

ECONOMIC SANCTIONS UPDATE: IRAN



Temporary Suspension of European Union Sanctions Against Iran

January 21, 2014

Introduction

The United States and the European Union have taken action to temporarily suspend certain economic sanctions against Iran as part of the implementation of the Joint Plan of Action Reached (the “JPOA”) on November 24, 2013 between The P5+1 and The Islamic Republic of Iran. Following International Atomic Energy Agency (IAEA) verification and confirmation that Iran is implementing its initial commitments under the JPOA, the United States and the European Union have begun to take the steps required to implement the JPOA by providing limited sanctions relief. The European Union actions are very similar to the steps taken by the United States to suspend sanctions. *See, Eren Lawyers - Economic Sanctions Update, January 21, 2014.*

The EU Decision and Regulation to suspend sanctions were published yesterday which provide for the implementation of the EU sanctions suspension/relief commitments under JPOA. The Decision and Regulation are attached to this Update.

A Brief Summary of the EU Iran Sanctions That Have Been Suspended

Briefly, the following sanctions have been suspended for six months (the “JPAO Period”):

1. the ban on transporting (but not the bans on purchasing or importing) Iranian crude oil is suspended for six months;
2. the ban on insuring and reinsuring the import, purchase and transport of Iranian crude oil is suspended for six months;
3. the bans on importing, purchasing and transporting Iranian petrochemical products (and the bans on related insurance and reinsurance) are suspended for six months in respect of all petrochemical products;
4. the bans relating to gold and precious metals (but not diamonds) are suspended for six months;
5. the Iranian Ministry of Petroleum will have access to funds to pay under contracts for petrochemical products for six months;
6. the ban on supplying vessels for transporting or storing oil and petrochemical products shall be suspended for six months; and
7. the financial thresholds for some payments (involving non-prohibited persons) are increased, meaning that some payments which previously needed to be authorized will only need to be notified and some smaller payments (up to EUR 100k and EUR 400k depending on whether an Iranian bank is involved) will no longer need to be notified.

Attachments

Questions and Guidance

For more information or questions regarding the subjects covered in this *Economic Sanctions Update*, please contact:

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The Eren Law Firm is an economic sanctions boutique. Its other core areas of concentration and practice include corporate transactions, and international dispute resolution, anti-money laundering, and international trade regulation. The Firm's clients from around the world include banks and financial institutions; insurance, reinsurance and other financial services companies; natural resource extraction companies, industrial companies, marine and air transportation companies, shipowners; sovereign governments; foreign state enterprises; and individuals.

Mr. Eren and Mr. Pinter of the Firm served at the U.S. Treasury's Office of Foreign Assets Control (OFAC), the U.S. government agency that administers and enforces U.S. economic sanctions, for a combined 25 years prior to entering private law practice, respectively 12 and 11 years ago, and since this time, they have devoted and continue to devote most of their time in private practice to economic sanctions issues and matters. Ms. Barbara Maucher of the firm advises on EU sanctions issues and matters.

At OFAC, Mr. Eren's portfolio consisted primarily of various sanctions matters involving Iran. While at OFAC, Mr. Pinter was a member of the U.S. Government team, representing the U.S. Treasury Department, which traveled to Hanoi in 1993, to negotiate the settlement of bilateral property claims between the United States and Vietnam, including the unblocking and release of blocked Vietnamese assets and the claims of third parties against Vietnam, which led to the lifting of the sanctions in February 1994. He was also a member of a team which negotiated with the government of Cambodia regarding similar issues affecting the release of blocked assets to that country, and the compensation of private parties who sustained losses due to actions for which that government was held responsible.

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