

U.S. Sanctions on Iran Have Been Fully Re-imposed

November 5, 2018

Today the U.S. Office of Foreign Assets Control (OFAC) [amended](#) the Iranian Transactions and Sanctions Regulations (ITSR, 31 C.F.R. [Part 560](#)) to fully re-impose U.S. sanctions on Iran following a wind down period that expired yesterday, November 4, 2018. OFAC also issued [new FAQs](#) for foreign affiliates of U.S. companies and non-U.S. companies.

Foreign affiliates of U.S. companies are now generally prohibited from engaging in transactions directly or indirectly involving Iran, Iranian companies or persons, or Iranian-origin goods, unless a general license or exemption applies. U.S.-owned or -controlled affiliates require a license from OFAC before accepting payments for authorized Iran-related business that occurred during the wind down period leading up to November 4th. OFAC will review such requests on a case-by-case basis.

Non-U.S. companies face increased secondary sanctions risk for certain business involving Iran, as U.S. secondary sanctions on Iran have been fully re-imposed, including those with respect to: Iran's purchase of U.S. dollar banknotes; the provision of graphite and raw or semi-finished metals, including steel and aluminum; certain transactions in the Iranian rial; Iranian sovereign debt; the automotive sector; shipping; petroleum, petroleum products, and petrochemical products; crude oil exports; certain Iranian financial institutions; financial messaging services; insurance services; and the energy sector.

Today [OFAC also sanctioned](#) over 700 Iranian individuals, entities, aircraft, and vessels associated with the Government of Iran, including state-owned enterprises, by designating the parties as Specially Designated Nationals (SDNs). Non-U.S. companies that conduct "significant" transactions with the newly listed parties face the threat of substantial U.S. secondary sanctions, unless an exception applies (such as those related to humanitarian transactions). Before the re-imposition of sanctions, these parties appeared on the less-restrictive E.O. 13599 List, which generally allowed foreign affiliates of U.S. companies to conduct commercial transactions with the parties under OFAC General License H. Now that the parties have been moved back to the SDN List, foreign affiliates of U.S. companies must ensure that these parties' property and interests in property are not transferred, paid, exported, withdrawn, or otherwise dealt in. These steps may include, for example, foreign affiliates of U.S. companies moving funds owed to such parties to restricted escrow accounts outside of the United States, among other measures. Foreign affiliates of U.S. companies should consult with legal counsel familiar with U.S. sanctions rules on the appropriate steps to secure the property and interests in property of the newly designated parties.