

# Trump Waives Secondary Sanctions on Iran, But Vows Not to do so Again Without Changes to the JCPOA

January 17, 2018

Last week the President begrudgingly extended waivers continuing to lift U.S. “secondary sanctions” on Iran. But the President also insisted that he will not issue further extensions without a renegotiation of certain aspects of the joint nuclear deal with Iran ([the Joint Comprehensive Plan of Action](#) or JCPOA), throwing the future of the deal and U.S. Iran policy further into doubt.

Before the JCPOA, the United States maintained a variety of so-called “secondary” sanctions on Iran, allowing the United States to penalize non-U.S. financial institutions and non-U.S. companies that engaged in certain transactions related to Iran, including those linked to the Iranian energy and petrochemical industry, the banking and finance sector, shipping, the automotive sector, and precious metals, among others. The secondary sanctions were purely extraterritorial in nature – they sought to dissuade non-U.S. companies acting wholly outside the United States from engaging in significant transactions with Iran. Under the JCPOA, the United States committed to lifting most secondary sanctions, which requires the President to issue periodic waivers of the sanctions.

In a strongly-worded [statement released on Friday](#), the President vowed not to issue future waivers unless Europe and the United States can renegotiate certain aspects of the Iran deal and secure a new “supplemental” agreement. Such a renegotiation would be a politically fraught exercise for all sides (European countries have [resisted the idea of revisiting the JCPOA](#)) and could result in the United States unilaterally leaving the JCPOA. Given the political uncertainty in Washington DC and resistance among key allies, is not clear whether the administration will actually follow through on the threats made last week or whether secondary or other U.S. sanctions will ultimately be re-imposed on Iran. Given the political uncertainty, non-U.S. companies, including foreign subsidiaries of U.S. companies, should continue to carefully monitor this issue and consider how the re-imposition or “snap back” of secondary or other U.S. sanctions may impact their operations.

The next waiver is due by May 12, 2018, which does not leave much time to conduct the negotiations demanded by the President, even if other JCPOA signatories were willing to start discussions immediately.