

# First Set of U.S. Secondary Sanctions on Iran Snap Back on August 7, EU Blocking Statute Comes Into Force

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Tomorrow the United States will re-impose a set of secondary sanctions on Iran as the newly amended EU blocking statute comes into force.

Following the [U.S. withdrawal](#) from the multilateral Iran nuclear deal (the Joint Comprehensive Plan of Action or JCPOA), the United States is set to re-impose a raft of secondary sanctions targeting Iran. The secondary sanctions are designed to penalize non-U.S. companies for conducting certain types of business involving Iran, even in cases where that activity occurs wholly outside of U.S. commerce. Pursuant to prior announcements and a [new Executive Order](#), tomorrow the United States will have the authority to sanction non-U.S. companies that engage in the following types of activity with Iran:

- The purchase or acquisition of U.S. dollar bank notes by entities owned or controlled by the Government of Iran;
- Trade in gold or precious metals;
- The direct or indirect sale, supply, or transfer to or from Iran of certain materials, including graphite, raw and semi-finished metals (such as aluminum, steel, and coal), and certain software for integrating industrial processes;
- Significant transactions related to the Iranian rial;
- The purchase of, subscription to, or facilitation of the issuance of Iranian sovereign debt; and
- The sale or supply of significant goods or services related to the Iranian automotive sector, including the manufacture and assembly of light and heavy vehicles, the manufacture of aftermarket parts, and the provision of auto kits or “knock-down kits.”

U.S. primary sanctions on Iran will also prohibit the import of Iranian-origin carpets and foodstuffs and transactions previously authorized pursuant to specific licenses regarding commercial aircraft in Iran. Broader secondary and primary sanctions will come into force in November.

To match the re-imposition of secondary sanctions on Iran, the EU’s [newly amended blocking statute](#) will also come into force tomorrow, which will broadly bar EU companies from complying with the extraterritorial aspects of U.S. sanctions on Iran. Companies operating in the EU are generally more concerned about U.S. sanctions risks than the blocking statute’s prohibitions, but the new EU rules could set up challenging conflict of law scenarios from companies doing business in the EU should member states choose to enforce the statute.