

## U.S. stays the course on re-imposing Iran sanctions

2 July 2018

In furtherance of President Trump's 8 May 2018 announcement that the United States would withdraw from the Iran nuclear deal—the Joint Comprehensive Plan of Action (JCPOA)—on 27 June 2018, the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) [amended the Iranian Transactions and Sanctions Regulations \(ITSR\)](#) and revoked General Licenses [\(GL\) H](#) and [GL I](#). In [Frequently Asked Questions \(FAQs\)](#) issued in conjunction with the President's announcement, OFAC indicated that GLs H and I, as well as the general licenses related to the import of Iranian-origin carpets and foodstuffs, would be revoked "as soon as administratively feasible" and replaced with narrowly-scoped wind-down licenses. As of 27 June, that process is now complete: companies have a limited period of time to wind down transactions previously authorized under GL H and GL I pursuant to the new wind-down licenses and may no longer rely on GLs H or I, or those related to Iranian-origin carpets and foodstuffs, to engage in new transactions with Iran.

### **The 27 June OFAC action consisted of the following:**

- Termination of GL H, which previously permitted foreign subsidiaries of U.S. companies to engage in certain transactions with Iran. OFAC amended the ITSR to add 31 C.F.R. § 560.537 to authorize, through 4 November 2018, all transactions and activities that are ordinarily incident and necessary to the wind down of transactions that were previously authorized under GL H.
- Termination of GL I, which previously permitted certain activities involving the civil aviation sector. OFAC amended the ITSR to add 31 C.F.R. § 560.536 to authorize, through 6 August 2018, all transactions and activities that are ordinarily incident and necessary to the wind down of transactions related to the negotiation of contingent contracts for activities that were, at the time of negotiation, eligible for authorization under the JCPOA Statement of Licensing Policy for Activities Related to the Export or Re-export to Iran of Commercial Passenger Aircraft and Related Parts and Services (SLP). This wind-down authorization enables U.S. persons, through 6 August 2018, to wind down activities that were previously authorized under GL I.
- Amendment of the ITSR to narrow the scope of the GLs related to certain Iranian-origin foodstuffs and carpets and related letters of credit and brokering services (available at 31 C.F.R. §§ 560.534 and 560.535, respectively). Under the revised GLs, OFAC authorized, through 6 August 2018, the wind down of transactions related to the importation into the U.S. of, and dealings in, certain Iranian-origin foodstuffs and carpets. The amended regulations authorize U.S. persons to engage in transactions and activities that are ordinarily incident and necessary to the wind down of transactions that were previously

authorized under 31 C.F.R. § 560.534. OFAC also amended the ITSR to authorize, through 6 August 2018, the wind down of transactions related to letters of credit and brokering services relating to certain Iranian-origin foodstuffs and carpets.

In connection with these amendments to the ITSR, OFAC also updated [FAQs 4.3 and 4.4](#) related to the revocation of GLs H and I, as well as [FAQ 4.5](#), which relates to the scope of the Iranian-origin carpets and foodstuffs GLs.

As noted above, these actions were previewed in OFAC's 8 May 2018 public guidance following President Trump's National Security Presidential Memorandum related to the U.S. withdrawal from the JCPOA. In that guidance, OFAC also announced the re-imposition of other primary and secondary sanctions that will take effect on 6 August 2018 and 4 November 2018, respectively. For more information, please refer to our publication on OFAC's 8 May 2018 guidance, available [here](#).

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We will continue to monitor this space closely and provide updates as events warrant.

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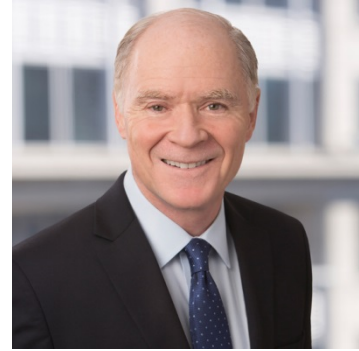
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