

## Iran: Update on partial lifting of sanctions

### Sanctions on Iran lifted

On Implementation Day, 16 January 2016, the International Atomic Energy Agency confirmed that Iran had complied with its nuclear obligations in line with '*the Joint Comprehensive Plan of Action*' ('JCPOA'). As a result, certain EU and US nuclear related sanctions on Iran have been lifted.

#### What does this mean?

In return for Iran meeting its nuclear obligations, the majority of the EU imposed sanctions against Iran have been lifted; and US secondary sanctions have been lifted. US secondary sanctions were aimed at non-US persons with the intention of dissuading the international community from doing business with Iran.

Implementation Day represents, for many, huge progress towards an 'opening up' of Iran and the potential for a wealth of opportunity in the shipping, oil, and gas sectors. Below, we take a closer look at the recent developments and some of the challenges that still remain.

#### EU Sanctions

Implementation Day means that, in general terms, there is no barrier in principle to UK, European and non-US persons re-engaging with Iran. However, some EU restrictive measures will still remain in place. These relate largely to military goods; weapons; and, items that might be used for internal repression. Further, some entities and individuals do still remain listed.

[EU Guidance on lifting of sanctions](#)

#### US Sanctions

It is important to note that the US primary sanctions, directed at US persons and entities, will remain in place. Subject to certain exceptions, US persons and entities continue to be prohibited from doing business with Iran. In addition, US Dollar transactions with Iran will still be prohibited and some entities will still be listed as Specially Designated Nationals.

[US Guidance related to the lifting of sanctions](#)

[FAQs related to the lifting of US sanctions](#)

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## **Continued need for caution in dealings with Iran**

As noted above, US primary sanctions remain in full force thereby preventing US entities including banks, insurers, and reinsurers from dealing with Iran. Further, certain persons and entities remain subject to EU restrictions and/or they remain designated. Therefore, we urge Members to continue exercising their own due diligence with regard to any dealings with Iran.

For those keen to re-engage with Iran, it is also important to recognise that the JCPOA includes certain 'snap back' provisions which mean that, if there is significant 'non-performance' by Iran, of nuclear related commitments the EU and the USA may re-introduce the sanctions lifted.

## **Club cover**

We refer Members to our circular dated 19 January 2016 '[Lifting of certain sanctions under the Joint Comprehensive Plan of Action \(JCPOA\)](#)'. Members will note that the continuation of US primary sanctions may impact upon sums recoverable from the Association. Members should also be aware that there are likely to be continued practical banking difficulties when processing any claims payments related to Iran.