (CNPC). Local partner is Naftgaran Engineering	$80 million	25,000 bpd
Sept. 2002	**Phase 9 + 10, South Pars (gas)** ("OIEC Surpasses South Korean Company in South Pars." IPR Strategic Business Information Database, November 15, 2004.)	LG Engineering and Construction Corp. (now known as GS Engineering and Construction Corp., South Korea) On stream as of early 2009	$1.6 billion	2 billion cfd
October 2002	**Phase 6, 7, 8, South Pars (gas)** (Source: Statoil, May 2011) Field began producing late 2008; operational	Statoil (Norway)	$750 million	3 billion cfd

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/Goal
	control handed to NIOC in 2009. Statoil exempted from sanctions on 9/30/2010 after pledge to exit Iran market.			
January 2004	**Azadegan (oil)—South and North** October 15, 2010: Inpex announced it would exit the Azadegan project entirely by selling its 10% stake; "special rule" exempting it from ISA investigation invoked November 17, 2010. China National Petroleum Corp. took a majority stake in South and North Azadegan fields in January 2009. However, on April 29, 2014, Iran cancelled the South Azadegan contract citing CNPC for performing "no effective work" since taking the stake in 2009. Industry sources say CNPC likely to also lose North Azadegan project also. (Iran-CNPC Breakup: Tehran Eyes the West, Christian Science Monitor, May 5, 2014.	Inpex (Japan) and CNPC (China)	$200 million (Inpex stake); China $2.5 billion	260,000 bpd
August 2004	**Tusan Block** Oil found in block in Feb. 2009, but not in commercial quantity, according to the firm. ("Iran-Petrobras Operations." APS Review Gas Market Trends, April 6, 2009; "Brazil's Petrobras Sees Few Prospects for Iran Oil," http://www.reuters.com/article/idUSN0317110720090703.	Petrobras (Brazil)	$178 million	No production
October 2004	**Yadavaran (oil)** Christian Science Monitor reports May 5, 2014 (op. cit.), that Iran says Sinopec has "experienced problems with regards to progress" on the field, which also extends into Iraq. But International Oil Daily quotes company on May 7, 2014, as saying project is on course to produce an initial 85,000 bpd by the end of 2014.	Sinopec (China), deal finalized Dec. 9, 2007	$2 billion	300,000 bpd
2005	**Saveh bloc (oil)** GAO report, cited below	PTT (Thailand)	?	?
June 2006	**Garmsar bloc (oil)** Deal finalized in June 2009 ("China's Sinopec signs a deal to develop oil block in Iran—report," Forbes, 20 June 2009, http://www.forbes.com/feeds/afx/2006/06/20/afx2829188.html.)	Sinopec (China)	$20 million	?
July 2006	**Arak Refinery expansion** (GAO reports; Fimco FZE Machinery website; http://www.fimco.org/index.php?option=com_content&task=view&id=70&Itemid=78.)	Sinopec (China); JGC (Japan). Work may have been taken over or continued by Hyundai Heavy Industries (S. Korea)	$959 million (major initial expansion; extent of Hyundai work unknown)	Expansion to produce 250,000 bpd
Sept. 2006	**Khorramabad block (oil)** Seismic data gathered, but no production is planned. (Statoil factsheet, May 2011)	Norsk Hydro and Statoil (Norway).	$49 million	?

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/Goal
Dec 2006	**North Pars Gas Field (offshore gas).** Includes gas purchases Work crews reportedly pulled from the project in early-mid 2011. ("China Curbs Iran Energy Work" Reuters, September 2, 2011)	China National Offshore Oil Co.	$16 billion	3.6 billion cfd
February 2007	**LNG Tanks at Tombak Port** Contract to build three LNG tanks at Tombak, 30 miles north of Assaluyeh Port. (May not constitute "investment" as defined in pre-2010 version of ISA, because that definition did not specify LNG as "petroleum resource" of Iran.) "Central Bank Approves $900 Million for Iran LNG Project." Tehran Times, June 13, 2009.	Daelim (S. Korea)	$320 million	200,000 ton capacity
Feb. 2007	**Phase 13, 14—South Pars (gas)** Deadline to finalize as May 20, 2009, apparently not met; firms submitted revised proposals to Iran in June 2009. (http://www.rigzone.com/news/article.asp?a_id=77040&hmpn=1.) State Department said on September 30, 2010, that Royal Dutch Shell and Repsol will not pursue this project any further.	Royal Dutch Shell, Repsol (Spain)	$4.3 billion	?
March 2007	**Esfahan refinery upgrade** ("Daelim, Others to Upgrade Iran's Esfahan Refinery." *Chemical News and Intelligence*, March 19, 2007.)	Daelim (S. Korea)		NA
July 2007	**Phase 22, 23, 24—South Pars (gas)** Pipeline to transport Iranian gas to Turkey, and on to Europe and building three power plants in Iran. Contract not finalized to date.	Turkish Petroleum Company (TPAO)	$12. billion	2 billion cfd
Dec. 2007	**Golshan and Ferdowsi onshore and offshore gas and oil fields and LNG plant** Contract modified but reaffirmed December 2008 (GAO reports; Oil Daily, January 14, 2008.)	Petrofield Subsidiary of SKS Ventures (Malaysia)	$15 billion	3.4 billion cfd of gas/250,000 bpd of oil
2007 (unspec.)	**Jofeir Field (oil)** GAO report cited below. Belarusneft, a subsidiary of Belneftekhim, sanctioned under ISA on March 29, 2011. Naftiran sanctioned on September 29, 2010, for this and other activities.	Belarusneft (Belarus) under contract to Naftiran. No production to date	$500 million	40,000 bpd
2008	**Dayyer Bloc (Persian Gulf, offshore, oil)** GAO reports	Edison (Italy)	$44 million	?
February 2008	**Lavan field (offshore natural gas)** GAO report cited below invested. PGNiG invested, but delays caused Iran to void PGNiG contract in December 2011. Project to be implemented by Iranian firms. (Fars News, December 20, 2011)	PGNiG (Polish Oil and Gas Company, Poland)	$2 billion	

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/Goal
March 2008	**Danan Field (on-shore oil)** "PVEP Wins Bid to Develop Danan Field." Iran Press TV, March 11, 2008	Petro Vietnam Exploration and Production Co. (Vietnam)	?	?
April 2008	**Iran's Kish gas field** Includes pipeline from Iran to Oman	Oman (co-financing of project)	$7 billion	1 billion cfd
April 2008	**Moghan 2 (onshore oil and gas, Ardebil province)** January 7, 2014, GAO report says INA has withdrawn from Iran.	INA (Croatia)	$40-$140 million (dispute over size)	?
2008	**Kermanshah petrochemical plant (new construction)** GAO reports	Uhde (Germany)		300,000 metric tons/yr
June 2008	**Resalat Oilfield** Status of work unclear	Amona (Malaysia). Joined in June 2009 by CNOOC and another China firm, COSL.	$1.5 billion	47,000 bpd
January 2009	**Bushehr Polymer Plants** Production of polyethelene at two polymer plants in Bushehr Province. GAO January 7, 2014, report says Sasol has withdrawn from Iran.	Sasol (South Africa)	?	Capacity is 1 million tons per year. Products are exported from Iran.
March 2009	**Phase 12 South Pars (gas**)—Incl. LNG terminal construction and Farsi Block gas field/Farzad-B bloc.	Taken over by Indian firms (Oil and Natural Gas Corp. of India, Oil India Ltd., India Oil Corp. Ltd. in 2007); may also include minor stakes by Sonanagol (Angola) and PDVSA (Venezuela).	$8 billion from Indian firms/$1.5 billion Sonangol/$780 million PDVSA	20 million tonnes of LNG annually by 2012
August 2009	**Abadan refinery** Upgrade and expansion; building a new refinery at Hormuz on the Persian Gulf coast	Sinopec	up to $6 billion if new refinery is built	
Oct. 2009	**South Pars Gas Field—Phases 6-8, Gas Sweetening Plant** CRS conversation with Embassy of S. Korea in Washington, DC, July 2010 Contract signed but then abrogated by S. Korean firm	G and S Engineering and Construction (South Korea)	$1.4 billion	
Nov. 2009	**South Pars: Phase 12—Part 2 and Part 3** ("Italy, South Korea To Develop South Pars Phase 12." Press TV [Iran], November 3, 2009, http://www.presstv.com/pop/Print/?id=110308.)	Daelim (S. Korea)—Part 2; Tecnimont (Italy)—Part 3	$4 billion ($2 bn each part)	
Feb. 2010	**South Pars: Phase 11** Drilling was to begin in March 2010, but CNPC pulled out in October 2012. (Economist Intelligence Unit "Oil Sanctions on Iran: Cracking Under Pressure." 2012.)	CNPC (China)	$4.7 billion	

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/Goal
2011	**Azar Gas Field** Gazprom contract voided in late 2011 by Iran due to Gazprom's unspecified failure to fulfill its commitments.	Gazprom (Russia)		
Dec. 2011	**Zagheh Oil Field** Preliminary deal signed December 18, 2011(Associated Press, December 18, 2011)	Tatneft (Russia)	$1 billion	55,000 barrels per day within five years

Sources: As noted in table, as well as CRS conversations with officials of the State Department Bureau of Economics, and officials of embassies of the parent government of some of the listed companies. Some information comes from various GAO reports, the latest of which was January 13, 2015 (GAO-15-258R).

Note: CRS has neither the mandate, the authority, nor the means to determine which of these projects, if any, might constitute a violation of the Iran Sanctions Act. CRS has no way to confirm the precise status of any of the announced investments; some investments may have been resold to other firms or terms altered since agreement. In virtually all cases, such investments and contracts represent private agreements between Iran and its instruments and the investing firms, and firms are not necessarily required to confirm or publicly release the terms of their arrangements with Iran. Reported $20 million+ investments in oil and gas fields, refinery upgrades, and major project leadership are included in this table. Responsibility for a project to develop Iran's energy sector is part of ISA investment definition.

Effect on Gasoline Availability and Importation

As the enactment of U.S. sanctions on the sale of gasoline to Iran became increasingly likely in 2010, several suppliers apparently stopped selling gasoline to Iran.[106] Others ceased after the enactment of CISADA. Gasoline deliveries to Iran fell from about 120,000 barrels per day before CISADA to about 30,000 barrels per day immediately thereafter, although importation later increased to about 50,000 barrels per day.

[106] Information in this section derived from Javier Blas, "Traders Cut Iran Petrol Line," *Financial Times*, March 8, 2010.

Table 5. Firms That Sold Gasoline to Iran

Vitol of Switzerland notified GAO it stopped selling to Iran in early 2010)
Trafigura of Switzerland notified GAO it stopped selling to Iran in November 2009)
Glencore of Switzerland notified GAO it stopped selling in September 2009)
Total of France notified GAO it stopped sales to Iran in May 2010)
Reliance Industries of India notified GAO it stopped sales to Iran in May 2009)
Petronas of Malaysia said on April 15, 2010, it had stopped sales to Iran)[107]
Lukoil of Russia was reported to have ended sales to Iran in April 2010,[108] although some reports say that Lukoil affiliates continued supplying Iran.
Royal Dutch Shell of the Netherlands notified GAO it stopped sales in October 2009)
Kuwait's Independent Petroleum Group told U.S. officials it stopped selling gasoline to Iran as of September 2010[109]
Tupras of Turkey stopped selling gasoline to Iran as of May 2011, according to the State Department
British Petroleum of United Kingdom, Shell, Q8, Total, and OMV stopped selling aviation fuel to Iran Air, according to U.S. State Department officials on May 24, 2011.
A UAE firm, Golden Crown Petroleum FZE, told the author in April 2011 that, as of June 29, 2010, it had stopped leasing vessels for the purpose of shipping petroleum products from or through Iran.
Munich Re, Allianz, Hannover Re (Germany) were providing insurance and reinsurance for gasoline shipments to Iran. However, they reportedly have exited the market for insuring gasoline shipments for Iran[110]
Lloyd's (Britain). The major insurer had been the main company insuring Iranian gas (and other) shipping, but reportedly ended that business in July 2010.
According to the State Department on May 24, 2011, Linde of Germany said it had stopped supplying gas liquefaction technology to Iran, contributing to Iran's decision to suspend its LNG program.
Several firms were sanctioned by the Administration under ISA on May 24, 2011, including PCCI (Jersey/Iran); Associated Shipbroking (Monaco); and Petroleos de Venezuela (Venezuela). Tanker Pacific representatives told the author in January 2013 that the firm had stopped dealing with Iran in April 2010 but may have been deceived by IRISL into a transaction with Iran after that time. ISA sanctions were removed on these firms as of Implementation Day.
Zhuhai Zhenrong, Unipec, ZhenHua Oil, and China Oil of China. Zhuhai Zhenrong is no longer selling Iran gasoline, according to the January 7, 2014, GAO report (GAO-14-281R). ZhenHua, a subsidiary of arms manufacturer Norinco, supplied one third of Iran's gasoline in March 2010, but there is little information on supplies since. (ISA sanctions on Zhuhai Zhenrong were lifted on Implementation Day.)
Emirates National Oil Company of UAE has been reported by GAO to still be selling to Iran, as have three other UAE energy traders, FAL, Royal Oyster Group, and Speedy Ship (UAE/Iran). The latter three were sanctioned under ISA, but the sanctions were removed on Implementation Day.
In 2011, Hin Leong Trading of Singapore asserted that it ceased selling gasoline to Iran. There is no information on whether Kuo Oil of Singapore still sells to Iran. ISA sanctions on Kuo were lifted on Implementation Day.

Source: CRS conversations with various firms, various GAO reports, various press reports.

[107] http://www.ft.com/cms/s/0/009370f0-486e-11df-9a5d-00144feab49a.html.

[108] http://www.defenddemocracy.org/index.php?option=com_content&task=view&id=11788115&Itemid=105.

[109] http://www.defenddemocracy.org/index.php?option=com_content&task=view&id=11788115&Itemid=105.

[110] http://www.defenddemocracy.org/index.php?option=com_content&task=view&id=11788115&Itemid=105.

Humanitarian Effects/Passenger Aircraft Safety

Humanitarian-related effects of sanctions were observed in several sectors, particularly on the population's ability to obtain Western-made medicines, such as expensive chemo-therapy medicines. Some of the scarcity was caused by banks' refusal to finance such sales, even though doing was not subject to any sanctions. Some observers say the Iranian government exaggerated reports of medicine shortages to generate opposition to the sanctions. Other accounts say that Iranians, particularly those with connections to the government, took advantage of medicine shortages by cornering the import market for key medicines.

The JPA provided for the international community to provide enhanced financial channels for Iran to import medicines, although the exact mechanism has generally been limited to a U.S.-led information campaign for international banks. In July 2014, the U.S. Administration asked European medical firms to expedite sales of medical goods to Iran, and the Administration reportedly cleared banks in Switzerland and Japan to process financing for the shipments.[111]

Other reports say that pollution in Tehran and other big cities has worsened because Iran is making gasoline itself with methods that cause more impurities than imported gasoline. As noted above, Iran's efforts to deal with environment hazards and problems might be hindered by denial of World Bank lending for that purpose.

Aircraft Sales

In the aviation sector, some Iranian pilots complained publicly that U.S. sanctions caused Iran's passenger airline fleet to deteriorate to the point of jeopardizing safety. Since the U.S. trade ban was imposed in 1995, 1,700 passengers and crew of Iranian aircraft have been killed in air accidents, although it is not clear how many of the crashes, if any, were due to difficultly in acquiring U.S. spare parts.[112] The JPA provided for sales of civilian aircraft parts and the JCPOA provides for the U.S. licensing of new sales to Iran of commercial aircraft (civilian use only).

In February 2016, Iran Air—which was de-listed from U.S. sanctions as of Implementation Day—announced it would purchase 118 Airbus commercial aircraft at an estimated value of $27 billion. In March 2016, a general license was issued enabling Boeing to assess Iran's civilian aviation needs. In June 2016, Iran Air and Boeing announced the sale of 80 passenger aircraft and the leasing of another 29, with a total estimated value of the agreement at about $25 billion.[113] On September 21, 2016, Airbus announced it had received an OFAC license (required because of the substantial U.S.-origin content on the Airbus aircraft) to proceed with the first 17 aircraft (A320s and A330s) of its sale to Iran Air.

Recent and Pending Iran Sanctions Legislation

The JCPOA and its implications have been the subject of recent and pending legislation.

[111] "U.S. Pushes to Expedite Some Humanitarian Shipments to Iran," *WSJ.com*, July 28, 2014.

[112] Thomas Erdbink, "Iran's Aging Airliner Fleet Seen As Faltering Under U.S. Sanctions," July 14, 2012.

[113] For more information, see: CRS Insight IN10515, *Proposed Boeing Aircraft Sale to Iran*, by (name redacted), (name redacted), and (name redacted) .

Iran Nuclear Agreement Review Act (P.L. 114-17)

The Iran Nuclear Agreement Review Act of 2015 (INARA, P.L. 114-17) provided for a 30- or 60-day congressional review period after which Congress could pass legislation to approve or to disapprove of the JCPOA, or do nothing.

Under INARA, if the President does not make the required certification (every 90 days) that Iran is fully complying with the JCPOA, Congress "may" initiate within 60 days "expedited consideration" of legislation that would re-impose any Iran sanctions that the President had suspended through use of waiver or other authority. As is any legislation, such "snap back" sanctions legislation would be subject to potential presidential veto.

INARA also requires an Administration report every 180 days on Iran's nuclear program, including not only Iran's compliance with its nuclear commitments but also whether Iranian banks are involved in terrorism financing; Iran's ballistic missile advances; and whether Iran continues to support terrorism. For details on INARA, see CRS Report R43333, *Iran Nuclear Agreement*, by (name redac ted) and (name redacted)

Pending Iran Sanctions Legislation

The JCPOA states that as long as Iran fully complies with the JCPOA, the sanctions that were suspended or lifted shall not be re-imposed on other bases (such as terrorism or human rights). In hearings and statements, the Administration has stated that it will adhere to that provision but that newly crafted sanctions could, without necessarily violating the JCPOA, be imposed to try to limit Iran's military power, its human rights abuses, or its support for militant groups.

Since the JCPOA was finalized, a number of bills have been submitted that would impose new sanctions on Iran. Supporters of the bills assert that they redress the purported weaknesses of the agreement or address other Iran-related issues. The Administration argues that some of the proposed legislation could be interpreted by Iran as a violation of the letter or spirit of the JCPOA and might cause the agreement to break down. Some of the major bills include

- The FY2016 Consolidated Appropriation (P.L. 114-113) contained a provision amending the Visa Waiver Program to require a visa to visit the United States for any person who has visited Iraq, Syria, or any terrorism list country (Iran and Sudan are the two aside from Syria still listed) in the previous five years. Iran argued that the provision represented a violation of at least the spirit of the JCPOA by potentially deterring European businessmen from visiting Iran. The Administration issued a letter to Iran stating it would implement the provision in such a way as not to not impinge on the JCPOA sanctions relief for Iran. As noted above, another provision of that law requires an Administration report to Congress on how Iran has used the financial benefits of sanctions relief.
- The Iran Policy Oversight Act (S. 2119). The bill contains a provision that would add certification requirements for the Administration to remove designations of Iranian entities sanctioned for proliferation or terrorism-related activities.
- The IRGC Terrorist Designation Act (H.R. 3646 and S. 2094). Requires a report on whether the IRGC meets the criteria for designation as a Foreign Terrorist Organization (FTO). The Administration argues that the law that set up the FTO designations (Section 219 of the Immigration and Nationality Act [8 U.S.C. 1189]) applies such designations only to groups, rather than armed forces of a nation-state (which the IRGC is).

- Prohibiting Assistance to Nuclear Iran Act (H.R. 3273). The bill would prohibit the use of U.S. funds to provide technical assistance to Iran's nuclear program. The provision might conflict with the provision of the JCPOA that calls on the P5+1 to engage in peaceful nuclear cooperation with Iran (Paragraph 32). The provision could also cause budgetary difficulties for the IAEA, which is the main monitor of Iran's compliance.
- The Justice for Victims of Iranian Terrorism Act (H.R. 3457, S. 2086). The bill would have prohibited the President from waiving U.S. sanctions in accordance with the JCPOA until Iran has completed paying judgments issued for victims of Iranian or Iran-backed acts of terrorism. The House passed it on October 1, 2015, by a vote of 251-173, despite Administration assertions that the bill would impose requirements for sanctions relief that contradict the JCPOA.[114]
- H.R. 3728. The bill would amend ITRSHRA to make mandatory (rather than voluntary) sanctions the use by Iranian banks of electronic bank transfer systems such as SWIFT. The JCPOA provided for Iran to regain access to SWIFT and other electronic payments systems.
- The Iran Terror Finance Transparency Act (H.R. 3662). The bill would add certification requirements for the Administration to "de-list" sanctioned Iranian entities. The bill reportedly was passed by the House but the vote was vacated.
- The IRGC Sanctions Act (H.R. 4257). The bill would require congressional action to approve an Administration request to remove Iran (or another terrorism list country) from the terrorism list. It would also require Administration certification that any entity to be "de-listed" from sanctions is not a member, agent, affiliate, or owned by the IRGC.
- The Iran Ballistic Missile Prevention and Sanctions Act of 2016 (H.R. 4342). The bill would impose ISA sanctions on any person determined to have transferred to or from Iran advanced conventional weapons, or any technology or technical information related to those programs. Some might interpret the bill as redundant with the WMD and conventional weapons section of ISA, noted above.
- The Iran Ballistic Missile Sanctions Act of 2016 (S. 2725). The bill would extend ISA until 2031 (see below) and require that specified sectors of Iran's economy (automotive, chemical, computer science, construction, electronic, energy metallurgy, mining, petrochemical, research, and telecommunications) be subject to U.S. sanctions, if those sectors are determined to have provided support for Iran's ballistic missile program. The provisions would not necessarily violate the JCPOA because the required sanctions are sanctions only on U.S. persons, but that limitation would also reduce the effectiveness of such legislation on Iran.
- Iran Terrorism and Human Rights Sanctions Act of 2016 (S. 2726). The bill would impose additional sanctions on Iran for its human rights abuses and its furnishing of weapons to Assad and other regional actors, including through the use of private airlines such as Mahan Air.

[114] For more information on the issue of judgments for victims of Iranian terrorism, see CRS Legal Sidebar WSLG1358, *Terrorism Victims Sue to Enjoin Sanctions Relief under the Iran Nuclear Agreement*, by (name redacted) , and CRS Report RL31258, *Suits Against Terrorist States by Victims of Terrorism*, by (name redacted) .

- Iran Sanctions Relief Oversight Act of 2015 (S. 1682). The bill would extend ISA until December 31, 2016, and require an Administration report on how Iran is using the funds available to it as a consequence of sanctions relief.
- H.R. 4992. The bill, which passed the House on July 14 by a vote of 246-181, would require foreign banks and dollar clearinghouses to receive a U.S. license for any dollar transactions involving Iran. The provision would appear to represent a new restriction on foreign transactions with Iran and the Administration opposed the bill as a violation of the JCPOA.
- Senate Foreign Relations Committee Bill (S. 3267). In mid-July, Senate Foreign Relations Committee Chairman Corker introduced a bill in partnership with Senator Menendez that contains numerous provisions. Among them, the bill would limit the President's ability to amend existing regulations to authorize offshore clearing of dollar transactions with Iran, and increase penalties on foreign entities that assist Iran's ballistic missile program. It is not clear whether limiting the Administration's authority to license foreign clearinghouses to perform dollar transactions with Iran, an action not specifically promised by the JCPOA, would violate the agreement. Iran might argue that a U.S. refusal to undertake that accommodation violates the JCPOA's stipulation that remaining sanctions not prevent Iran from obtaining the benefits of sanctions relief.
- H.R. 5631. The bill, which also passed the House on July 14, with a vote of 246-179, would remove some waiver authority for certain provisions of several Iran sanctions laws and would require sanctions on sectors of Iran's civilian economy determined to have supported Iran's ballistic missile program. The latter provision could be considered a contradiction of the JCPOA, which requires that sanctions that are lifted not be re-imposed for non-nuclear issues.
- H.R. 5119. The bill, which passed the House by a vote of 249-176, prohibits the U.S. government from buying additional heavy water from Iran. The bill appeared intended to block additional U.S. purchases similar to one in April 2016 in which the United States bought 32 metric tons from Iran at a cost of about $8.6 million. The purchase helped Iran maintain compliance with heavy water stockpile requirements of the JCPOA.
- Several bills and amendments seek to block or impede the sale of the Boeing aircraft to Iran by preventing the licensing, financing, or Ex-Im Bank loan guarantees for the sale. These bills include H.R. 5715, H.R. 5711, and several amendments that were passed to the FY2017 Financial Services and General Government Appropriations Act (H.R. 5485). That act passed the House on July 7 by a vote of 239-185.
- The Preventing Iranian Destabilization of Iraq Act of 2015 (H.R. 5727). The bill would require U.S. sanctions against persons determined to have threatened peace and stability and economic and political reform in Iraq. The bill appears to represent a codification of Executive Order 13438 (discussed above).
- H.R. 5931. The bill would prevent the transfer of cash instruments to Iran by any bank, including for the purpose of paying U.S. judgments in favor of or settlements with Iran. The bill does not appear to conflict with the JCPOA because the JCPOA makes no mention of how the U.S. and Iran might settle their financial or other disputes.

Iran Sanctions Act Extension. Several bills seek to extend ISA, which expires in its entirety on December 31, 2016. Several other bills—H.R. 1540, S. 825, S. 2988, S. 3281, and S. 3267—would do so as well. The latter bill, introduced by Senate Minority Leader Harry Reid, would extend the Act until the end of 2026. S. 2988 would terminate the act at the point that the IAEA reaches a "Broader Conclusion" that all of Iran's nuclear activities can only be for peaceful purposes. On September 19, Senator Lindsey Graham stated he was preparing legislation that would provide additional aid to Israel but also extend ISA.

Administration officials have indicated that extending ISA, assuming it included all existing waiver authority, would not necessarily violate the JCPOA, but that such extension should wait until the JCPOA is institutionalized. The Administration has not threatened to veto an ISA extension bill outright. Still, an Iranian letter to the U.N. Security Council submitted July 20, 2015, indicates Iran's view that "reintroduction or re-imposition, including through extension, of the sanctions and restrictive measures will constitute significant nonperformance which would relieve Iran from its commitments in whole or in part."[115]Supporters of an extension argue that extending the Act ensures that a "snap back" of sanctions would have significant effect on Iran's economy. The Administration asserts that, if ISA were to expire, it could easily be resurrected by Executive Order or congressional action if Iran violates the JCPOA.

Other Possible U.S. and International Sanctions

There are a number of other possible sanctions that might receive consideration—either in a global or multilateral framework—presumably if the JCPOA were to collapse through nonperformance of commitments by any party.

- *Sanctioning All Trade with Iran*. Some organizations, such as United Against Nuclear Iran, advocate sanctions against virtually all trade with Iran, with exceptions for food and medical products. The concept of a global trade ban on Iran has virtually no support in the United Nations Security Council, and U.S. allies strongly oppose U.S. measures that would compel allied firms to end commerce with Iran in purely civilian, nonstrategic goods.
- *Comprehensive Ban on Energy Transactions with Iran*. Many experts believe that a U.N.-mandated, worldwide embargo on the purchase of any Iranian crude oil would put significant pressure on Iran. This concept would likely require support from the U.N. Security Council. Some advocate a U.N. Security Council ban on all investment in and equipment sales to Iran's energy sector. During the 1990s, U.N. sanctions against Libya for the Pan Am 103 bombing banned the sale of energy equipment to Libya.
- *Iran Oil Free Zone.* Prior to the EU oil embargo on Iran, there was discussion of forcing a similar result by closing the loophole in the U.S. trade ban under which Iranian crude oil, when mixed with other countries' oils at foreign refineries in Europe and elsewhere, can be imported as refined product. Some argue this concept has been mooted by the EU oil embargo, while others say the step still has value in making sure the EU oil embargo on Iran is not lifted or modified.
- *Mandating Reductions in Diplomatic Exchanges with Iran or Prohibiting Travel by Iranian Officials.* Some have suggested that the United States organize a worldwide ban on travel by senior Iranian civilian officials, a pullout of all

[115] Iran Letter to the President of the U.N. Security Council, July 20, 2015, (S/2015/550).

diplomatic missions in Tehran, and expulsion of Iranian diplomats worldwide. The EU came close to adopting this option after the November 29, 2011, attack on the British Embassy in Tehran.

- *Barring Iran from International Sporting Events*. An option is to limit sports or cultural exchanges with Iran, such as Iran's participation in the World Cup soccer tournament. However, many experts oppose using sporting events to accomplish political goals.
- *Sanctioning Iranian Profiteers and Other Abusers*. Some experts believe that, despite the provision of P.L. 112-239 discussed earlier, the United States and international community should more aggressively target for sanctions Iranians who are exploiting special rights, monopolies, or political contacts for economic gain at the expense of average Iranians. Others believe that human rights sanctions should be extended to Iranian officials who are responsible for depriving Iranian women and other groups of internationally accepted rights.
- *Banning Passenger Flights to and from Iran.* Bans on flights to and from Libya were imposed on that country in response to the finding that its agents were responsible for the December 21, 1988, bombing of Pan Am 103 (now lifted). A variation of this idea could be the imposition of sanctions against airlines that are in joint ventures or codeshare arrangements with Iranian airlines.
- *Limiting Lending to Iran by International Financial Institutions.* Resolution 1747 calls for restraint on but does not outright ban international lending to Iran. An option is to make a ban on such lending mandatory. Some U.S. groups have called for the International Monetary Fund (IMF) to withdraw all its holdings in Iran's Central Bank and suspend Iran's membership in the body.
- *Banning Trade Financing or Official Insurance for Trade Financing*. Another option is to mandate a worldwide ban on official trade credit guarantees. This was not mandated by Resolution 1929, but several countries imposed this sanction subsequently. A ban on investment in Iranian bonds reportedly was considered but deleted to attract China and Russia's support.
- *Restricting Operations of and Insurance for Iranian Shipping.* One option, reportedly long under consideration, has been a worldwide ban on provision of insurance or reinsurance for any shipping to or from Iran. A call for restraint is in Resolution 1929, but is not mandatory. As of July 1, 2012, the EU has banned such insurance, and many of the world's major insurers are in Europe.

Table 6. Entities Sanctioned Under U.N. Resolutions and U.S. Laws and Executive Orders

(Persons listed are identified by the positions they held when designated; some have since changed. Sanctions imposed, revoked, or exempted under the Iran Sanctions Act, CISADA, and IFCA are discussed above and not included in this table.)

Entities Sanctioned Under Resolution 1737
Atomic Energy Organization of Iran (AEIO) Mesbah Energy Company (Arak supplier); Kalaye Electric (Natanz supplier); Pars Trash Company (centrifuge program); Farayand Technique (centrifuge program); Defense Industries Organization (DIO); 7th of Tir (DIO subordinate); Shahid Hemmat Industrial Group (SHIG)—missile program; Shahid Bagheri Industrial Group (SBIG)—missile program; Fajr Industrial Group (missile program); Mohammad Qanadi, AEIO Vice President; Behman Asgarpour (Arak manager); Ehsan Monajemi (Natanz construction manager); Jafar Mohammadi (Adviser to AEIO); Gen. Hosein Salimi (Commander, IRGC Air Force); Dawood Agha Jani (Natanz official); Ali Hajinia Leilabadi (director of Mesbah Energy); Lt. Gen. Mohammad Mehdi Nejad Nouri (Malak Ashtar University of Defence Technology rector); Bahmanyar Morteza Bahmanyar (AIO official); Reza Gholi Esmaeli (AIO official); Ahmad Vahid Dastjerdi (head of Aerospace Industries Org., AIO); Maj. Gen. Yahya Rahim Safavi (Commander in Chief, IRGC)
Entities/Persons Added by Resolution 1747
Ammunition and Metallurgy Industries Group (controls 7th of Tir); Parchin Chemical Industries (branch of DIO); Karaj Nuclear Research Center; Novin Energy Company; Cruise Missile Industry Group; Sanam Industrial Group (subordinate to AIO); Ya Mahdi Industries Group; Kavoshyar Company (subsidiary of AEIO); Sho'a Aviation (produces IRGC light aircraft for asymmetric warfare); Bank Sepah (funds AIO and subordinate entities); Esfahan Nuclear Fuel Research and Production Center and Esfahan Nuclear Technology Center; Qods Aeronautics Industries (produces UAV's, para-gliders for IRGC asymmetric warfare); Pars Aviation Services Company (maintains IRGC Air Force equipment); Gen. Mohammad Baqr Zolqadr (IRGC officer serving as deputy Interior Minister; Brig. Gen. Qasem Soleimani (Qods Force commander); Fereidoun Abbasi-Davani (senior defense scientist); Mohasen Fakrizadeh-Mahabai (defense scientist); Seyed Jaber Safdari (Natanz manager); Mohsen Hojati (head of Fajr Industrial Group); Ahmad Derakshandeh (head of Bank Sepah); Brig. Gen. Mohammad Reza Zahedi (IRGC ground forces commander); Amir Rahimi (head of Esfahan nuclear facilities); Mehrdada Akhlaghi Ketabachi (head of SBIG); Naser Maleki (head of SHIG); Brig. Gen. Morteza Reza'i (Deputy commander-in-chief, IRGC); Vice Admiral Ali Akbar Ahmadiyan (chief of IRGC Joint Staff); Brig. Gen. Mohammad Hejazi (Basij commander)
Entities Added by Resolution 1803
Thirteen Iranians named in Annex 1 to Resolution 1803; all reputedly involved in various aspects of nuclear program. Bans travel for five named Iranians.
Electro Sanam Co.; Abzar Boresh Kaveh Co. (centrifuge production); Barzaganin Tejaral Tavanmad Saccal; Jabber Ibn Hayan; Khorasan Metallurgy Industries; Niru Battery Manufacturing Co. (Makes batteries for Iranian military and missile systems); Ettehad Technical Group (AIO front co.); Industrial Factories of Precision; Joza Industrial Co.; Pshgam (Pioneer) Energy Industries; Tamas Co. (involved in uranium enrichment); Safety Equipment Procurement (AIO front, involved in missiles)
Entities Added by Resolution 1929
Over 40 entities added; makes mandatory a previously nonbinding travel ban on most named Iranians of previous resolutions. Adds one individual banned for travel—AEIO head Javad Rahiqi
Amin Industrial Complex; Armament Industries Group; Defense Technology and Science Research Center (owned or controlled by Ministry of Defense); Doostan International Company; Farasakht Industries; First East Export Bank, PLC (only bank added by Resolution 1929); Kaveh Cutting Tools Company; M. Babaie Industries; Malek Ashtar University (subordinate of Defense Technology and Science Research Center, above); Ministry of Defense Logistics Export (sells Iranian made arms to customers worldwide); Mizan Machinery Manufacturing; Modern Industries Technique Company; Nuclear Research Center for Agriculture and Medicine (research component of the AEIO); Pejman Industrial Services Corp.; Sabalan Company; Sahand Aluminum Parts Industrial Company; Shahid Karrazi Industries; Shahid Sattari Industries; Shahid Sayyade Shirazi Industries (acts on behalf of the DIO); Special Industries Group (another subordinate of DIO); Tiz Pars (cover name for SHIG); Yazd Metallurgy Industries
The following Revolutionary Guard affiliated firms (several are subsidiaries of Khatam ol-Anbiya, the main Guard

construction affiliate): Fater Institute; Garaghe Sazendegi Ghaem; Gorb Karbala; Gorb Nooh; Hara Company; Imensazan Consultant Engineers Institute; Khatam ol-Anbiya; Makin; Omran Sahel; Oriental Oil Kish; Rah Sahel; Rahab Engineering Institute; Sahel Consultant Engineers; Sepanir; Sepasad Engineering Company

The following entities owned or controlled by Islamic Republic of Iran Shipping Lines (IRISL): Irano Hind Shipping Company; IRISL Benelux; and South Shipping Line Iran

Entities Designated Under U.S. Executive Order 13382
(many designations coincident with designations under U.N. resolutions)

(Entities in this table and tables below: italics were "de-listed" by the United States on Implementation Day. Entities in bold are to be de-listed on Transition Day (October 2023)

Entity	Date Named
Shahid Hemmat Industrial Group (Iran)	June 2005, September 2007
Shahid Bakeri Industrial Group (Iran)	June 2005, February 2009
Atomic Energy Organization of Iran	June 2005
Novin Energy Company (Iran) and *Mesbah Energy Company* (Iran)	January 2006
Four Chinese entities: Beijing Alite Technologies, LIMMT Economic and Trading Company, China Great Wall Industry Corp, and China National Precision Machinery Import/Export Corp.	June 2006
Sanam Industrial Group (Iran) and Ya Mahdi Industries Group (Iran)	July 2006
Bank Sepah (Iran)	January 2007
Kalaye Electic Company	February 2007
Defense Industries Organization (Iran)	March 2007

June 2007

Pars Trash (Iran, nuclear program); **Farayand Technique** (Iran, nuclear program); Fajr Industries Group (Iran, missile program); Mizan Machine Manufacturing Group (Iran, missile prog.)

September 2007

Aerospace Industries Organization (AIO) (Iran); Korea Mining and Development Corp. (N. Korea).

October 21, 2007

Islamic Revolutionary Guard Corps (IRGC); Ministry of Defense and Armed Forces Logistics; *Bank Melli* (Iran's largest bank, widely used by Guard); Bank Melli Iran Zao (Moscow); Melli Bank PC (U.K.); *Bank Kargoshaee*; *Arian Bank* (joint venture between Melli and Bank Saderat). Based in Afghanistan; *Bank Mellat* (provides banking services to Iran's nuclear sector); *Mellat Bank SB CJSC* (Armenia). Reportedly has $1.4 billion in assets in UAE; *Persia International Bank PLC* (U.K.); Khatam ol Anbiya Gharargah Sazendegi Nooh (main IRGC construction and contracting arm, with $7 billion in oil, gas deals); Oriental Oil Kish (Iranian oil exploration firm); Ghorb Karbala; Ghorb Nooh (synonymous with Khatam ol Anbiya); Sepasad Engineering Company (Guard construction affiliate); Omran Sahel (Guard construction affiliate); Sahel Consultant Engineering (Guard construction affiliate); Hara Company; Gharargahe Sazandegi Ghaem

Individuals: Bahmanyar Morteza Bahmanyar (AIO, Iran missile official, see above under Resolution 1737); Ahmad Vahid Dastjerdi (AIO head, Iran missile program); Reza Gholi Esmaeli (AIO, see under Resolution 1737); Morteza Reza'i (deputy commander, IRGC) See also Resolution 1747; Mohammad Hejazi (Basij commander). Also, Resolution 1747; Ali Akbar Ahmadian (Chief of IRGC Joint Staff). Resolution 1747; Hosein Salimi (IRGC Air Force commander). Resolution 1737; Qasem Soleimani (Qods Force commander). Resolution 1747.

March 12, 2008

Future Bank (Bahrain-based but allegedly controlled by Bank Melli)

July 8, 2008

Yahya Rahim Safavi (former IRGC Commander in Chief); Mohsen Fakrizadeh-Mahabadi (senior Defense Ministry scientist); *Dawood Agha-Jani* (head of Natanz enrichment site); Mohsen Hojati (head of Fajr Industries, involved in missile program); Mehrdada Akhlaghi Ketabachi (heads Shahid Bakeri Industrial Group); Naser Maliki (heads Shahid Hemmat Industrial Group); *Tamas Company* (involved in uranium enrichment); Shahid Sattari Industries (makes

equipment for Shahid Bakeri); 7th of Tir (involved in developing centrifuge technology); Ammunition and Metallurgy Industries Group (partner of 7th of Tir); Parchin Chemical Industries (deals in chemicals used in ballistic missile programs)

August 12, 2008

Karaj Nuclear Research Center; *Esfahan Nuclear Fuel Research and Production Center* (NFRPC); *Jabber Ibn Hayyan* (reports to Atomic Energy Org. of Iran, AEIO); Safety Equipment Procurement Company; Joza Industrial Company (front company for Shahid Hemmat Industrial Group, SHIG)

September 10, 2008

Islamic Republic of Iran Shipping Lines (IRISL) and 18 affiliates, including *Val Fajr 8*; *Kazar*; *Irinvestship*; *Shipping Computer Services*; *Iran o Misr Shipping*; *Iran o Hind*; *IRISL Marine Services*; *Iriatal Shipping*; *South Shipping*; *IRISL Multimodal*; Oasis; *IRISL Europe*; IRISL Benelux; *IRISL China*; *Asia Marine Network*; *CISCO Shipping*; and *IRISL Malta*

September 17, 2008

Firms affiliated to the Ministry of Defense, including Armament Industries Group; Farasakht Industries; Iran Aircraft Manufacturing Industrial Co.; Iran Communications Industries; Iran Electronics Industries; and Shiraz Electronics Industries

October 22, 2008

Export Development Bank of Iran (EDBI). Provides financial services to Iran's Ministry of Defense and Armed Forces Logistics

Banco Internacional de Desarollo, C.A., Venezuelan-based Iranian bank, sanctioned as an affiliate of the Export Development Bank

December 17, 2008

Assa Corporation (alleged front for Bank Melli involved in managing property in New York City on behalf of Iran)

March 3, 2009

11 Entities Tied to Bank Melli: *Bank Melli Iran Investment (BMIIC); Bank Melli Printing and Publishing*; *Melli Investment Holding*; *Mehr Cayman Ltd.*; *Cement Investment and Development*; *Mazandaran Cement Co.*; *Shomal Cement*; *Mazandaran Textile*; *Melli Agrochemical*; *First Persian Equity Fund*; BMIIC Intel. General Trading

February 10, 2010

IRGC General Rostam Qasemi, head of Khatem ol-Anbiya Construction Headquarters (main IRGC corporate arm) and several entities linked to Khatem ol-Anbiya, including: Fater Engineering Institute, Imensazen Consultant Engineers Institute, Makin Institute, and Rahab Institute

June 16, 2010

- *Post Bank of Iran*
- IRGC Air Force
- IRGC Missile Command
- Rah Sahel and Sepanir Oil and Gas Engineering (for ties to Khatem ol-Anibya IRGC construction affiliate)
- Mohammad Ali Jafari—IRGC Commander-in-Chief since September 2007
- Mohammad Reza Naqdi—Head of the IRGC's Basij militia force that suppresses dissent (since October 2009)
- Ahmad Vahedi—Defense Minister
- **Javedan Mehr Toos**, *Javad Karimi Sabet* (procurement brokers or atomic energy managers)
- Naval Defense Missile Industry Group (controlled by the Aircraft Industries Org that manages Iran's missile programs)
- Five front companies for IRISL: *Hafiz Darya Shipping Co.*; *Soroush Sarzamin Asatir Ship Management Co.*; *Safiran Payam Darya*; and Hong Kong-based *Seibow Limited* and *Seibow Logistics*.

Also identified on June 16 were 27 vessels linked to IRISKL and 71 new names of already designated IRISL ships.

Several Iranian entities were also designated as owned or controlled by Iran for purposes of the ban on U.S. trade with Iran.

September 7, 2010

Europaisch-Iranische Handelsbank (EIH) for providing financial services to Bank Sepah, Mellat, EDBI, and others.

November 30, 2010

- *Pearl Energy Company* (formed by First East Export Bank, a subsidiary of Bank Mellat

- *Pearl Energy Services, SA*

- *Ali Afzali (*high official of First East Export Bank)

- IRISL front companies: *Ashtead Shipping*, *Byfleet Shipping*, *Cobham Shipping, Dorking Shipping*, *Effingham Shipping*, *Farnham Shipping*, *Gomshall Shipping*, and *Horsham Shipping* (all located in the Isle of Man).- IRISL and affiliate officials: *Mohammad Hosein Dajmar*, *Gholamhossein Golpavar*, *Hassan Jalil Zadeh*, and *Mohammad Haji Pajand*.

December 21, 2010

- Bonyad (foundation) Taavon Sepah, for providing services to the IRGC; Ansar Bank (for providing financial services to the IRGC); Mehr Bank (same justification as above); *Moallem Insurance Company* (for providing marine insurance to IRISL, Islamic Republic of Iran Shipping Lines)

May 17, 2011

Bank of Industry and Mine (BIM)

June 23, 2011

- Tidewater Middle East Company; Iran Air; Mehr-e Eqtesad Iranian Investment Co.

November 21, 2011

For proscribed nuclear activities, including centrifuge development and heavy water research: By State - Nuclear Reactor Fuels Company; *Noor Afzar Gostar Company*; **Fulmen Group**; **Yasa Part**.

By Treasury - *Javad Rahiqi*; **Modern Industries Technique Company**; **Iran Centrifuge Technology Company (TESA); Neka Novin; Parto Sanat**; **Paya Partov**; **Simatic Development Co**.

March 28, 2012

Iran Maritime Industrial Company SADRA (owned by IRGC engineering firm Khatem-ol-Anbiya, has offices in Venezuela); Deep Offshore Technology PJS (subsidiary of the above); *Malship Shipping Agency and Modality Ltd* (both Malta-based affiliates of IRISL); *Seyed Alaeddin Sadat Rasool* (IRISL legal adviser); *Ali Ezati* (IRISL strategic planning and public affairs manager)

July 12, 2012

- Electronic Components Industries Co. (ECI) and Information Systems Iran (ISIRAN); Advanced Information and Communication Technology Center (AICTC) and Hamid Reza Rabiee (software engineer for AICTC); Digital Medical Lab (DML) and Value Laboratory (owned or controlled by Rabiee or AICTC); Ministry of Defense Logistics Export (MODLEX); Daniel Frosh (Austria) and International General Resourcing FZE)—person and his UAE-based firm allegedly supply Iran's missile industry.

November 8, 2012

- *National Iranian Oil Company*; Tehran Gostaresh, company owned by Bonyad Taavon Sepah; Imam Hossein University, owned by IRGC; Baghyatollah Medical Sciences University, owned by IRGC or providing services to it.

December 13, 2012

Atomic Energy Organization of Iran (AEOI) chief **Fereidoun Abbasi Davani**; *Seyed Jaber Safdari* of Novin Energy, a designated affiliate of AEOI; *Morteza Ahmadi Behzad*, provider of services to AEOI (centrifuges); **Pouya Control**—provides goods and services for uranium enrichment; **Iran Pooya**—provides materials for manufacture of IR-1 and IR-2 centrifuges; **Aria Nikan Marine Industry**—source of goods for Iranian nuclear program; **Amir Hossein Rahimyar**—procurer for Iran nuclear program; *Mohammad Reza Rezvanianzadeh*—involved in various aspects of nuclear program; **Faratech**—involved in Iran heavy water reactor project; **Neda Industrial Group**—manufacturer of equipment for Natanz enrichment facility; **Tarh O Palayesh**—designer of elements of heavy water research reactor; **Towlid Abzar Boreshi Iran**—manufacturer for entities affiliated with the nuclear program.

December 21, 2012

SAD Import Export Company (also designated by U.N. Sanctions Committee a few days earlier for violating Resolution 1747 ban on Iran arms exports, along with Yas Air) for shipping arms and other goods to Syria's armed forces; Marine Industries Organization—designated for affiliation with Iran Ministry of Defense and Armed Forces Logistics; Mustafa Esbati, for acting on behalf of Marine Industries; Chemical Industries and Development of Materials Group—designated as affiliate of Defense Industries Org.; Doostan International Company—designated for providing services to Iran Aerospace Industries Org, which oversees Iran missile industries.

April 11, 2013

Babak Morteza Zanjani—chairmen of Sorinet Group that Iran uses to finance oil sales abroad; *International Safe Oil*—provides support to NIOC and NICO; *Sorinet Commercial Trust Bankers* (Dubai) and *First Islamic Investment Bank* (Malaysia)—finance NIOC and NICO; *Kont Kosmetik* and *Kont Investment Bank*—controlled by Babak Zanjani; *Naftiran Intertrade Company Ltd.*—owned by NIOC

May 9, 2013

Iranian-Venezuelan Bi-National Bank (IVBB), for activities on behalf of the Export Development Bank of Iran that was sanctioned on October 22, 2008 (see above). EDBI was sanctioned for providing financial services to Iran's Ministry of Defense. **Aluminat**, for providing centrifuge components to Kalaye Electric Co.

May 23, 2013

For supporting Iran Air, the IRGC, and NIOC: *Aban Air*; *Ali Mahdavi* (part owner of Aban Air); *DFS Worldwide*; *Everex; Bahareh Mirza Hossein Yazdi*; *Farhad Ali Parvaresh*; **Petro Green**; Hossein Vaziri. For helping Iran's nuclear program: **Farhad Bujar**; **Zolal Iran Company**; **Andisheh Zolal Co**. For helping MODAFL: Reza Mozaffarinia

May 31, 2013

Bukovnya AE (Ukraine) for leasing aircraft to Iran Air.

December 12, 2013

Several Iranian firms and persons: **Eyvaz Technic Manufacturing Company**; The Exploration and Nuclear Raw Materials Company; **Maro Sanat Company**; Navid Composite Material Company; Negin Parto Khavar; Neka Novin officials **Iradj Mohammadi Kahvarin** and **Mahmoud Mohammadi Dayeni**; Neka Novin alisaes including Kia Nirou; Qods Aviation Industries (operated by IRGC, produces UAVs, paragliders, etc); Iran Aviation Industries Organization; Reza Amidi; Fan Pardazan; Ertebat Gostar Novin

February 6, 2014

Ali Canko (Turkey) and Tiva Sanat Group, for procuring IRGC-Navy fast boats; **Advance Electrical and Industrial Technologies** and **Pere Punti** (Spain), for procurement for Neka Novin; *Ulrich Wipperman* and Deutsche Forfait (Germany), and Deutsche Forfait Americas (U.S.) for facilitating oil deals for NIOC.

April 29, 2014

Karl Lee (aka Li Fangwei) and 8 China-based front companies: Sinotech Industry Co. Ltd.; MTTO Industry and Trade Limited; Success Move Ltd.; Sinotech Dalian Carbon and Graphite Manufacturing Corporation; Dalian Zhongchuang Char-White Co., Ltd.; Karat Industry Co., Ltd.; Dalian Zhenghua Maoyi Youxian Gongsi; and Tereal Industry and Trade Ltd.

August 29, 2014 (by both State and Treasury)

By State: **Organization of Defensive Innovation and Research** (nuclear esearch); Nuclear Science and Technology Research Institute (implements nuclear projects including heavy water reactor at Arak); **Jahan Tech Rooyan Pars**: and **Mandegar Baspar Kimiya Company** (latter two are involved in procuring carbon fiber for proscribed aspects of Iran's nuclear program).

By Treasury: **Mohammad Javad Imarad** and **Arman Imanirad** (for acting on behalf of Aluminat, which procures aluminum products for Iran's nuclear program*); Nefertiti Shipping* (IRISL's agent in Egypt); Sazeh Morakab (provides services to Shahid Hemat Industrial Group, SHIG, and Iran's Aircraft Manufacturing Industrial Co., HESA); Ali Gholami and Marzieh Bozorg (officials of Sazeh Morakab). SHIG aliases identified: Sahand Aluminum Parts Co and Ardalan Machineries Co.

January 17, 2016 (Ballistic Missile Program Entities)

Eleven entities involved in procurement on behalf of Iran's ballistic missile program: Mabrooka Trading Co LLC (UAE); Hossein Pournaghshband; Chen Mingfu; Anhui Land Group (Hong Kong); Candid General Trading; Rahim Reza Farghadani; Sayyed Javad Musavi; Seyed Mirahmad Nooshin; Sayyed Medhi Farahi (deputy director of the Ministry of Defense and Armed Forces Logistics); Seyed Mohammad Hashemi; Mehrdada Akhlaghi Ketabachi. According to the designations, Musavi (has worked with North Korean officials involved in that country's ballistic missile programs.

March 24, 2016 (Ballistic Missile Program)

Two Iranian entities subordinate to SHIG: Shahid Nuri Industries and Shahid Movahed Industries. Updating of prior IRGC Missile Command designation to include IRGC Al Ghadir Missile Command (specific IRGC element with operational control of Iran's missile program).

Iran-Related Entities Sanctioned Under Executive Order 13224 (Terrorism Entities)

July 25, 2007

Martyr's Foundation (Bonyad Shahid), a major Iranian foundation (bonyad)—for providing financial support to Hezbollah and PIJ; Goodwill Charitable Organization, a Martyr's Foundation office in Dearborn, Michigan; Al Qard Al Hassan—part of Hezbollah's financial infrastructure (and associated with previously designated Hezbollah entities Husayn al-Shami, Bayt al-Mal, and Yousser Company for Finance and Investment); Qasem Aliq—Hezbollah official, director of Martyr's Foundation Lebanon branch, and head of Jihad al-Bina, a previously designated Lebanese construction company run by Hezbollah; Ahmad al-Shami—financial liaison between Hezbollah in Lebanon and Martyf's Foundation chapter in Michigan

October 21, 2007

IRGC-Qods Force and Bank Saderat (allegedly used to funnel Iranian money to Hezbollah, Hamas, PIJ, and other Iranian supported terrorist groups)

January 16, 2009

Al Qaeda Operatives in Iran: Saad bin Laden; Mustafa Hamid; Muhammad Rab'a al-Bahtiyti; Alis Saleh Husain

August 3, 2010

Qods Force senior officers: Hushang Allahdad, Hossein Musavi,Hasan Mortezavi, and Mohammad Reza Zahedi; Iranian Committee for the Reconstruction of Lebanon, and its director Hesam Khoshnevis, for supporting Lebanese Hezbollah; Imam Khomeini Relief Committee Lebanon branch, and its director Ali Zuraik, for providing support to Hezbollah; Razi Musavi, a Syrian based Iranian official allegedly providing support to Hezbollah

December 21, 2010

Liner Transport Kish (for providing shipping services to transport weapons to Lebanese Hezbollah)

October 11, 2011 (For alleged plot against Saudi Ambassador to the U.S.):

Qasem Soleimani (Qods Force commander); Hamid Abdollahi (Qods force); Abdul Reza Shahlai (Qods Force); Ali Gholam Shakuri (Qods Force); Manssor Arbabsiar (alleged plotter)

October 12, 2011

Mahan Air (for transportation services to Qods Force)

February 16, 2012

Ministry of Intelligence and Security of Iran (MOIS)

March 27, 2012

Yas Air (successor to Pars Air); Behineh Air (Iranian trading company); Ali Abbas Usman Jega (Nigerian shipping agent); Qods Force officers: Esmail Ghani, Sayyid Ali Tabatabaei, and Hosein Aghajani

These entities and persons were sanctioned for weapons shipments to Syria and an October 2011 shipment bound for Gambia, intercepted in Nigeria.

November 8, 2012

Mohammad Minai, senior Qods Force member involved in Iraq; Karim Muhsin al-Ghanimi, leader of Kata'ib Hezbollah (KH) militia in Iraq; Sayiid Salah Hantush al-Maksusi, senior KH member; and Riyad Jasim al-Hamidawi, Iran based KH member

May 31, 2013

Ukraine-Mediterranean Airlines (Um Air, Ukraine) for helping Mahan Air and Iran Air conduct illicit activities; Rodrigue Elias Merhej (owner of Um Air); Kyrgyz Trans Avia (KTA, Kyrgyzstan) for leasing aircraft to Mahan Air; Lidia Kim, director of KTA; Sirjanco (UAE) for serving as a front for Mahan Air acquisition of aircraft; Hamid Arabnejad, managing director of Mahan Air.

February 6, 2014

Several persons/entities in UAE aiding Mahan Air (see above): Blue Sky Aviation FZE; Avia Trust FZE; Hamidreza Malekouti Pour; Pejman Mahmood Kosrayanifard; and Gholamreza Mahmoudi.

Several IRGC-Qods Force offices or facilitators involved in Iran's efforts in Afghanistan: Sayyed Kamal Musavi; Alireza Hemmati; Akbar Seyed Alhosseini; and Mahmud Afkhami Rashidi.

One Iran-based Al Qaeda facilitator (supporting movement of Al Qaeda affiliated fightes to Syria): Olimzhon Adkhamovich Sadikov (aka Jafar al-Uzbeki or Jafar Muidinov).

August 29, 2014

Meraj Air (for delivering weapons to Syria from Iran); Caspian Air (supports IRGC by transporting personnel and

weapons to Syria); Sayyed Jabar Hosseini (manager of Liner Transport Kish which IRGC uses to support terrorist activities outside Iran); Pioneer Logistics (Turkey, helps Mahan Air evade sanctions); Asian Aviation Logistics (Thailand, helps Mahan Air evade sanctions). Pouya Air designated as alias of Yas Air.

May 21, 2015

Al Naser Airlines (Iraq) for transferring nine aircraft to Mahan Air, which is a 13224 designee: Issam Shamout, a Syrian businessman, and his company Sky Blue Bird Aviation, for the same transaction.

March 24, 2016

Four U.K.-based and two UAE-based entities for supporting Mahan Air. U.K.: Jeffrey John James Ashfield; Aviation Capital Solutions; Aircraft, Avionics, Parts and Support Ltd (AAPS); John Edward Meadows (for acting on behalf of AAPS). UAE: Grandeur General Trading FZE and HSI Trading FZE.

Sanctions Imposed under the Iran Sanctions Act

Companies/Country	Date
Total SA (France); Gazprom (Russia); and Petronas (Malaysia)—$2 billion project to develop South Pars gas field. ISA violation determined but sanctions waived in line with U.S.-EU agreement for EU to cooperate on anti-terrorism and anti-proliferation issues and not file a complaint at the WTO. Then-Secretary of State Albright, in the May 18, 1998, waiver announcement indicated that similar future such projects by EU firms in Iran would not be sanctioned. (http://www.parstimes.com/law/albright_southpars.html).	May 18, 1998
Naftiran Intertrade Co. (NICO), Iran and Switzerland. Sanctioned for activities to develop Iran's energy sector. *Sanctions lifted under JCPOA.*	Sept. 30, 2010
Total (France); Statoil (Norway); ENI (Italy); and Royal Dutch Shell Exempted under ISA "special rule" for pledging to wind down work on Iran energy fields.	Sept. 30, 2010
Inpex (Japan) Exempted under the Special rule applied for divesting its remaining 10% stake in Azadegan oil field development.	Nov. 17, 2010
Belarusneft (Belarus, subsidiary of Belneftekhim) Sanctioned for $500 million contract with NICO (see above) to develop Jofeir oil field. Other subsidiaries of Belneftekhim were sanctioned in 2007 under E.O. 13405 (Belarus sanctions). *Sanctions not lifted under JCPOA.*	March 29, 2011
Petrochemical Commercial Company International (PCCI) of Bailiwick of Jersey and Iran; Royal Oyster Group (UAE); Tanker Pacific (Singapore); Allvale Maritime (Liberia); Societie Anonyme Monegasque Et Aerienne (SAMAMA, Monaco); Speedy Ship (UAE/Iran); Associated Shipbroking (Monaco); and Petroleos de Venezuela (PDVSA, Venezuela). Sanctioned under CISADA amendment to ISA imposing sanctions for selling gasoline to Iran or helping Iran import gasoline. Allvale Maritime and SAMAMA determinations were issued on September 13, 2011, to "clarify" the May 24 determinations that had named Ofer Brothers Group. The two, as well as Tanker Pacific, are affiliated with a Europe-based trust linked to deceased Ofer brother Sami Ofer, and not Ofer Brothers Group based in Israel. Firms named subjected primarily to the financial sanctions provided in ISA. U.S.-based subsidiaries of PDVSA, such as Citgo, were not sanctioned. *Sanctions lifted on these firms under JCPOA.*	May 24, 2011
Zhuhai Zhenrong Co. (China); Kuo Oil Pte Ltd. (Singapore); FAL Oil Co. (UAE) Sanctioned for brokering sales or making sales to Iran of gasoline. *Sanctions lifted under JCPOA.*	Jan. 12, 2012
Sytrol (Syria) Sanctioned for sales of gasoline to Iran. *Sanctions remain.*	Aug. 12, 2012
Dr. Dimitris Cambis; Impire Shipping; Kish Protection and Indemnity (Iran); and Bimeh Markasi-Central Insurance of Iran (CII, Iran) Sanctioned under ISA provision on owning vessels that transport Iranian oil or providing insurance for the shipments. Treasury sanctions also imposed on eight UAE-based oil traders that concealed the transactions. *Sanctions lifted under JCPOA.*	Mar. 14, 2013
Tanker Pacific; SAMAMA; and Allvale Maritime	April 12, 2013

Sanctions lifted. Special rule applied after "reliable assurances" they will not engage in similar activity in the future.	
Ferland Co. Ltd. (Cyprus and Ukraine) Sanctioned for cooperating with National Iranian Tanker Co. to illicitly sell Iranian crude oil. *Sanctions lifted under JCPOA*.	May 31, 2013
Dettin SPA Sanctioned. Italy-based company sanctioned for providing goods and services to Iran's petrochemical industry. *Sanctions lifted under JCPOA.*	August 29, 2014

Entities Sanctioned Under the Iran North Korea Syria Nonproliferation Act or Executive Order 12938 for Iran-Specific Violations

The designations are under the Iran, North Korea, Syria Nonproliferation Act (INKSNA) unless specified. These designations expire after two years, unless redesignated

Baltic State Technical University and Glavkosmos, both of Russia (Both "delisted" in 2010)	July 30, 1998
D. Mendeleyev University of Chemical Technology of Russia and Moscow Aviation Institute (Both removed on May 21, 2010)	January 8, 1999
Changgwang Sinyong Corp. (North Korea)	January 2, 2001
Changgwang Sinyong Corp. (North Korea) and Jiangsu Yongli Chemicals and Technology Import-Export (China)	June 14, 2001
Three entities from China	January 16, 2002
Armen Sargsian and Lizen Open Joint Stock Co. (Armenia); Cuanta SA and Mikhail Pavlovich Vladov (Moldova); and eight China entities	May 9, 2002
Norinco (China). For alleged missile technology sale to Iran.	May 2003
Taiwan Foreign Trade General Corporation (Taiwan)	July 4, 2003
Tula Instrument Design Bureau (Russia). For alleged sales of laser-guided artillery shells to Iran. (Also designated under Executive Order 12938)	September 17, 2003, removed May 21, 2010
13 entities sanctioned including companies from Russia, China, Belarus, Macedonia, North Korea, UAE, and Taiwan.	April 1, 2004
14 entities from China, North Korea, Belarus, India (two nuclear scientists, Dr. Surendar and Dr. Y.S.R. Prasad), Russia, Spain, and Ukraine.	September 23, 2004
14 entities, mostly from China, for supplying of Iran's missile program. Designations included North Korea's Changgwang Sinyong and China's Norinco and Great Wall Industry Corp, have been sanctioned several times previously. Others sanctioned included: North Korea's Paeksan Associated Corporation, and Taiwan's Ecoma Enterprise Co.	December 2004 and January 2005
9 entities, including those from China (Norinco, Hondu Aviation, Dalian Sunny Industries, Zibo Chemet Equipment); India (Sabero Organicx Chemicals and Sandhya Organic Chemicals); and Austria (Steyr Mannlicher Gmbh). Sanctions against Dr. Surendar of India (see September 29, 2004) were ended, presumably because of information exonerating him.	December 23, 2005
Two Indian chemical companies (Balaji Amines and Prachi Poly Products); two Russian firms (Rosobornexport and aircraft manufacturer Sukhoi); two North Korean entities (Korean Mining and Industrial Development, and Korea Pugang Trading); and one Cuban entity (Center for Genetic Engineering and Biotechnology).	July 28, 2006
Abu Hamadi (Iraq); Aerospace Logistics Services (Mexico); Al Zargaa Optical and Electronics (Sudan); Alexey Safonov (Russia); Arif Durrani (Pakistan)China National Aero Technology Import-Export (China); China National Electronic	December 28, 2006

Import Export (China); Defense Industries Org. (Iran); Giad Industrial Complex (Sudan); Iran Electronics Industry (Iran); Kal al-Zuhiry (Iraq); Kolomna Design Bureau of Machine Building (Russia); NAB Export Co. (Iran); Rosoboronexport (Russia); Sanam Industrial Group (Iran); Target Airfreight (Malaysia); Tula Design Bureau of Instrument Building (Russia); Yarmouk Industrial Complex (Sudan) Zibo Chemet Equipment Co. (China)	
Rosobornexport, Tula Design, and Komna Design Office of Machine Building, and Alexei Safonov (Russia); Zibo Chemical, China National Aerotechnology, and China National Electrical (China). Korean Mining and Industrial Development (North Korea) for WMD or advanced weapons sales to Iran (and Syria).	January 2007 (see below for Tula and Rosoboronexport removal)
14 entities, including Lebanese Hezbollah. Some were penalized for transactions with Syria. Among the new entities sanctioned for assisting Iran were Shanghai Non-Ferrous Metals Pudong Development Trade Company (China); Iran's Defense Industries Organization; Sokkia Company (Singapore); Challenger Corporation (Malaysia); Target Airfreight (Malaysia); Aerospace Logistics Services (Mexico); and Arif Durrani (Pakistani national).	April 17, 2007
China Xinshidai Co.; China Shipbuilding and Offshore International Corp.; Huazhong CNC (China); IRGC; Korea Mining Development Corp. (North Korea); Korea Taesong Trading Co. (NK); Yolin/Yullin Tech, Inc. (South Korea); Rosoboronexport (Russia sate arms export agency); Sudan Master Technology; Sudan Technical Center Co; Army Supply Bureau (Syria); R and M International FZCO (UAE); Venezuelan Military Industries Co. (CAVIM). (Rosoboronexport removed May 21, 2010.)	October 23, 2008.
BelTechExport (Belarus); Dalian Sunny Industries (China); Defense Industries Organization (Iran); Karl Lee; Shahid Bakeri Industries Group (SBIG); Shanghai Technical By-Products International (China); Zibo Chemet Equipment (China)	July 14, 2010
16 entities: Belarus: Belarusian Optical Mechanical Association; Beltech Export; China: Karl Lee; Dalian Sunny Industries; Dalian Zhongbang Chemical Industries Co.; Xian Junyun Electronic; Iran: Milad Jafari; DIO; IRISL; Qods Force; SAD Import-Export; SBIG; North Korea: Tangun Trading; Syria: Industrial Establishment of Defense; Scientific Studies and Research Center; Venezuela: CAVIM.	May 23, 2011
Belvneshpromservice (Belarus); Dalian Sunny Industries (China); Defense Industries Organization (Iran); Karl Lee (China); SAD Import-Export (Iran); Zibo Chemet Equipment Co. (Iran); F	December 20, 2011
Al Zargaa Engineering Complex (Sudan); BST Technology and Trade Co. (China); China Precision Machinery Import and Export Co. (China); Dalian Sunny Industries (China); Iran Electronics Industries (Iran); Karl Lee (China); Marine Industries Organization (Iran); Milad Jafari (Iran); Poly Technologies (China); Scientific and Industrial Republic Unitary Enterprise (Belarus); SMT Engineering (Sudan); TM Services Ltd. (Belarus); Venezuelan Military Industry Co. (CAVIM, Venezuela).	February 5, 2013 (these designations, and prior designations above, have expired)
Al Zargaa Engineering Complex (Sudan); Belvneshpromservice (Belarus); HSC Mic NPO Mashinostroyenia (Russia); Russian Aircraft Corporation (MiG); Giad Heavy Industries Complex (Sudan); Sudan Master Technologies (Sudan); Military Industrial Corps. (Sudan); Yarmouk Industrial Complex (Sudan); Venezuelan Military Industry Co. (CAVIM, Venezula)	December 19, 2014. Sanctions still active. Designations that applied to supplying only Syria not included
BST Technology and Trade Co. (China); Dalian Sunny Industries (China); Li Fang Wei (China); Tianjin Flourish Chemical Co. (China); Qods Force Commander Qasem Soleimani; IRGC; Rock Chemie (Iran); Polestar Trading Co. Ltd. (North Korean entity in China); RyonHap-2 (North Korea) Tula Instrument Design Bureau (Russia); Joint Stock Co. Katod (Russia); JSC Mic NPO Mashinostroyenia (Russia); Rosoboronexport (Russia) Russian Aircraft Corp. MiG (Russia); Sudanese Armed Forces (Sudan); Vega Aeronautics (Sudan); Yarmouk Complex (Sudan); Hezbollah; Eliya General Trading (UAE).	August 28. 2015. Sanctions still active. Designations that applied only to supplying Syria not included.
Entities Designated under the Iran-Iraq Arms Non-Proliferation Act (1992)	

(all designations have expired or were lifted)	
Mohammad al-Khatib (Jordan); Protech Consultants Private (India)	December 13, 2003
China Machinery and Electric Equipment Import and Export Corp. (China); China Machinery and Equipment Import-Export Co. (China); China National Machinery and Equipment Import-Export Co. (China); China Shipbuilding Trading Co. (China); CMEC Machinery (China); Hans Raj Shiv (India); Jiangsu Youngli Chemicals and Technology Import-Export Co. (China); Q.C. Chen (China); Wha Cheong Tai Co. Ltd. (China)	July 9, 2002

Entities Designated as Threats to Iraqi Stability under Executive Order 13438 (July 17, 2007)

January 8, 2008

Ahmad Forouzandeh. Commander of the Qods Force Ramazan Headquarters, accused of fomenting sectarian violence in Iraq and of organizing training in Iran for Iraqi Shiite militia fighters; Abu Mustafa al-Sheibani. Iran based leader of network that funnels Iranian arms to Shiite militias in Iraq; Isma'il al-Lami (Abu Dura). Shiite militia leader, breakaway from Sadr Mahdi Army, alleged to have committed mass kidnapings and planned assassination attempts against Iraqi Sunni politicians; Mishan al-Jabburi. Financier of Sunni insurgents, owner of pro-insurgent Al-Zawra television; Al Zawra Television Station.

September 16, 2008

Abdul Reza Shahlai, a deputy commander of the Qods Force; Akram Abbas Al Kabi, leader of Mahdi Army "Special Groups"; Harith Al Dari, Sunnis Islamist leader (Secretary General of the Muslim Scholars' Association; Ahmad Hassan Kaka Al Ubaydi, ex-Baathist leader of Sunni insurgents based in Iraq's Kirkuk Province; and three person/entities designated for operating Syria-based media that support Iraqi Sunni insurgents: Al Ray Satellite TV Channel, and Suraqiya for Media and Broadcasting, owned by Mish'an Al Jabburi (see above), and Raw'a Al Usta (wife of Al Jabburi.

July 2, 2009

Khata'ib Hezbollah (pro-Iranian Mahdi splinter group); Abu Mahdi al-Muhandis

Iranians Sanctioned Under September 29, 2010, Executive Order 13553 on Human Rights Abusers

September 29, 2010

1. IRGC Commander Mohammad Ali Jafari
2. Minister of Interior at time of June 2009 elections Sadeq Mahsouli
3. Minister of Intelligence at time of elections Qolam Hossein Mohseni-Ejei
4. Tehran Prosecutor General at time of elections Saeed Mortazavi
5. Minister of Intelligence Heydar Moslehi
6. Former Defense Minister Mostafa Mohammad Najjar
7. Deputy National Police Chief Ahmad Reza Radan
8. Basij (security militia) Commander at time of elections Hossein Taeb

February 23, 2011

9. Tehran Prosecutor General Abbas Dowlatabadi (appointed August 2009). Has indicted large numbers of Green movement protesters.

10. Basij forces commander (since October 2009) Mohammad Reza Naqdi (was head of Basij intelligence during post 2009 election crackdown)

June 9, 2011

11. Islamic Revolutionary Guard Corps (IRGC)
12. Basij Resistance Force
13. Law Enforcement Forces (LEF)
14. LEF Commander Ismail Ahmad Moghadam

February 16, 2012

15. Ministry of Intelligence and Security of Iran (MOIS)

May 30, 2013

16. Ashgar Mir-Hejazi for human rights abuses on/after June 12, 2009, and for providing material support to the IRGC and MOIS.

December 30, 2014

17. Abyssec, for training the IRGC in cyber tradecraft and supporting its development of offensive information operations capabilities

Iranians Sanctioned Under Executive Order 13572 (April 29, 2011) for Repression of the Syrian People

Revolutionary Guard—Qods Force	April 29, 2011
Qasem Soleimani (Qods Force Commander)	May 18, 2011
Mohsen Chizari (Commander of Qods Force operations and training)	Same as above

Iranian Entities Sanctioned Under Executive Order 13606 (GHRAVITY)

- Ministry of Intelligence and Security (MOIS); IRGC (Guard Cyber Defense Command); Law Enforcement Forces; Datak Telecom

Entities Sanctioned Under Executive Order 13608 Targeting Sanctions Evaders

- *Ferland Company Ltd*. for helping NITC deceptively sell Iranian crude oil

Designations on February 6, 2014 (persons or firms that facilitated deceptive transactions for or on behalf of persons subject to U.S. sanctions on Iran)

Three persons based in the Republic of Georgia: *Pourya Nayebi*, *Houshang Hosseinpour*, and *Houshang Farsoudeh*; and eight firms owned or controlled by the three: *Caucasus Energy* (Georgia); *Orchidea Gulf Trading* (UAE and/or Turkey); *Georgian Business Development* (Georgia and/or UAE); *Great Business Deals* (Georgia and/or UAE); *KSN Foundation* (Lichtenstein); *New York General Trading* (UAE); *New York Money Exchange* (UAE and/or Georgia); and *European Oil Traders* (Switzerland).

Entities Names as Iranian Government Entities Under Executive Order 13599

February 12, 2012

Central Bank of Iran (aka Bank Markazi)

July 12, 2012:

Petro Suisse Intertrade Company (Switzerland); *Hong Kong Intertrade Company* (Hong Kong); *Noor Energy* (Malaysia); *Petro Energy Intertrade* (Dubai, UAE) (all four named as front companies for NIOC, *Naftiran Intertrade Company, Ltd* (NICO), or NICO Sarl)

58 vessels of National Iranian Tanker Company (NITC)

20 banks: Ansar Bank; *Future Bank B.S.C*; *Post Bank of Iran*; *Dey Bank*; *Eghtesad Novin Bank*; *Hekmat Iranian Bank*; *Iran Zamin Bank; Islamic Regional Cooperation Bank*; Joint Iran-Venezuela Bank; *Karafarin Bank*; *Mehr Iran Credit Union Bank*; *Parsian Bank*; *Pasargad Bank*; *Saman Bank*; *Sarmayeh Bank*; *Tat Bank; Tosee Taavon Bank*; and *Tourism Bank.*

March 14, 2013:

Dimitris Cambis and several affiliated firms named in the Treasury Department press release.

May 9, 2013:

Sambouk Shipping FZC, which is tied to Dr. Dimitris Cambis and his network of front companies.

May 31, 2013:

Eight petrochemicals companies were designated as Iranian government entities, including *Bandar Imam*; *Bou Ali Sina*; *Mobin*; *Nouri*; *Pars; Shahid Tondgooyan*; *Shazand*; and *Tabriz.*

September 6, 2013:

Six individuals including *Seyed Nasser Mohammad Seyyedi*, director of Sima General Trading who is also associated with NIOC and NICO. The other 5 persons sanctioned manage firms associated with NIOC and NICO.

Four businesses used by Seyyedi to assist NIOC and NICO front companies. Three are based in UAE: *AA Energy FZCO*; *Petro Royal FZE*; and *KASB International LLC*. The other firm is *Swiss Management Services Sarl*

January 4, 2013

Execution of Imam's Order (EIKO) and 37 entities under its umbrella, designated for hiding assets on behalf of the government of Iran's leadership. Entities designated included: *Tosee Eqtesad Ayandehsazan Company* (TEACO); *Tadbir Economic Development Company* (Tadbir Group); *Rey Investment Company*; *Reyco GmbH*; *MCS International GmbH* (Mannesman Cylinder Systems); *MCS Engineering* (Efficient Provider Services GmbH); *Golden Resources Trading Company L.L.C.* (GRTC); *Cylinder System Ltd*. (Cilinder Sistem DDO); *One Vision Investments 5 (Pty) Ltd*.; *One Class Properties (Pty) Ltd.*

August 29, 2014

Five Iranian banks: *Khavarmianeh Bank, Ghavamin Bank*, *Gharzolhasaneh Bank, Kish International Bank*, and *Kafolatbank* (Tajikistan).

Entities Sanctioned Under Executive Order 13622 (For Oil and Petrochemical Purchases from Iran and Precious Metal Transactions with Iran)

May 31, 2013:

Jam Petrochemical Company (for purchasing petrochemical products from Iran); *Niksima Food and Beverage JLT* (for receiving payments on behalf of Jam Petrochemical)

August 29, 2014:

Asia Bank (for delivering from Moscow to Tehran of $13 million in U.S. bank notes paid to representatives of the Iranian government).

December 30, 2014

Five individuals and one company for helping Iran acquire U.S. banknotes: *Hossein Zeidi, Seyed Kamal Yasini*, *Azizullah Qulandary*, *Asadollah Seifi*, *Teymour Ameri*, and *Belfast General Trading*.

Anahita Nasirbeik—Asia Bank official (see above)

Entities Designated as Human Rights Abusers or Limiting Free Expression Under Executive Order 13628 (Executive Order pursuant to Iran Threat Reduction and Syria Human Rights Act)

November 8, 2012:

Ali Fazli, deputy commander of the Basij; Reza Taghipour, Minister of Communications and Information Technology; LEF Commander Moghaddam (see above); Center to Investigate Organized Crime (established by the IRGC to protect the government from cyberattacks; Press Supervisory Board, established in 1986 to issue licenses to publications and oversee news agencies; Ministry of Culture and Islamic Guidance; Rasool Jalili, active in assisting the government's Internet censorship activities; Anm Afzar Goster-e-Sharif, company owned by Jalili, above, to provide web monitoring and censorship gear; PekyAsa, another company owned by Jalili, to develop telecom software.

February 6, 2013:

- Islamic Republic of Iran Broadcasting (IRIB) and Ezzatollah Zarghami (director and head of IRIB); Iranian Cyber Police (filters websites and hacks email accounts of political activists); Communications Regulatory Authority (filters Internet content); Iran Electronics Industries (producer of electronic systems and products including those for jamming, eavesdropping

May 30, 2013:

Committee to Determine Instances of Criminal Content for engaging in censorship activities on/after June 12, 2009; Ofogh Saberin Engineering Development Company for providing services to the IRGC and Ministry of Communications to override Western satellite communications.

May 23, 2014:

Morteza Tamaddon for cutting mobile phone communications and harassing opposition leaders Mir Hosein Musavi and Mehdi Karrubi when Tamaddon was governor-general of Tehran Province in 2009.

December 30, 2014

Douran Software Technologies, for acting on behalf of the Committee to Determine Instances of Criminal Content (see above).

Entities Designated Pursuant to Executive Order 13645

December 12, 2012 (all for providing material support to NITC)

Mid Oil Asia (Singapore); *Singa Tankers* (Singapore); *Siqiriya Maritime* (Philippines); *Ferland Company Limited* (previously designated under other E.O.); *Vitaly Sokolenko* (general manager of Ferland)

April 29, 2014 (for connections to deceptive oil dealings for Iran)

Saeed Al Aqili (co-owner of Al Aqili Group LLC); *Al Aqili Group LLC*; *Anwar Kamal Nizami* (Dubai-based Pakistani

facilitator, manages bank relations for affilates of Al Aqili and Al Aqili Group. Also works for *Sima General Trading*, sanctioned under E.O. 13599)
August 29, 2014
Faylaca Petroleum (for obscuring the origin of Iranian sales of gas condensates); *Lissome Marine Services LLC* and six of its vessels (for supporting NITC with ship-to-ship transfers); *Abdelhak Kaddouri* (manages Iranian front comp;anies on behalf of NICO); *Mussafer Polat* (for obscuring origin of Iran's gas condensate sales); *Seyedeh Hanje Seyed Nasser Seyyedi* (managing director of Faylaca).

Note: For U.S. Executive Order designations, entities in italics denote entities that will be "de-listed" under the JCPOA.

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