Congressional Research Service
Informing the legislative debate since 1914

Iran Sanctions

Updated February 4, 2019

Congressional Research Service
https://crsreports.congress.gov
RS20871

CRS REPORT
Prepared for Members and
Committees of Congress

Summary

U.S. sanctions have been used extensively by successive Administrations to try to change Iran's behavior. Sanctions had a substantial effect on Iran's economy and on some major strategic decisions, but little or no effect on Iran's regional malign activities. During 2012-2015, when the global community was relatively united in pressuring Iran, Iran's economy shrank as its crude oil exports fell by more than 50%, and Iran had limited ability to utilize its $120 billion in assets held abroad. The 2015 multilateral nuclear accord (Joint Comprehensive Plan of Action, or JCPOA) provided Iran broad relief from the international and U.S. secondary sanctions as the Obama Administration waived relevant sanctions, revoked relevant executive orders (E.O.s), and corresponding U.N. and EU sanctions were lifted. Remaining in place were a general ban on U.S. trade with Iran and sanctions imposed on Iran's support for regional governments and armed factions, its human rights abuses, its efforts to acquire missile and advanced conventional weapons capabilities, and the Islamic Revolutionary Guard Corps (IRGC).

Under U.N. Security Council Resolution 2231, nonbinding U.N. restrictions on Iran's development of nuclear-capable ballistic missiles and a binding ban on its importation or exportation of arms remain in place for several years. Iran has defied the Resolution by continuing long-standing support for regional armed factions and development of ballistic missiles. Iran was able to pursue these policies even when strict international economic sanctions imposed significant harm to its economy during 2010-2015.

JCPOA sanctions relief enabled Iran to increase its oil exports to nearly presanctions levels, regain access to foreign exchange reserve funds and reintegrate into the international financial system, achieve about 7% yearly economic growth, attract foreign investments in key sectors, and buy new passenger aircraft. The sanctions relief contributed to Iranian President Hassan Rouhani's reelection in the May 19, 2017, vote. Yet, the economic rebound did not prevent sporadic unrest that has erupted since December 2017.

On May 8, 2018, President Trump announced that the United States would no longer participate in the JCPOA and that all U.S. secondary sanctions would be reimposed after a maximum "wind-down period" of 180 days (ending November 4, 2018). The reimposition of U.S. sanctions is harming Iran's economy as major companies exit the Iranian economy rather than risk being penalized by the United States. Iran's oil exports have decreased significantly, the value of Iran's currency has sharply declined, and economic-based unrest has continued, although not to the point where the regime is threatened. But it remains uncertain how extensively Iran's economy will be damaged, because the European Union and other countries are trying to keep the economic benefits of the JCPOA flowing to Iran in order to persuade Iran to remain in the JCPOA. To that end, in January 2019 the European countries created a trading mechanism (Special Purpose Vehicle) that presumably can increase trade with Iran by circumventing U.S. secondary sanctions. On November 5, 2018, the Administration granted six-month exceptions to eight countries that the Administration asserts significantly reduced oil imports from Iran—including to China and India even though the two countries combined continued to import over 1 million barrels per day of Iranian crude oil in October. The economic difficulties have prompted Iranian hardliners to urge reconsideration of Iran's continued adherence to the JCPOA.

See also CRS Report R43333, *Iran Nuclear Agreement and U.S. Exit*, by Paul K. Kerr and Kenneth Katzman; and CRS Report R43311, *Iran: U.S. Economic Sanctions and the Authority to Lift Restrictions*, by Dianne E. Rennack.

Contents

Overview and Objectives 1
Blocked Iranian Property and Assets 1
Executive Order 13599 Impounding Iran-Owned Assets 3
Sanctions for Iran's Support for Terrorism and Regional Activities 4
Sanctions Triggered by Terrorism List Designation 4
Exception for U.S. Humanitarian Aid 5
Sanctions on States "Not Cooperating" Against Terrorism 6
Executive Order 13224 Sanctioning Terrorism-Supporting Entities 6
Use of the Order to Target Iranian Arms Exports 6
Application to the Revolutionary Guard by the Countering America's Adversaries through Sanctions Act (CAATSA, P.L. 115-44) 6
Implementation 6
Sanctions on Iran's Malign Regional Activities 6
Ban on U.S. Trade and Investment with Iran 7
JCPOA-Related Easing and Reversal 8
What U.S.-Iran Trade Is Allowed or Prohibited? 8
Application to Foreign Subsidiaries of U.S. Firms 11
Sanctions on Iran's Energy Sector 11
The Iran Sanctions Act (and Triggers added by other Laws) 12
Key Sanctions "Triggers" Under ISA 12
Mandate and Time Frame to Investigate ISA Violations 16
Interpretations of ISA and Related Laws 18
Implementation of Energy-Related Iran Sanctions 19
Iran Oil Export Reduction Sanctions: Section 1245 of the FY2012 NDAA Sanctioning Transactions with Iran's Central Bank 21
Implementation 22
Iran Foreign Bank Account "Restriction" Provision 23
Sanctions on Weapons of Mass Destruction, Missiles, and Conventional Arms Transfers 24
Iran-Iraq Arms Nonproliferation Act and Iraq Sanctions Act 24
Banning Aid to Countries that Aid or Arm Terrorism List States: Anti-Terrorism and Effective Death Penalty Act of 1996 26
Proliferation-Related Provision of the Iran Sanctions Act 26
Iran-North Korea-Syria Nonproliferation Act 26
Executive Order 13382 on Proliferation-Supporting Entities 27
Arms Transfer and Missile Sanctions: The Countering America's Adversaries through Sanctions Act (CAATSA, P.L. 115-44) 27
Foreign Aid Restrictions for Named Suppliers of Iran 28
Sanctions on "Countries of Diversion Concern" 29
Financial/Banking Sanctions 29
Targeted Financial Measures 29
Ban on Iranian Access to the U.S. Financial System/Use of Dollars 30
Recent Developments 30
Punishments/Fines Implemented against Some Banks. 30
CISADA: Sanctioning Foreign Banks That Conduct Transactions with Sanctioned Iranian Entities 31

Implementation of Section 104: Sanctions Imposed ... 32
Iran Designated a Money-Laundering Jurisdiction/FATF ... 32
Use of the SWIFT System ... 33
Cross-Cutting Secondary Sanctions: The Iran Freedom and Counter-Proliferation Act (IFCA) ... 33
Implementation ... 34
Executive Order 13608 on Sanctions Evasion ... 35
Sanctions on Iran's Cyber and Transnational Criminal Activities ... 35
Executive Order 13694 (April 1, 2015) ... 35
Executive Order 13581 (July 25, 2011) ... 35
Implementation ... 35
Divestment/State-Level Sanctions ... 36
Sanctions and Sanctions Exemptions to Support Democratic Change/Civil Society in Iran ... 36
Expanding Internet and Communications Freedoms ... 36
Countering Censorship of the Internet: CISADA, E.O. 13606, and E.O. 13628 ... 37
Laws and Actions to Promote Internet Communications by Iranians ... 37
Measures to Sanction Human Rights Abuses and Promote the Opposition ... 38
U.N. Sanctions ... 39
Resolution 2231 and U.N. Sanctions Eased ... 40
Sanctions Application under Nuclear Agreements ... 42
Sanctions Eased by the JPA ... 42
Sanctions Easing under the JCPOA and U.S. Reimposition ... 42
U.S. Laws Waived and Executive Orders Terminated, and Reimposition ... 43
U.S. Sanctions that Remained in Place during JCPOA ... 44
International Implementation and Compliance ... 46
European Union (EU) ... 46
U.S. JCPOA Exit-Driven Divestment ... 47
European Countereffortts/Special Purpose Vehicle/INSTEX ... 48
EU Antiterrorism and Antiproliferation Actions ... 49
SWIFT Electronic Payments System ... 49
China and Russia ... 49
Russia ... 50
China ... 50
Japan/Korean Peninsula/Other East Asia ... 51
North Korea ... 52
Taiwan ... 52
South Asia ... 53
India ... 53
Pakistan ... 54
Turkey/South Caucasus ... 54
Turkey ... 54
Caucasus and Caspian Sea ... 55
Persian Gulf States and Iraq ... 55
Iraq ... 56
Syria and Lebanon ... 57
Africa and Latin America ... 57
World Bank and WTO ... 57
WTO Accession ... 58

Effectiveness of Sanctions on Iranian Behavior 61
Effect on Iran's Nuclear Program and Strategic Capabilities 61
Effects on Iran's Regional Influence 62
Political Effects 63
Economic Effects 63
Iran's Economic Coping Strategies 66
Effect on Energy Sector Long-Term Development 67
Effect on Gasoline Availability and Importation 72
Human Rights-Related Effects 72
Humanitarian Effects 72
Air Safety 73
Post-JCPOA Sanctions Legislation 74
Key Legislation in the 114th Congress 74
Iran Nuclear Agreement Review Act (P.L. 114-17) 74
Visa Restriction 75
Iran Sanctions Act Extension 75
Reporting Requirement on Iran Missile Launches 75
Other 114th Congress Legislation 76
The Trump Administration and Major Iran Sanctions Legislation 77
The Countering America's Adversaries through Sanctions Act of 2017 (CAATSA, P.L. 115-44) 77
Other Legislation in the 115th Congress 78
116th Congress 79
Other Possible U.S. and International Sanctions 79

Tables

Table 1. Iran Crude Oil Sales 24
Table 2. Summary of Provisions of U.N. Resolutions on Iran Nuclear Program (1737, 1747, 1803, 1929, and 2231) 41
Table 3. Comparison Between U.S., U.N., and EU and Allied Country Sanctions (Prior to Implementation Day) 58
Table 4. Post-1999 Major Investments in Iran's Energy Sector 68
Table 5. Entities Sanctioned Under U.N. Resolutions and U.S. Laws and Executive Orders 80

Contacts

Author Information 94
Acknowledgments 95

Overview and Objectives

Sanctions have been a significant component of U.S. Iran policy since Iran's 1979 Islamic Revolution that toppled the Shah of Iran, a U.S. ally. In the 1980s and 1990s, U.S. sanctions were intended to try to compel Iran to cease supporting acts of terrorism and to limit Iran's strategic power in the Middle East more generally. After the mid-2000s, U.S. and international sanctions focused largely on ensuring that Iran's nuclear program is for purely civilian uses. During 2010-2015, the international community cooperated closely with a U.S.-led and U.N.-authorized sanctions regime in pursuit of the goal of persuading Iran to agree to limits to its nuclear program. Still, sanctions against Iran have multiple objectives and address multiple perceived threats from Iran simultaneously.

This report analyzes U.S. and international sanctions against Iran. CRS has no way to independently corroborate whether any individual or other entity might be in violation of U.S. or international sanctions against Iran. The report tracks "implementation" of the various U.S. laws and Executive Orders as designations and imposition of sanctions. Some sanctions require the blocking of U.S.-based property of sanctioned entities. CRS has not obtained information from the executive branch indicating that such property has been blocked, and it is possible that sanctioned entities do not have any U.S. assets that could be blocked.

The sections below are grouped by function, in the chronological order in which these themes have emerged.[1]

Blocked Iranian Property and Assets

Post-JCPOA Status: Iranian Assets Still Frozen, but Some Issues Resolved

U.S. sanctions on Iran were first imposed during the U.S.-Iran hostage crisis of 1979-1981, in the form of executive orders issued by President Jimmy Carter blocking nearly all Iranian assets held in the United States. These included E.O. 12170 of November 14, 1979, blocking all Iranian government property in the United States, and E.O 12205 (April 7, 1980) and E.O. 12211 (April 17, 1980) banning virtually all U.S. trade with Iran. The latter two Orders were issued just prior to the failed April 24-25, 1980, U.S. effort to rescue the U.S. Embassy hostages held by Iran. President Jimmy Carter also broke diplomatic relations with Iran on April 7, 1980. The trade-related Orders (12205 and 12211) were revoked by Executive Order 12282 of January 19, 1981, following the "Algiers Accords" that resolved the U.S.-Iran hostage crisis. Iranian assets still frozen are analyzed below.

U.S.-Iran Claims Tribunal

The Accords established a "U.S.-Iran Claims Tribunal" at the Hague that continues to arbitrate cases resulting from the 1980 break in relations and freezing of some of Iran's assets. All of the 4,700 private U.S. claims against Iran were resolved in the first 20 years of the Tribunal, resulting in $2.5 billion in awards to U.S. nationals and firms.

[1] On November 13, 2012, the Administration published in the *Federal Register* (Volume 77, Number 219) "Policy Guidance" explaining how it implements many of the sanctions, and in particular defining what products and chemicals constitute "petroleum," "petroleum products," and "petrochemical products" that are used in the laws and executive orders discussed below. See http://www.gpo.gov/fdsys/pkg/FR-2012-11-13/pdf/2012-27642.pdf.

The major government-to-government cases involved Iranian claims for compensation for hundreds of foreign military sales (FMS) cases that were halted in concert with the rift in U.S.-Iran relations when the Shah's government fell in 1979. In 1991, the George H. W. Bush Administration paid $278 million from the Treasury Department Judgment Fund to settle FMS cases involving weapons Iran had received but which were in the United States undergoing repair and impounded when the Shah fell.

On January 17, 2016, the day after Implementation Day of the JCPOA, the United States announced it had settled with Iran for FMS cases involving weaponry the Shah was paying for (funds deposited into a DOD-managed "Iran FMS Trust Fund") but that was not completed and delivered to Iran when the Shah fell. The Trust Fund had a balance after 1990—the year $200 million was paid to Iran to settle some FMS cases—of about $400 million. Under the 2016 settlement, the United States sent Iran the $400 million balance in Trust Fund plus $1.3 billion in accrued interest, paid from the Department of the Treasury's "Judgment Fund." In order not to violate U.S. regulations barring direct U.S. dollar transfers to Iranian banks, the funds were remitted to Iran in late January and early February 2016 in foreign hard currency from the central banks of the Netherlands and of Switzerland. Some remaining claims involving the FMS program with Iran remain under arbitration at the Tribunal.

Other Iranian Assets Frozen

Iranian assets in the United States are blocked under several provisions, including Executive Order 13599 of February 2010. The United States did not unblock any of these assets as a consequence of the JCPOA.

- About $1.9 billion in blocked Iranian assets are bonds belonging to Iran's Central Bank, frozen in a Citibank account in New York belonging to Clearstream, a Luxembourg-based securities firm, in 2008. The funds were blocked on the grounds that Clearstream had improperly allowed those funds to access the U.S. financial system. Another $1.67 billion in principal and interest payments on that account were moved to Luxembourg and are not blocked.
- About $50 million of Iran's assets frozen in the United States consists of Iranian diplomatic property and accounts, including the former Iranian embassy in Washington, DC, and 10 other properties in several states, and related accounts.[2]
- Among other frozen Iranian assets are real estate holdings of the Assa Company, a UK-chartered entity, which allegedly was maintaining the interests of Iran's Bank Melli in a 36-story office building in New York City and several other properties around the United States (in Texas, California, Virginia, Maryland, and other parts of New York City). An Iranian foundation, the Alavi Foundation, allegedly is an investor in the properties. The U.S. Attorney for the Southern District of New York blocked these properties in 2009. The Department of the Treasury report avoids valuing real estate holdings, but public sources assess these blocked real estate assets at nearly $1 billion. In June 2017, litigation won the U.S. government control over the New York City office building.

Use of Iranian Assets to Compensate U.S. Victims of Iranian Terrorism

There are a total of about $46 billion in court awards that have been made to victims of Iranian terrorism. These include the families of the 241 U.S. soldiers killed in the October 23, 1983,

[2] http://www.treasury.gov/resource-center/sanctions/Documents/tar2010.pdf.

bombing of the U.S. Marine barracks in Beirut. U.S. funds equivalent to the $400 million balance in the DOD account (see above) have been used to pay a small portion of these judgments. The Algiers Accords apparently precluded compensation for the 52 U.S. diplomats held hostage by Iran from November 1979 until January 1981. The FY2016 Consolidated Appropriation (Section 404 of P.L. 114-113) set up a mechanism for paying damages to the U.S. embassy hostages and other victims of state-sponsored terrorism using settlement payments paid by various banks for concealing Iran-related transactions, and proceeds from other Iranian frozen assets.

In April 2016, the U.S. Supreme Court determined the Central Bank assets, discussed above, could be used to pay the terrorism judgments, and the proceeds from the sale of the frozen real estate assets mentioned above will likely be distributed to victims of Iranian terrorism as well.[3] On the other hand, in March 2018, the U.S. Supreme Court ruled that U.S. victims of an Iran-sponsored terrorist attack could not seize a collection of Persian antiquities on loan to a University of Chicago museum to satisfy a court judgment against Iran.

Other past financial disputes include the mistaken U.S. shoot-down on July 3, 1988, of an Iranian Airbus passenger jet (Iran Air flight 655), for which the United States paid Iran $61.8 million in compensation ($300,000 per wage-earning victim, $150,000 per non-wage earner) for the 248 Iranians killed. The United States did not compensate Iran for the airplane itself, although officials involved in the negotiations told CRS in November 2012 that the United States later arranged to provide a substitute used aircraft to Iran.

For more detail on how Iranian and other assets are used to compensate victims of Iranian terrorism, see CRS Report RL31258, *Suits Against Terrorist States by Victims of Terrorism*, by Jennifer K. Elsea and CRS Legal Sidebar LSB10104, *It Belongs in a Museum: Sovereign Immunity Shields Iranian Antiquities Even When It Does Not Protect Iran*, by Stephen P. Mulligan.

Executive Order 13599 Impounding Iran-Owned Assets

Post-JCPOA Status: Still in Effect

Executive Order 13599, issued February 5, 2012, directs the blocking of U.S.-based assets of entities determined to be "owned or controlled by the Iranian government." The order was issued to implement Section 1245 of the FY2012 National Defense Authorization Act (P.L. 112-81) that imposed secondary U.S. sanctions on Iran's Central Bank. The Order requires that any U.S.-based assets of the Central Bank of Iran, or of any Iranian government-controlled entity, be blocked by U.S. banks. The order goes beyond the regulations issued pursuant to the 1995 imposition of the U.S. trade ban with Iran, in which U.S. banks are required to refuse such transactions but to return funds to Iran. Even before the issuance of the Order, and in order to implement the ban on U.S. trade with Iran (see below) successive Administrations had designated many entities as "owned or controlled by the Government of Iran."

Numerous designations have been made under Executive Order 13599, including the June 4, 2013, naming of 38 entities (mostly oil, petrochemical, and investment companies) that are components of an Iranian entity called the "Execution of Imam Khomeini's Order" (EIKO).[4]

[3] "U.S. Court Reverses Record Forfeiture Order over Iran Assets." Associated Press. July 21, 2016.

[4] http://global.factiva.com/hp/printsavews.aspx?pp=Print&hc=Publication; and Department of Treasury announcement of June 4, 2013.

EIKO was characterized by the Department of the Treasury as an Iranian leadership entity that controls "massive off-the-books investments."

Implementation of the U.S. JCPOA Withdrawal. To implement the JCPOA, many 13599-designated entities specified in the JCPOA (Attachment 3) were "delisted" from U.S. secondary sanctions (no longer considered "Specially Designated Nationals," SDNs). The delisted entities are presented in the tables at the end of the report. However, U.S. persons (or foreign entities owned or controlled by a U.S. person) continued to be prohibited from conducting transactions with these entities under Iran Transactions Regulations. The Treasury Department announced on May 8, 2018, in concert with the U.S. withdrawal from the JCPOA, that almost all of the 13599-designated entities that were delisted as SDNs will be relisted as SDNs on November 5, 2018.[5] On November 5, 2018, the Treasury Department published an updated list of SDNs in concert with redesignating "delisted" SDNs that were previously added to the designees blocked "solely pursuant to E.O 13599."[6]

Civilian Nuclear Entity Exception. One notable exception to the relisting policy implemented in 2018 is the Atomic Energy Organization of Iran (AEOI). The entity, along with 23 of its subsidiaries, were redesignated under E.O. 13599 but *not* as entities subject to secondary sanctions under E.O. 13382. This U.S. listing decision was made in order to facilitate continued IAEA and EU and other country engagement with Iran's civilian nuclear program under the JCPOA. [7]

Sanctions for Iran's Support for Terrorism and Regional Activities

Most of the hostage crisis-related sanctions were lifted upon resolution of the crisis in 1981. The United States began imposing sanctions against Iran again in the mid-1980s for its support for regional groups committing acts of terrorism. The Secretary of State designated Iran a "state sponsor of terrorism" on January 23, 1984, following the October 23, 1983, bombing of the U.S. Marine barracks in Lebanon by elements that later established Lebanese Hezbollah. This designation triggers substantial sanctions on any nation so designated.

None of the laws or Executive Orders in this section were waived or revoked to implement the JCPOA. No entities discussed in this section were "delisted" from sanctions under the JCPOA.

Sanctions Triggered by Terrorism List Designation

The U.S. naming of Iran as a "state sponsor of terrorism"—commonly referred to as Iran's inclusion on the U.S. "terrorism list"—triggers several sanctions. The designation is made under the authority of Section 6(j) of the Export Administration Act of 1979 (P.L. 96-72, as amended), sanctioning countries determined to have provided repeated support for acts of international terrorism. The sanctions triggered by Iran's state sponsor of terrorism designation are as follows:

- *Restrictions on sales of U.S. dual use items*. The restriction—a presumption of denial of any license applications to sell dual use items to Iran—is required by the Export Administration Act, as continued by executive orders under the

[5] For a full list of entities designated under E.O. 13599, go to the following link: https://www.treasury.gov/ofac/downloads/13599/13599list.pdf.

[6] https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20181105_names.aspx.

[7] U.S. diplomatic "non-paper" provided to CRS.

authority of the International Emergency Economic Powers Act, IEEPA. The restrictions are enforced through Export Administration Regulations (EARs) administered by the Bureau of Industry and Security (BIS) of the Commerce Department.

- *Ban on direct U.S. financial assistance and arms sales to Iran*. Section 620A of the Foreign Assistance Act, FAA (P.L. 87-95) and Section 40 of the Arms Export Control Act (P.L. 95-92, as amended), respectively, bar any U.S. foreign assistance to terrorism list countries. Included in the definition of foreign assistance are U.S. government loans, credits, credit insurance, and Ex-Im Bank loan guarantees. Successive foreign aid appropriations laws since the late 1980s have banned direct assistance to Iran, and with no waiver provisions.
- *Requirement to oppose multilateral lending*. U.S. officials are required to vote against multilateral lending to any terrorism list country by Section 1621 of the International Financial Institutions Act (P.L. 95-118, as amended [added by Section 327 of the Anti-Terrorism and Effective Death Penalty Act of 1996 (P.L. 104-132)]). Waiver authority is provided.
- *Withholding of U.S. foreign assistance to countries that assist or sell arms to terrorism list countries*. Under Sections 620G and 620H of the Foreign Assistance Act, as added by the Anti-Terrorism and Effective Death Penalty Act (Sections 325 and 326 of P.L. 104-132), the President is required to withhold foreign aid from any country that aids or sells arms to a terrorism list country. Waiver authority is provided. Section 321 of that act makes it a crime for a U.S. person to conduct financial transactions with terrorism list governments.
- *Withholding of U.S. Aid to Organizations That Assist Iran*. Section 307 of the FAA (added in 1985) names Iran as unable to benefit from U.S. contributions to international organizations, and require proportionate cuts if these institutions work in Iran. For example, if an international organization spends 3% of its budget for programs in Iran, then the United States is required to withhold 3% of its contribution to that international organization. No waiver is provided for.

Exception for U.S. Humanitarian Aid

The terrorism list designation, and other U.S. sanctions laws barring assistance to Iran, do not bar U.S. disaster aid. The United States donated $125,000, through relief agencies, to help victims of two earthquakes in Iran (February and May 1997); $350,000 worth of aid to the victims of a June 22, 2002, earthquake; and $5.7 million in assistance for victims of the December 2003 earthquake in Bam, Iran, which killed 40,000. The U.S. military flew 68,000 kilograms of supplies to Bam.

Requirements for Removal from Terrorism List

Terminating the sanctions triggered by Iran's terrorism list designation would require Iran's removal from the terrorism list. The Arms Export Control Act spells out two different requirements for a President to remove a country from the list, depending on whether the country's regime has changed.

If the country's regime has changed: the President can remove a country from the list immediately by certifying that regime change in a report to Congress.

If the country's regime has not changed: the President must report to Congress 45 days in advance of the effective date of removal. The President must certify that (1) the country has not supported international terrorism within the preceding six months, and (2) the country has provided assurances it will not do so in the future. In this latter circumstance, Congress has the opportunity to block the removal by enacting a joint resolution to that effect. The President has the option of vetoing the joint resolution, and blocking the removal would require a veto override.

Sanctions on States "Not Cooperating" Against Terrorism

Section 330 of the Anti-Terrorism and Effective Death Penalty Act (P.L. 104-132) added a Section 40A to the Arms Export Control Act that prohibits the sale or licensing of U.S. defense articles and services to any country designated (by each May 15) as "not cooperating fully with U.S. anti-terrorism efforts." The President can waive the provision upon determination that a defense sale to a designated country is "important to the national interests" of the United States.

Every May since the enactment of this law, Iran has been designated as a country that is "not fully cooperating" with U.S. antiterrorism efforts. However, the effect of the designation is largely mooted by the many other authorities that prohibit U.S. defense sales to Iran.

Executive Order 13224 Sanctioning Terrorism-Supporting Entities

Executive Order 13324 (September 23, 2001) mandates the freezing of the U.S.-based assets of and a ban on U.S. transactions with entities determined by the Administration to be supporting international terrorism. This order was issued two weeks after the September 11, 2001, attacks on the United States, under the authority of the IEEPA, the National Emergencies Act, the U.N. Participation Act of 1945, and Section 301 of the U.S. Code, initially targeting Al Qaeda.

Use of the Order to Target Iranian Arms Exports

E.O. 13224 is not specific to Iran and does not explicitly target Iranian arms exports to movements, governments, or groups in the Middle East region. However, successive Administrations have used the Order—and the orders discussed immediately below—to sanction such Iranian activity by designating persons or entities that are involved in the delivery or receipt of such weapons shipments. Some persons and entities that have been sanctioned for such activity have been cited for supporting groups such as the Afghan Taliban organization and the Houthi rebels in Yemen, which are not named as terrorist groups by the United States.

Application to the Revolutionary Guard by the Countering America's Adversaries through Sanctions Act (CAATSA, P.L. 115-44)

Section 105 of CAATSA, signed on August 2, 2017, mandates the imposition of E.O. 13324 penalties on the Islamic Revolutionary Guard Corps (IRGC) and its officials, agents, and affiliates by October 30, 2017 (90 days after enactment). The IRGC was named as a terrorism-supporting entity under E.O 13224 within that deadline. The Treasury Department made the designation of the IRGC as a terrorism-supporting entity under that E.O. on October 13, 2017.

Implementation

As noted, no entities designated under E.O. 13224 were delisted to implement the JCPOA. Additional Iran-related entities have been designated under the Order since JCPOA implementation, as shown in the table at the end of this report.

Sanctions on Iran's Malign Regional Activities

Some sanctions have been imposed with the specific objective of trying to curtail Iran's destabilizing influence in the region.

- *Executive Order 13438 on Threats to Iraq's Stability*. Issued on July 7, 2007, the order blocks U.S.-based property of persons who are determined by the

Administration to "have committed, or pose a significant risk of committing" acts of violence that threaten the peace and stability of Iraq, or undermine efforts to promote economic reconstruction or political reform in Iraq. The Order extends to persons designated as materially assisting such designees. The Order was clearly directed at Iran for its provision of arms or funds to Shiite militias there. Persons sanctioned under the Order include IRGC-Qods Force officers, Iraqi Shiite militia-linked figures, and other entities. Some of these sanctioned entities worked to defeat the Islamic State in Iraq and are in prominent roles in Iraq's parliament and political structure.

- *Executive Order 13572 on Repression of the Syrian People*. Issued on April 29, 2011, the order blocks the U.S.-based property of persons determined to be responsible for human rights abuses and repression of the Syrian people. The IRGC-Qods Force (IRGC-QF), IRGC-QF commanders, and others are sanctioned under this order.
- The Hizballah International Financing Prevention Act (P.L. 114-102) and Hizballah International Financing Prevention Amendments Act of 2018. The Amendments Act (S. 1595, P.L. 115-272) was signed by President Trump on October 23, 2018, the 25th anniversary of the Marine barracks bombing in Beirut. The original law, modeled on the 2010 Comprehensive Iran Sanctions, Accountability, and Divestment Act ("CISADA," see below), excludes from the U.S. financial system any bank that conducts transactions with Hezbollah or its affiliates or partners. The more recent law expands the authority of the original law by authorizing the blocking of U.S.-based property of and U.S. transactions with any "agency or instrumentality of a foreign state" that conducts joint operations with or provides financing or arms to Lebanese Hezbollah. These latter provisions clearly refer to Iran's substantial support for Hezbollah, but are largely redundant with other sanctions on Iran.

Ban on U.S. Trade and Investment with Iran

Status: Trade ban eased for JCPOA, but back in full effect on August 6, 2018

In 1995, the Clinton Administration expanded U.S. sanctions against Iran by issuing Executive Order 12959 (May 6, 1995) banning U.S. trade with and investment in Iran. The order was issued under the authority primarily of the International Emergency Economic Powers Act (IEEPA, 50 U.S.C. 1701 et seq.),[8] which gives the President wide powers to regulate commerce with a foreign country when a "state of emergency" is declared in relations with that country. E.O. 12959 superseded Executive Order 12957 (March 15, 1995) barring U.S. investment in Iran's energy sector, which accompanied President Clinton's declaration of a "state of emergency" with respect to Iran. Subsequently, E.O 13059 (August 19, 1997) added a prohibition on U.S. companies' knowingly exporting goods to a third country for incorporation into products destined for Iran. Each March since 1995, the U.S. Administration has renewed the "state of emergency" with respect to Iran. IEEPA gives the President the authority to alter regulations to license transactions with Iran—regulations enumerated in Section 560 of the Code of Federal Regulations (Iranian Transactions Regulations, ITRs).

[8] The executive order was issued not only under the authority of IEEPA but also the National Emergencies Act (50 U.S.C. 1601 et seq.; §505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-9) and §301 of Title 3, *United States Code*.

Section 103 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA, P.L. 111-195) codified the trade ban and reinstated the full ban on imports that was relaxed by April 2000 regulations that allowed importation into the United States of Iranian nuts, fruit products (such as pomegranate juice), carpets, and caviar. U.S. imports from Iran after that time were negligible.[9] Section 101 of the Iran Freedom Support Act (P.L. 109-293) separately codified the ban on U.S. investment in Iran, but gives the President the authority to terminate this sanction if the President notifies Congress 15 days in advance (or three days in advance if there are "exigent circumstances").

JCPOA-Related Easing and Reversal

In accordance with the JCPOA, the ITRs were relaxed to allow U.S. importation of the Iranian luxury goods discussed above (carpets, caviar, nuts, etc.), but not to permit general U.S.-Iran trade. U.S. regulations were also altered to permit the sale of commercial aircraft to Iranian airlines that are not designated for sanctions. The modifications were made in the Departments of State and of the Treasury guidance issued on Implementation Day and since.[10] In concert with the May 8, 2018, U.S. withdrawal from the JCPOA, the easing of the regulations to allow for importation of Iranian carpets and other luxury goods was reversed on August 6, 2018.

What U.S.-Iran Trade Is Allowed or Prohibited?

The following provisions apply to the U.S. trade ban on Iran as specified in regulations (Iran Transaction Regulations, ITRs) written pursuant to the executive orders and laws discussed above and enumerated in regulations administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury.

- *Oil Transactions*. All U.S. transactions with Iran in energy products are banned. The 1995 trade ban (E.O. 12959) expanded a 1987 ban on imports from Iran that was imposed by Executive Order 12613 of October 29, 1987. The earlier import ban, authorized by Section 505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-9), barred the importation of Iranian oil into the United States but did not ban the trading of Iranian oil overseas. The 1995 ban prohibits that activity explicitly, but provides for U.S. companies to apply for licenses to conduct "swaps" of Caspian Sea oil with Iran. These swaps have been prohibited in practice; a Mobil Corporation application to do so was denied in April 1999, and no applications have been submitted since. The ITRs *do not ban the importation, from foreign refiners, of gasoline or other energy products in which Iranian oil is mixed with oil from other producers*. The product of a refinery in any country is considered to be a product of the country where that refinery is located, even if some Iran-origin crude oil is present.
- *Transshipment and Brokering*. The ITRs prohibit U.S. transshipment of prohibited goods across Iran, and ban any activities by U.S. persons to broker commercial transactions involving Iran.

[9] Imports were mainly of artwork for exhibitions around the United States, which are counted as imports even though the works return to Iran after the exhibitions conclude.

[10] The text of the guidance is at https://www.treasury.gov/resource-center/sanctions/Programs/Documents/implement_guide_jcpoa.pdf.

- *Iranian Luxury Goods*. Pursuant to the JCPOA, Iranian luxury goods, such as carpets and caviar, could be imported into the United States after January 2016. This prohibition went back into effect on August 6, 2018 (90-day wind-down).
- *Shipping Insurance*. Obtaining shipping insurance is crucial to Iran's expansion of its oil and other exports. A pool of 13 major insurance organizations, called the International Group of P & I Clubs, dominates the shipping insurance industry and is based in New York. The U.S. presence of this pool renders it subject to the U.S. trade ban, which complicated Iran's ability to obtain reinsurance for Iran's shipping after Implementation Day. On January 16, 2017, the Obama Administration issued waivers of Sections 212 and 213 of the ITRSHRA to allow numerous such insurers to give Iranian ships insurance.[11] However, this waiver ended on August 6, 2018 (90-day wind-down).
- *Civilian Airline Sales*. The ITRs have always permitted the licensing of goods related to the safe operation of civilian aircraft for sale to Iran (§560.528 of Title 31, C.F.R.), and spare parts sales have been licensed periodically. However, from June 2011 until Implementation Day, Iran's largest state-owned airline, Iran Air, was sanctioned under Executive Order 13382 (see below), rendering licensing of parts or repairs for that airline impermissible, and several other Iranian airlines also remain sanctioned under that and Executive Order 13224. In accordance with the JCPOA, the United States relaxed restrictions on to allow for the sale to Iran of finished commercial aircraft, including to Iran Air (which was "delisted" in accordance with the JCPOA).[12] A March 2016 general license allowed for U.S. aircraft and parts suppliers to negotiate sales with Iranian airlines that are not sanctioned, and Boeing and Airbus subsequently concluded major sales to Iran Air. In keeping with the May 8, 2018, U.S. withdrawal from the JCPOA, preexisting licensing restrictions went back into effect on August 6, 2018, and the licenses issued to Boeing and Airbus for aircraft sales to Iran were revoked. Sales of some spare parts ("dual use items") for civilian aircraft to Iran also require a waiver of the relevant provision of the Iran-Iraq Arms Non-Proliferation Act, discussed below.
- *Personal Communications, Remittances, and Publishing*. The ITRs permit personal communications (phone calls, emails) between the United States and Iran, personal remittances to Iran, and Americans to engage in publishing activities with entities in Iran (and Cuba and Sudan).
- *Information Technology Equipment.* CISADA exempts from the U.S. ban on exports to Iran information technology to support personal communications among the Iranian people and goods for supporting democracy in Iran. In May 2013, OFAC issued a general license for the exportation to Iran of goods (such as

[11] Shipping insurers granted the waiver include Assuranceforeningen Skuld, Skuld Mutual Protection and Indemnity Association, Ltd. (Bermuda), Gard P and I Ltd. (Bermuda), Assuranceforeningen Gard, the Britannia Steam Ship Insurance Association Limited, The North of England Protecting and Indemnity Association Ltd., the Shipowners' Mutual Protection and Indemnity Association (Luxembourg), the Standard Club Ltd., the Standard Club Europe Ltd., The Standard Club Asia, the Steamship Mutual Underwriting Association Ltd. (Bermuda), the Swedish Club, United Kingdom Mutual Steam Ship Assurance Association Ltd. (Bermuda), United Kingdom Mutual Steam Ship Association Ltd. (Europe), and the West of England Ship Owners Mutual Insurance Association (Luxembourg).

[12] *Reuters*, February 21, 2014; "Exclusive: Boeing Says Gets U.S. License to Sell Spare Parts to Iran," *Reuters*, April 4, 2014.

cell phones) and services, on a fee basis, that enhance the ability of the Iranian people to access communication technology.

- *Food and Medical Exports.* Since April 1999, sales to Iran by U.S. firms of food and medical products have been permitted, subject to OFAC stipulations. In October 2012, OFAC permitted the sale to Iran of specified medical products, such as scalpels, prosthetics, canes, burn dressings, and other products, that could be sold to Iran under "general license" (no specific license application required). This list of general license items list was expanded in July and November 2013, and in December 2016[13] to include more sophisticated medical diagnostic machines and other medical equipment. Licenses for exports of medical products not on the general license list are routinely expedited for sale to Iran, according to OFAC. The regulations have a specific definition of "food" that can be licensed for sale to Iran, and that definition excludes alcohol, cigarettes, gum, or fertilizer.[14] The definition addresses information in a 2010 article that OFAC had approved exports to Iran of condiments such as food additives and body-building supplements that have uses other than purely nutritive.[15]
- *Humanitarian and Related Services*. Donations by U.S. residents directly to Iranians (such as packages of food, toys, clothes, etc.) are not prohibited, but donations through relief organizations broadly require those organizations' obtaining a specific OFAC license. On September 10, 2013, the Department of the Treasury eliminated licensing requirements for relief organizations to (1) provide to Iran services for health projects, disaster relief, wildlife conservation; (2) to conduct human rights projects there; or (3) undertake activities related to sports matches and events. The amendment also allowed importation from Iran of services related to sporting activities, including sponsorship of players, coaching, referees, and training. In some cases, such as the earthquake in Bam in 2003 and the earthquake in northwestern Iran in August 2012, OFAC has issued blanket temporary general licensing for relief organizations to work in Iran.
- *Payment Methods, Trade Financing, and Financing Guarantees*. U.S. importers are allowed to pay Iranian exporters, including with funds denominated in dollars. However, funds cannot go directly to Iranian banks, but must instead pass through third-country (such as European) banks. In accordance with the ITRs' provisions that transactions that are *incidental* to an approved transaction are allowed, financing for approved transactions are normally approvable. Private letters of credit (from non-Iranian banks) can be used to finance approved transactions. Title IX of the Trade Sanctions Reform and Export Enhancement Act of 2000 (P.L. 106-387) bans the use of official credit guarantees (such as the Ex-Im Bank) for food and medical sales to Iran and other countries on the U.S. terrorism list, except Cuba, although allowing for a presidential waiver to permit such credit guarantees. The Ex-Im Bank is prohibited from guaranteeing any loans to Iran because of Iran's continued inclusion on the terrorism list, and the JCPOA did not commit the United States to provide credit guarantees for Iran.

[13] https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20161222.aspx?platform=hootsuite.

[14] https://www.treasury.gov/resource-center/sanctions/Programs/Documents/gl_food_exports.pdf.

[15] The information in this bullet is taken from Jo Becker, "With U.S. Leave, Companies Skirt Iran Sanctions," *New York Times*, December 24, 2010.

Application to Foreign Subsidiaries of U.S. Firms

The ITRs do not ban subsidiaries of U.S. firms from dealing with Iran, as long as the subsidiary is not "controlled" by the parent company. Most foreign subsidiaries are legally considered foreign persons subject to the laws of the country in which the subsidiaries are incorporated. Section 218 of the Iran Threat Reduction and Syrian Human Rights Act (ITRSHRA, P.L. 112-158) holds "controlled" foreign subsidiaries of U.S. companies to the same standards as U.S. parent firms, defining a controlled subsidiary as (1) one that is more than 50% owned by the U.S. parent; (2) one in which the parent firm holds a majority on the Board of Directors of the subsidiary; or (3) one in which the parent firm directs the operations of the subsidiary. No waiver is specifically provided under Section 218.

JCPOA Regulations and Reversal. To implement the JCPOA, the United States has licensed "controlled" foreign subsidiaries to conduct transactions with Iran that are permissible under JCPOA (almost all forms of civilian trade). The Administration asserts that the President has authority under IEEPA to license transactions with Iran, the ITRSHRA notwithstanding. This was implemented with the Treasury Department's issuance of "General License H: Authorizing Certain Transactions Relating to Foreign Entities Owned or Controlled by a United States Person."[16] This licensing policy will revert to pre-JCPOA status as of November 5, 2018.

Trade Ban Easing and Termination

Termination: Section 401 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA, P.L. 111-195) provides for the President to terminate the trade ban if the Administration certifies to Congress that Iran no longer satisfies the requirements to be designated as a state sponsor of terrorism and that Iran has ceased pursuing and has dismantled its nuclear, biological, and chemical weapons and ballistic missiles and related launch technology. Alternatively, the trade ban provision in CISADA could be repealed by congressional action.

Waiver Authority: Section 103(b)(vi) of CISADA allows the President to license exports to Iran if he determines that doing so is in the national interest of the United States. There is no similar provision in CISADA to ease the ban on U.S. imports from Iran. The State and Treasury Department guidance issued on Implementation Day asserts that the statement of licensing policy fulfills the requirements of Section 103 of CISADA.

Sanctions on Iran's Energy Sector

Status: Energy sanctions waived for JCPOA, back in effect November 5, 2018

In 1996, Congress and the executive branch began a long process of pressuring Iran's vital energy sector in order to deny Iran the financial resources to support terrorist organizations and other armed factions or to further its nuclear and WMD programs. Iran's oil sector is as old as the petroleum industry itself (early 20th century), and Iran's onshore oil fields are in need of substantial investment. Iran has 136.3 billion barrels of proven oil reserves, the third largest after Saudi Arabia and Canada. Iran has large natural gas resources (940 trillion cubic feet, exceeded only by Russia), but Iran's gas export sector remains small but is expanding—most of Iran's gas is injected into its oil fields to boost their production. The energy sector still generates about 20% of Iran's GDP and as much as 30% of government revenue.

[16] https://www.treasury.gov/resource-center/sanctions/Programs/Documents/implement_guide_jcpoa.pdf.

The Iran Sanctions Act (and Triggers added by other Laws)

The Iran Sanctions Act (ISA) has been a pivotal component of U.S. sanctions against Iran's energy sector. Since its enactment in 1996, ISA's provisions have been expanded and extended to other Iranian industries. ISA sought to thwart Iran's 1995 opening of the sector to foreign investment in late 1995 through a "buy-back" program in which foreign firms gradually recoup their investments as oil and gas is produced. It was first enacted as the Iran and Libya Sanctions Act (ILSA, P.L. 104-172, signed on August 5, 1996) but was later retitled the Iran Sanctions Act after it terminated with respect to Libya in 2006. ISA was the first major "extra-territorial sanction" on Iran—a sanction that authorizes U.S. penalties against third country firms.

Key Sanctions "Triggers" Under ISA

ISA consists of a number of "triggers"—transactions with Iran that would be considered violations of ISA and could cause a firm or entity to be sanctioned under ISA's provisions. The triggers, as added by amendments over time, are detailed below:

Trigger 1 (Original Trigger): "Investment" To Develop Iran's Oil and Gas Fields

The core trigger of ISA when first enacted was a requirement that the President sanction companies (entities, persons) that make an "investment"[17] of more than $20 million[18] in one year in Iran's energy sector.[19] The definition of "investment" in ISA (§14 [9]) includes not only equity and royalty arrangements but any contract that includes "responsibility for the development of petroleum resources" of Iran. The definition includes additions to existing investment (added by P.L. 107-24) and pipelines to or through Iran and contracts to lead the construction, upgrading, or expansions of energy projects (added by CISADA).

Trigger 2: Sales of WMD and Related Technologies, Advanced Conventional Weaponry, and Participation in Uranium Mining Ventures

This provision of ISA was not waived under the JCPOA.

The Iran Freedom Support Act (P.L. 109-293, signed September 30, 2006) added *Section 5(b)(1)* of ISA, subjecting to ISA sanctions firms or persons determined to have sold to Iran (1) "chemical, biological, or nuclear weapons or related technologies" or (2) "destabilizing numbers and types" of advanced conventional weapons. Sanctions can be applied if the exporter knew (or had cause to know) that the end-user of the item was Iran. The definitions do not specifically include ballistic or cruise missiles, but those weapons could be considered "related technologies" or, potentially, a "destabilizing number and type" of advanced conventional weapon.

[17] As amended by CISADA (P.L. 111-195), these definitions include pipelines to or through Iran, as well as contracts to lead the construction, upgrading, or expansions of energy projects. CISADA also changes the definition of investment to eliminate the exemption from sanctions for sales of energy-related equipment to Iran, if such sales are structured as investments or ongoing profit-earning ventures.

[18] Under §4(d) of the original act, for Iran, the threshold dropped to $20 million, from $40 million, one year after enactment, when U.S. allies did not join a multilateral sanctions regime against Iran. P.L. 111-195 explicitly sets the threshold investment level at $20 million. For Libya, the threshold was $40 million, and transactions subject to sanctions included export to Libya of technology banned by Pan Am 103-related Security Council Resolutions 748 (March 31, 1992) and 883 (November 11, 1993).

[19] The original ISA definition of energy sector included oil and natural gas, and CISADA added to that definition liquefied natural gas (LNG), oil or LNG tankers, and products to make or transport pipelines that transport oil or LNG.

The Iran Threat Reduction and Syria Human Rights Act (ITRSHRA, P.L. 112-158, signed August 10, 2012) created *Section 5(b)(2)* of ISA subjecting to sanctions entities determined by the Administration to participate in a joint venture with Iran relating to the mining, production, or transportation of uranium.

Implementation: No ISA sanctions have been imposed on any entities under these provisions.

Trigger 3: Sales of Gasoline to Iran

Section 102(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA, P.L. 111-195, signed July 1, 2010) amended Section 5 of ISA to exploit Iran's dependency on imported gasoline (40% dependency at that time). It followed enacted legislation such as P.L. 111-85 that prohibited the use of U.S. funds to fill the Strategic Petroleum Reserve with products from firms that sell gasoline to Iran; and P.L. 111-117 that denies Ex-Im Bank credits to any firm that sold gasoline or related equipment to Iran. The section subjects the following to sanctions:

- Sales to Iran of over $1 million worth (or $5 million in a one year period) of gasoline and related aviation and other fuels. (Fuel oil, a petroleum by-product, is not included in the definition of refined petroleum.)
- Sales to Iran of equipment or services (same dollar threshold as above) which would help Iran make or import gasoline. Examples include equipment and services for Iran's oil refineries or port operations.

Trigger 4: Provision of Equipment or Services for Oil, Gas, and Petrochemicals Production

Section 201 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (ITRSHA, P.L. 112-158, signed August 10, 2012) codified an Executive Order, 13590 (November 21, 2011), by adding Section 5(a)(5 and 6) to ISA sanctioning firms that

- provide to Iran $1 million or more (or $5 million in a one year period) worth of goods or services that Iran could use to maintain or enhance its oil and gas sector. This subjects to sanctions, for example, transactions with Iran by global oil services firms and the sale to Iran of energy industry equipment such as drills, pumps, vacuums, oil rigs, and like equipment.
- provide to Iran $250,000 (or $1 million in a one year period) worth of goods or services that Iran could use to maintain or expand its production of petrochemical products.[20] *This provision was not altered by the JPA.*

Trigger 5: Transporting Iranian Crude Oil

Section 201 of the ITRSHRA amends ISA by sanctioning entities the Administration determines

- owned a vessel that was used to transport Iranian crude oil. The section also *authorizes but does not require* the President, subject to regulations, to prohibit a ship from putting to port in the United States for two years, if it is owned by a person sanctioned under this provision *(adds Section 5[a][7] to ISA).* This

[20] A definition of chemicals and products considered "petrochemical products" is found in a Policy Guidance statement. See *Federal Register*, November 13, 2012, http://www.gpo.gov/fdsys/pkg/FR-2012-11-13/pdf/2012-27642.pdf.

sanction does not apply in cases of transporting oil to countries that have received exemptions under P.L. 112-81 (discussed below).

- participated in a joint oil and gas development venture with Iran, outside Iran, if that venture was established after January 1, 2002. The effective date exempts energy ventures in the Caspian Sea, such as the Shah Deniz oil field there *(adds Section 5[a][4] to ISA).*

Iran Threat Reduction and Syria Human Rights Act (ITRSHRA): ISA Sanctions for insuring Iranian oil entities, purchasing Iranian bonds, or engaging in transactions with the IRGC

Separate provisions of the ITRSHR Act—*which do not amend ISA*—require the application of ISA sanctions (the same 5 out of 12 sanctions as required in ISA itself) on any entity that

- provides insurance or reinsurance for the National Iranian Oil Company (NIOC) or the National Iranian Tanker Company (NITC) (Section 212).
- purchases or facilitates the issuance of sovereign debt of the government of Iran, including Iranian government bonds (Section 213). This sanction went back into effect on August 6, 2018 (90-day wind-down period).
- assists or engages in a significant transaction with the IRGC or any of its sanctioned entities or affiliates. (Section 302). *This section of ITRSHRA was not waived to implement the JCPOA.*

Implementation. Section 312 of ITRSHRA required an Administration determination, within 45 days of enactment (by September 24, 2012) whether NIOC and NITC are IRGC agents or affiliates. Such a determination would subject financial transactions with NIOC and NITC to sanctions under CISADA (prohibition on opening U.S.-based accounts). On September 24, 2012, the Department of the Treasury determined that NIOC and NITC are affiliates of the IRGC. On November 8, 2012, the Department of the Treasury named NIOC as a proliferation entity under Executive Order 13382—a designation that, in accordance with Section 104 of CISADA, bars any foreign bank determined to have dealt directly with NIOC (including with a NIOC bank account in a foreign country) from opening or maintaining a U.S.-based account.

Sanctions on dealings with NIOC and NITC were waived in accordance with the interim nuclear deal and the JCPOA, and designations of these entities under Executive Order 13382 were rescinded in accordance with the JCPOA. These entities will again be designated on November 5, 2018. Some NIOC partners were not sanctioned, including the Iranian Offshore Oil Company; the National Iranian Gas Export Co.; and Petroleum Engineering and Development Co. Several independent Iranian energy firms were not sanctioned, including Pasargad Oil Co., Zagros Petrochem Co., Sazeh Consultants, Qeshm Energy, and Sadid Industrial Group. Their relations with NIOC or the IRGC are unclear.

Executive Order 13622: Sanctions on the Purchase of Iranian Crude Oil and Petrochemical Products, and Dealings in Iranian Bank Notes

Status: Revoked (by E.O. 13716) but will back into effect as stipulated below

Executive Order 13622 (July 30, 2012) imposes specified sanctions on the ISA sanctions menu, and bars banks from the U.S. financial system, for the following activities (*E.O. 13622 did not amend ISA itself*):

- the purchase of oil, other petroleum, or petrochemical products from Iran.[21] *The part of this order pertaining to petrochemical purchases was suspended under the JPA.* The wind-down period was 180 days (ending November 4, 2018).
- transactions with the National Iranian Oil Company (NIOC) or Naftiran Intertrade Company (NICO) (180-day wind-down period).
- E.O. 13622 also blocks U.S.-based property of entities determined to have
  - assisted or provided goods or services to NIOC, NICO, the Central Bank of Iran (180-day wind-down period).
  - assisted the government of Iran in the purchase of U.S. bank notes or precious metals, precious stones, or jewels. (The provision for precious stones or jewels was added to this Order by E.O. 16345 below.) (90-day wind-down period.)

E.O. 13622 sanctions do not apply if the parent country of the entity has received an exemption under Section 1245 of P.L. 112-81, discussed below. An exemption also is provided for projects that bring gas from Azerbaijan to Europe and Turkey, if such project was initiated prior to the issuance of the Order.

Executive Order 13645: Application of ISA and Other Sanctions to Iran's Automotive Sector, Rial Trading, and Precious Stones

JCPOA Status: Revoked (by E.O 13716) but most provisions below went back into effect as of August 6, 2018 (90-day wind-down period).

Executive Order 13645 of June 3, 2013 (effective July 1, 2013), contains the provisions below. *(E.O. 13645 did not amend ISA itself.)*

- Imposes specified ISA-related sanctions on firms that supply goods or services to Iran's automotive (cars, trucks, buses, motorcycles, and related parts) sector, and blocks foreign banks from the U.S. market if they finance transactions with Iran's automotive sector. (An executive order cannot amend a law, so the order does not amend ISA.)
- Blocks U.S.-based property and prohibits U.S. bank accounts for foreign banks that conduct transactions in Iran's currency, the *rial*, or hold *rial* accounts. This provision mostly affected banks in countries bordering or near Iran. The order applies also to "a derivative, swap, future, forward, or other similar contract whose value is based on the exchange rate of the Iranian *rial*." If Iran implements plans to develop a digital currency, or cryptocurrency, backed by or tied to rials, it would appear that the Order also applies to that digital currency.
- Expands the application of Executive Order 13622 (above) to helping Iran acquire precious stones or jewels (see above).
- Blocks U.S.-based property of a person that conducts transactions with an Iranian entity listed as a Specially Designated National (SDN) or Blocked Person. SDNs to be "relisted" on November 5, 2018.

[21] A definition of what chemicals and products are considered "petroleum products" for the purposes of the order are in the policy guidance issued November 13, 2012, http://www.gpo.gov/fdsys/pkg/FR-2012-11-13/pdf/2012-27642.pdf.

Mandate and Time Frame to Investigate ISA Violations

In the original version of ISA, there was no firm requirement, and no time limit, for the Administration to investigate potential violations and determine that a firm has violated ISA's provisions. The Iran Freedom Support Act (P.L. 109-293, signed September 30, 2006) added a provision calling for, *but not requiring*, a 180-day time limit for a violation determination.[22] CISADA (Section 102[g][5]) mandated that the Administration begin an investigation of potential ISA violations when there is "credible information" about a potential violation, and made mandatory the 180-day time limit for a determination of violation.

The Iran Threat Reduction and Syria Human Rights Act (P.L. 112-158) defines the "credible information" needed to begin an investigation of a violation to include a corporate announcement or corporate filing to its shareholders that it has undertaken transactions with Iran that are potentially sanctionable under ISA. It also says the President *may* (not mandatory) use as credible information reports from the Government Accountability Office and the Congressional Research Service. In addition, Section 219 of ITRSHRA requires that an investigation of an ISA violation begin if a company reports in its filings to the Securities and Exchange Commission (SEC) that it has knowingly engaged in activities that would violate ISA (or Section 104 of CISADA or transactions with entities designated under E.O 13224 or 13382, see below).

[22] Other ISA amendments under that law included recommending against U.S. nuclear agreements with countries that supply nuclear technology to Iran and expanding provisions of the USA Patriot Act (P.L. 107-56) to curb money-laundering for use to further WMD programs.

Available Sanctions Under ISA

Once a firm is determined to be a violator, the original version of ISA required the imposition of *two* of a menu of six sanctions on that firm. The Iran Freedom Support Act added three new possible sanctions and required the imposition of at least three out of the nine against violators. CISADA added three more sanctions to the ISA menu and required imposition of at least *5 out of the 12* sanctions. Executive Orders 13590 and 13622 provide for exactly the same penalties as those in ISA. The 12 available sanctions against the sanctioned entity, from which the Secretary of State or the Treasury can select, are as follows:

1. denial of Export-Import Bank loans, credits, or credit guarantees for U.S. exports to the sanctioned entity (original ISA)

2. denial of licenses for the U.S. export of military or militarily useful technology to the entity (original ISA)

3. denial of U.S. bank loans exceeding $10 million in one year to the entity (original ISA)

4. if the entity is a financial institution, a prohibition on its service as a primary dealer in U.S. government bonds; and/or a prohibition on its serving as a repository for U.S. government funds (each counts as one sanction) (original ISA)

5. prohibition on U.S. government procurement from the entity (original ISA)

6. prohibitions in transactions in foreign exchange by the entity (added by CISADA)

7. prohibition on any credit or payments between the entity and any U.S. financial institution (added by CISADA)

8. prohibition of the sanctioned entity from acquiring, holding, using, or trading any U.S.-based property which the sanctioned entity has a (financial) interest in (added by CISADA)

9. restriction on imports from the sanctioned entity, in accordance with the International Emergency Economic Powers Act (IEEPA; 50 U.S.C. 1701) (original ISA)

10. a ban on a U.S. person from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person (added by ITRSHRA)

11. exclusion from the United States of corporate officers or controlling shareholders of a sanctioned firm (added by ITRSHRA)

12. imposition of any of the ISA sanctions on principal offices of a sanctioned firm (added by ITRSHRA).

Mandatory Sanction: Prohibition on Contracts with the U.S. Government CISADA (§102[b]) added a requirement in ISA that companies, as a condition of obtaining a U.S. government contract, certify to the relevant U.S. government agency that the firm—*and any companies it owns or controls*—are not violating ISA. Regulations to implement this requirement were issued on September 29, 2010.

Executive Order 13574 of May 23, 2011, specifies which sanctions are to be imposed. This executive order made a blanket stipulation that, when an entity is sanctioned under Section 5 of ISA, the penalties to be imposed are numbers 3, 6, 7, 8, and 9, above. The order also clarified that it is the responsibility of the Department of the Treasury to implement those ISA sanctions that involve the financial sector, including bans on loans, credits, and foreign exchange for, or imports from, the sanctioned entity, as well as blockage of property of the sanctioned entity (if these sanctions are selected by the Secretary of State, who makes the decision which penalties to impose on sanctioned entities). *This order was revoked by E.O. 13716 on Implementation Day, in accordance with the JCPOA.*

Oversight

Several mechanisms for Congress to oversee whether the Administration is investigating ISA violations were added by ITRSHRA. Section 223 of that law required a Government Accountability Office report, within 120 days of enactment, and another such report a year later, on companies that have undertaken specified activities with Iran that might constitute violations of ISA. Section 224 amended a reporting requirement in Section 110(b) of CISADA by requiring an Administration report to Congress every 180 days on investment in Iran's energy sector, joint ventures with Iran, and estimates of Iran's imports and exports of petroleum products. The GAO reports have been issued; there is no information available on whether the required Administration reports have been issued as well.

Interpretations of ISA and Related Laws

The sections below provide information on how some key ISA provisions have been interpreted and implemented.

Application to Energy Pipelines

ISA's definition of "investment" that is subject to sanctions has been consistently interpreted by successive Administrations to include construction of energy pipelines to or through Iran. Such pipelines are deemed to help Iran develop its petroleum (oil and natural gas) sector. This interpretation was reinforced by amendments to ISA in CISADA, which specifically included in the definition of petroleum resources "products used to construct or maintain pipelines used to transport oil or liquefied natural gas." In March 2012, then-Secretary of State Clinton made clear that the Obama Administration interprets the provision to be applicable from the beginning of pipeline construction.[23]

Application to Crude Oil Purchases

The original version of ISA did not provide for sanctioning purchases of crude oil from Iran. However, subsequent laws and executive orders took that step.

Application to Purchases from Iran of Natural Gas

The Iran Freedom and Counterproliferation Act (IFCA, discussed below) authorized sanctions on transactions with Iran's energy sector, but s*pecifically excluded from sanctions purchases of natural gas from Iran*. But *construction of gas pipelines* involving Iran is subject to sanctions.

Exception for Shah Deniz and other Gas Export Projects

The effective dates of U.S. sanctions laws and Orders exclude long-standing joint natural gas projects that involve some Iranian firms—particularly the Shah Deniz natural gas field and related pipelines in the Caspian Sea. These projects involve a consortium in which Iran's Naftiran Intertrade Company (NICO) holds a passive 10% share, and includes BP, Azerbaijan's natural gas firm SOCAR, Russia's Lukoil, and other firms. NICO was sanctioned under ISA and other provisions (until JCPOA Implementation Day), but an OFAC factsheet of November 28, 2012, stated that the Shah Deniz consortium, as a whole, is not determined to be "a person owned or controlled by" the government of Iran (as defined in Executive Order 13599) and that transactions with the consortium were permissible.

Application to Iranian Liquefied Natural Gas Development

The original version of ISA did not apply to the development by Iran of a liquefied natural gas (LNG) export capability. Iran has no LNG export terminals, in part because the technology for such terminals is patented by U.S. firms and unavailable for sale to Iran. CISADA specifically included LNG in the ISA definition of petroleum resources and therefore made subject to sanctions LNG investment in Iran or supply of LNG tankers or pipelines to Iran.

[23] http://dawn.com/2012/03/01/tough-us-warning-on-iran-gas-pipeline/.

Application to Private Financing but Not Official Credit Guarantee Agencies

The definitions of investment and other activity that can be sanctioned under ISA include financing for investment in Iran's energy sector, or for sales of gasoline and refinery-related equipment and services. Therefore, banks and other financial institutions that assist energy investment and refining and gasoline procurement activities could be sanctioned under ISA.

However, the definitions of financial institutions are interpreted not to apply to official credit guarantee agencies—such as France's COFACE and Germany's Hermes. These credit guarantee agencies are arms of their parent governments, and ISA does not provide for sanctioning governments or their agencies.

Implementation of Energy-Related Iran Sanctions

Entities sanctioned under the Executive Orders or laws cited in this section are listed in the tables at the end of this report. As noted, some of the Orders cited provide for blocking U.S.-based assets of the entities designated for sanctions. OFAC has not announced the blocking of any U.S.-based property of the sanctioned entities, likely indicating that those entities sanctioned do not have a presence in the United States.

ISA Waiver, Exemptions, and Sunset Provisions

The President can waive ISA sanctions in several ways—general, country-specific, or company-specific.

General Waiver. Under Section 4(c)(1)(a), the President can waive (for six months at a time) the requirement to investigate violations every six (6) months. To implement the JCPOA, this waiver was exercised by the Obama Administration (the latest on January 18, 2017), and was last renewed by the Trump Administration on January 12, 2018.

Country-Specific Waiver. Under Section 4(c)(1)(B), the President can waive ISA sanctions (for 12 months at a time) of all companies whose governments are determined to be "closely cooperating with the United States in multilateral efforts to prevent Iran from" acquiring WMD or acquiring advanced conventional weapons. The President must also certify that the waiver is vital to the national security interests of the United States.

Company-Specific Waiver. Under Section 9(c), the President can waive ISA sanctions (for one year at a time) on any company for which the President determines that the waiver is "essential to the national security interests of the United States." This waiver was used in 1998 to avoid penalizing Total, Gazprom, and Petronas for an Iran investment.

Once ISA snaps back into effect, some governments reportedly might seek the country-specific or country-specific waivers to avoid penalties on their companies that invested in Iran while U.S. sanctions were waived.

ISA (§5[f]) also contains several exceptions such that the President is not required to impose sanctions that prevent procurement of defense articles and services under existing contracts, in cases where a firm is the sole source supplier of a particular defense article or service. The President is not required to prevent procurement of essential spare parts or component parts.

"Special Rule" Exempting Firms That End Their Business with Iran

Under a provision added by CISADA (§102[g][5]), ISA provides a means—a so-called "special rule"—for firms to avoid ISA sanctions by pledging to verifiably end their business with Iran and such business with Iran in the future. Under the special rule, which has been invoked on several occasions, as discussed below, the Administration is not required to impose sanctions against a firm that makes such pledges. However, firms are allowed several years, in some cases, to wind down existing business in Iran, in part because the buy-back program used by Iran pays energy firms back their investment over time, making it highly costly for them to suddenly end operations in Iran.

Administration Termination Process and Requirements

The Administration can immediately terminate all ISA provisions if the Administration certifies that Iran:

(1) has ceased its efforts to acquire WMD; (2) has been removed from the U.S. list of state sponsors of terrorism; *and* (3) no longer "poses a significant threat" to U.S. national security and U.S. allies.[24]

This termination provision, and the sunset provision discussed below*, does not apply to those laws that apply ISA sanctions without specifically amending ISA.* The executive orders and laws that apply ISA sanctions to specified violators *but without amending ISA itself* can be revoked by a superseding executive order or congressional action that amends or repeals the provisions involved.

Sunset and Other Expiration Provisions

ISA was scheduled to sunset on December 31, 2016, as provided for by CISADA. This followed prior sunset extensions to December 31, 2011 (by P.L. 109-293); December 31, 2006 (P.L. 107-24, August 3, 2001); and August 5, 2001 (original law). In December 2016, P.L. 114-277 extended the law, as is, until December 31, 2026.

P.L. 107-24 also required an Administration report on ISA's effectiveness within 24 to 30 months of enactment, with the report to include an administration recommendation whether ISA be repealed. That report was submitted to Congress in January 2004, and did not recommend that ISA be repealed.

[24] This termination requirement added by P.L. 109-293 formally removed Libya from the act. Application of the act to Libya terminated on April 23, 2004, with a determination that Libya had fulfilled U.N. requirements.

Iran Oil Export Reduction Sanctions: Section 1245 of the FY2012 NDAA Sanctioning Transactions with Iran's Central Bank

Status: Waived pursuant to JCPOA, but went back into effect November 5, 2018

In 2011, Congress sought to reduce Iran's exportation of oil by imposing sanctions on the mechanisms that importers use to pay Iran for oil. The Obama Administration asserted that such legislation could lead to a rise in oil prices and harm U.S. relations with Iran's oil customers, and President Obama, in his signing statement on the bill, indicated he would implement the provision so as not to damage U.S. relations with partner countries.

The law imposed penalties on transactions with Iran's Central Bank. Section 1245 of the FY2012 National Defense Authorization Act (NDAA, P.L. 112-81, signed on December 31, 2011):

- Requires the President to prevent a foreign bank from opening an account in the United States—or impose strict limitations on existing U.S. accounts—if that bank is determined to have conducted a "significant financial transaction" with Iran's Central Bank *or with any sanctioned Iranian bank*. The provision applies to a foreign *central bank* only if the transaction with Iran's Central Bank is for oil purchases. The provision went fully into effect after 180 days (June 28, 2012).
- *Significant Reduction Exception (SRE):* The law provides incentive for Iran's oil buyers to cut purchases of Iranian oil by providing for an exception (exemption) for the banks of any country determined to have *significantly reduced* its purchases of oil from Iran. For countries granted the exception, the banks of that country may continue to conduct transactions (for any purpose, including oil) goods, with the Central Bank (not just for oil) or with any sanctioned Iranian bank. The SRE exception is reviewed every 180 days and, to maintain the exception, countries are required to reduce their oil buys from Iran, relative to the previous 180-day period. ITRSHRA amended Section 1245 such that any country that completely ceased purchasing oil from Iran entirely would retain an exception. The law lacks a precise definition of "significant reduction" of oil purchases, but the Obama Administration adopted a standard set in a January 2012 letter by several Senators to then-Treasury Secretary Geithner setting that definition at an 18% purchase reduction based on total paid for the Iranian oil (not just volume reduction).[25]
- Sanctions on transactions for oil apply only if the President certifies to Congress every 90 days, based on a report by the Energy Information Administration, that the oil market *is* adequately supplied, and, an Administration determination every 180 days that there is a sufficient supply of oil worldwide to permit countries to reduce purchases from Iran. The required EIA reports and Administration determinations have been issued at the prescribed intervals, even during the period when the law is in a state of waiver. The latest such determination of sufficient oil supply was made on November 15, 2017, and the next determination of oil supply sufficiency is due by May 14—a few days after the next waiver of the law is due. If the President does not renew the waiver of this law, the compliance by foreign countries in cutting their oil purchases would be

[25] Text of letter from Senators Mark Kirk and Robert Menendez to Secretary Geithner, January 19, 2012.

assessed on/about November 8, 2018, at which time sanctions for any noncompliance could be imposed.

Implementation

The EU embargo on purchases of Iranian oil, which took full effect by July 1, 2012, helped all EU oil customers of Iran obtain the SRE (sanctions exception). The table below on major Iranian oil customers indicates cuts made by major customers compared to 2011.

- In March 20, 2012, Japan received an SRE.
- In September 2012, 10 EU countries (Belgium, Czech Republic, France, Germany, Greece, Italy, the Netherlands, Poland, Spain, and Britain) received the SRE because they ended purchases pursuant to the EU Iran oil purchase embargo of July 1, 2012. Seventeen EU countries were not granted the SRE because they were not buying Iran's oil and could not "significantly reduce" buys from Iran.
- In December 2012, the following countries/jurisdictions received the SRE: China, India, Malaysia, South Africa, South Korea, Singapore, Sri Lanka, Turkey, and Taiwan.

Reactivation on November 5, 2018, and Exceptions Granted

The January 2016 waivers issued to implement the JCPOA suspended the requirement for a country to cut oil purchases from Iran in order to maintain their exceptions, and Iran's historic oil customers quickly resumed buying Iranian oil. The provision went back into effect on November 5, 2018, and countries were required to have cut their oil purchases since May 2018 in order to requalify for an exception.[26] On June 26, 2018, a senior State Department official, in a background briefing, stated that department officials, in meetings with officials of countries that import Iranian oil, were urging these countries to cease buying Iranian oil entirely by November 4, 2018.[27] However, Administration officials later indicated that requests for exceptions will be evaluated on a case-by-case basis, taking into account the ease of substituting for Iranian oil, country-specific needs, and the need for global oil market stability.

- On November 5, 2018, in the first SRE grants available under reimposed U.S. sanctions, the following eight countries received the SRE: China, India, Italy, Greece, Japan, South Korea, Taiwan, and Turkey.

[26] Department of State. Background Briefing on President Trump's Decision to Withdraw from the JCPOA. May 8, 2018.

[27] Department of State. "Senior State Department Official on U.S. Efforts to Discuss the Reimposition of Sanctions on Iran with Partners Around the World." June 26, 2018.

Waiver and Termination Provisions

The law provides for the President to waive the sanctions for 120 days, renewable for successive 120-day periods, if the President determines that doing so is in the national security interest. Outright repeal or amendment of this law would require congressional action.

This provision was waived to implement the JPA (to allow Iran's oil customers to maintain purchases level at 1.1 million barrels per day) and again to implement the JCPOA (to remove any ceiling on Iran's exports of oil).

Waivers to Implement the JCPOA

The provision (Section 1245(d)(5)) was waived on January 18, 2017, just before the Obama Administration left office. The Trump Administration renewed the waiver on May 18, 2017, on September 14, 2017, and on January 12, 2018. This law went back into effect on November 5, 2018 (180-day wind-down period).

Iran Foreign Bank Account "Restriction" Provision

Status: Waived but Went Back into Effect on November 5, 2018

The ability of Iran to repatriate hard currency—U.S. dollars are the primary form of payment for oil—to its Central Bank was impeded by a provision of the ITRSHRA which went into effect on February 6, 2013 (180 days after enactment). Section 504 of the ITRSHRA amended Section 1245 of the FY2012 NDAA (adding "clause ii" to Paragraph D[1]) by requiring that any funds paid to Iran as a result of exempted transactions (oil purchases, for example) be credited to an account located in the country with primary jurisdiction over the foreign bank making the transaction.

This provision essentially prevents Iran from repatriating to its Central Bank any hard currency Iran held in foreign banks around the world. Most of Iran's funds held abroad are in banks located in Iran's main oil customers. The provision largely compels Iran to buy the products of the oil customer countries. Some press reports refer to this arrangement as an "escrow account," but State Department officials describe the arrangement as "restricted" accounts.

Waiver for Bank Account Restriction

The waiver provision that applies to the sanctions imposed under the FY2012 NDAA (P.L. 112-81) applies to this Iran foreign bank account restriction provision. A waiver period of six months is permitted.

To implement the JPA, a waiver was issued under P.L. 112-81 (Section 212 and 213) to allow Iran to receive some hard currency from ongoing oil sales in eight installments during the JPA period. Iran remained unable under the JPA to remove hard currency from existing accounts abroad. As of Implementation Day, the restriction was waived completely, enabling Iran to gain access to hard currency from ongoing purchases of its oil.

Waivers to Implement the JCPOA

Sections 212(d)(10 and 2134(b)(1) of ITRSHRA were waived by the Obama Administration on January 18, 2017. The waiver was last renewed on January 12, 2018. Its provisions went back into effect on November 5, 2018.

Table 1. Iran Crude Oil Sales

(amounts in barrels per day, including condensates)

Country/Bloc	2011 Average	JPA period average (2014-2016)	Levels at U.S. JCPOA Exit	November 2018
European Union (particularly Italy, Spain, Greece)	600,000	Negligible	520,000 +	0
China	550,000	410,000	700,000	600,000
Japan	325,000	190,000	133,000	0
India	320,000	190,000	620,000	200,000
South Korea	230,000	130,000	100,000	0
Turkey	200,000	120,000	200,000	0
South Africa	80,000	negligible	negligible	0
Other Asia (Malaysia, Sri Lanka, Indonesia)	90,000	negligible	negligible	0
Taiwan	35,000	10,000	67,000	0
Singapore	20,000	negligible	negligible	0
Syria	negligible	negligible	33,000	0
Other (UAE, Iraq swaps, unknown)	55,000	negligible	100,000	201,000
Total (mbd)	**2.5**	**1.06**	**2.45**	**1.0**

Source and Note: Bloomberg News and other press articles on Iran oil customer purchase volumes. Initial information on actual Iranian exports is often preliminary, incomplete, and inaccurate, and this table therefore contains figures from at least one month prior. Figures might not reflect actual deliveries due to reported activities by Iran and various oil customers to conceal purchases or avoid tracking of oil tankers. Figures do not include purchases of condensates, which are light petroleum liquids that are associated with oil and natural gas production. South Korea is a large customer for Iranian condensates, and as of August 2018 it had cut its purchases of that product from Iran to zero.

Sanctions on Weapons of Mass Destruction, Missiles, and Conventional Arms Transfers

Status: No sanctions in this section eased to implement JCPOA

Several laws and executive orders seek to bar Iran from obtaining U.S. or other technology that can be used for weapons of mass destruction (WMD) programs. Sanctions on Iran's exportation of arms are discussed in the sections above on sanctions for Iran's support for terrorist groups.

Iran-Iraq Arms Nonproliferation Act and Iraq Sanctions Act

The Iran-Iraq Arms Nonproliferation Act (Title XIV of the FY1993 National Defense Authorization Act, P.L. 102-484, signed in October 1992) imposes a number of sanctions on

foreign entities that supply Iran with WMD technology or "destabilizing numbers and types of advanced conventional weapons."[28] *Advanced conventional weapons* are defined as follows:

(1) such long-range precision-guided munitions, fuel air explosives, cruise missiles, low observability aircraft, other radar evading aircraft, advanced military aircraft, military satellites, electromagnetic weapons, and laser weapons as the President determines destabilize the military balance or enhance the offensive capabilities in destabilizing ways;

(2) such advanced command, control, and communications systems, electronic warfare systems, or intelligence collections systems as the President determines destabilize the military balance or enhance offensive capabilities in destabilizing ways; and

(3) such other items or systems as the President may, by regulation, determine necessary for the purposes of this title.

The definition is generally understood to include technology used to develop ballistic missiles.

Sanctions to be Imposed: Sanctions imposed on violating entities include

- a ban, for two years, on U.S. government procurement from the entity;
- a ban, for two years, on licensing U.S. exports to that entity;
- authority (but not a requirement) to ban U.S. imports from the entity.

If the violator is determined to be a foreign country, sanctions to be imposed are

- a one-year ban on U.S. assistance to that country;
- a one-year requirement that the United States vote against international lending to it;
- a one-year suspension of U.S. coproduction agreements with the country;
- a one-year suspension of technical exchanges with the country in military or dual use technology;
- a one-year ban on sales of U.S. arms to the country;
- an authorization to deny the country most-favored-nation trade status; and to ban U.S. trade with the country.

Section 1603 of the act amended an earlier law, the Iraq Sanctions Act of 1990 (Section 586G(a) of P.L. 101-513), to provide for a "presumption of denial" for all dual use exports to Iran (including computer software).

Implementation

A number of entities were sanctioned under the act in the 1990s, as shown in the tables at the end of this paper. None of the designations remain active, because the sanctions have limited duration.

Waiver

Section 1606 of the act provides a presidential waiver for the provisions of the act, and for those imposed pursuant to the Iraq Sanctions Act of 1990, if the President determines that it is "essential to the national interest."

[28] The act originally only applied to advanced conventional weapons. The extension to WMD, defined as chemical, biological, or nuclear weapons-related technology was added by the FY1996 National Defense Authorization Act (P.L. 104-106).

Banning Aid to Countries that Aid or Arm Terrorism List States: Anti-Terrorism and Effective Death Penalty Act of 1996

Another law reinforces the authority of the President to sanction governments that provide aid or sell arms to Iran (and other terrorism list countries). Under Sections 620G and 620H of the Foreign Assistance Act, as added by the Anti-Terrorism and Effective Death Penalty Act of 1996 (Sections 325 and 326 of P.L. 104-132), the President is required to withhold foreign aid from any country that provides to a terrorism list country financial assistance or arms. Waiver authority is provided. Section 321 of that act also makes it a criminal offense for U.S. persons to conduct financial transactions with terrorism list governments.

No foreign assistance cuts or other penalties under this law have been announced.

Proliferation-Related Provision of the Iran Sanctions Act

As noted above, *Section 5(b)(1)* of ISA subjects to ISA sanctions firms or persons determined to have sold to Iran (1) technology useful for weapons of mass destruction (WMD) or (2) "destabilizing numbers and types" of advanced conventional weapons. *This, and Section 5(b)(2) pertaining to joint ventures to mine uranium, are the only provisions of ISA that were not waived to implement the JCPOA.*

As noted, no sanctions under this section have been imposed.

Iran-North Korea-Syria Nonproliferation Act

The Iran Nonproliferation Act (P.L. 106-178, signed in March 2000) is now called the Iran-North Korea-Syria Nonproliferation Act (INKSNA) after amendments applying its provisions to North Korea and to Syria. It authorizes sanctions—for two years unless renewed—on foreign *persons* (individuals or corporations, not governments) that are determined in a report by the Administration to have assisted Iran's WMD programs. Sanctions imposed include (1) a prohibition on U.S. exportation of arms and dual use items to the sanctioned entity; and (2) a ban on U.S. government procurement and of imports to the United States from the sanctioned entity under Executive Order 12938 (of November 14, 1994). INKSNA also banned U.S. extraordinary payments to the Russian Aviation and Space Agency in connection with the international space station unless the President certified that the agency had not transferred any WMD or missile technology to Iran within the year prior.[29]

Implementation

Entities that have been sanctioned under this law are listed in the tables at the end of the report. Designations more than two years old are no longer active. The JCPOA required the United States to suspend INKSNA sanctions against "the acquisition of nuclear-related commodities and services for nuclear activities contemplated in the JCPOA," but no entities were "delisted" to implement the JCPOA.

[29] The provision contains certain exceptions to ensure the safety of astronauts, but it nonetheless threatened to limit U.S. access to the international space station after April 2006, when Russia started charging the United States for transportation on its Soyuz spacecraft. Legislation in the 109th Congress (S. 1713, P.L. 109-112) amended the provision in order to facilitate continued U.S. access and extended INA sanctions provisions to Syria.

Waiver and Termination

Section 4 gives the President the authority to not impose sanctions if the President justifies that decision to Congress. Section 5 provides for exemptions from sanctions if certain conditions are met, particularly that the government with jurisdiction over the entity cooperating to stop future such transfers to Iran.

Termination of this law would require congressional action.

Executive Order 13382 on Proliferation-Supporting Entities

Status: Order Remained in Force, but Numerous Entities "Delisted"

Executive Order 13382 (June 28, 2005) allows the President to block the assets of proliferators of weapons of mass destruction (WMD) and their supporters under the authority granted by the International Emergency Economic Powers Act (IEEPA; 50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), and Section 301 of Title 3, *United States Code*.

Implementation. The numerous entities sanctioned under the order for dealings with Iran are listed in the tables at the end of this report. Entities delisted and which were to be delisted in accordance with the JCPOA (in October 2023) are in italics and boldface type, respectively. All entities delisted to implement the JCPOA are to be relisted on November 5, 2018, according to the Treasury Department.

Arms Transfer and Missile Sanctions: The Countering America's Adversaries through Sanctions Act (CAATSA, P.L. 115-44)

The CAATSA law, signed on August 2, 2017, mandates sanctions on arms sales to Iran and on entities that "materially contribute" to Iran's ballistic missile program.

- Section 104 references implementation of E.O. 13382, which sanctions entities determined by the Administration to be assisting Iran's ballistic missile program. The section mandates that the Administration impose the same sanctions as in E.O. 13382 on any activity that materially contributes to Iran's ballistic missile program or any system capable of delivering WMD. The section also requires an Administration report every 180 days on persons (beginning on January 29, 2018) contributing to Iran's ballistic missile program in the preceding 180 days.
- Section 107 mandates imposition of sanctions (the same sanctions as those contained in E.O. 13382) on any person that the President determines has sold or transferred to or from Iran, or for the use in or benefit of Iran: the weapons systems specified as banned for transfer to or from Iran in U.N. Security Council Resolution 2231. These include most major combat systems such as tanks, armored vehicles, warships, missiles, combat aircraft, and attack helicopters. The provision goes somewhat beyond prior law that mandates sanctions mainly on sales to Iran of "destabilizing numbers and types of advanced conventional weapons." The imposition of sanctions is not required if the President certifies that a weapons transfer is in the national security of the United States; that Iran no longer poses a significant threat to the United States or U.S. allies; and that the Iranian government no longer satisfies the requirements for designation as a state sponsor of terrorism.

Sanctions on the Islamic Revolutionary Guard Corps (IRGC)

Numerous sanctions discussed in this report target Iran's Islamic Revolutionary Guard Corps (IRGC), which plays a role in repressing domestic dissent, developing Iran's energy sector, developing Iran's WMD programs particularly by procuring technology abroad, and supporting pro-Iranian militant movements and governments in the Middle East region. Many of the IRGC's subordinate units, such as the IRGC Qods Force and the Basij militia, have been designated for sanctions under various Executive Orders, as have corporate entities owned or controlled by the IRGC. One such firm is the large engineering firm Khatam ol-Anbia. Secretary of State Michael Pompeo has cited estimates that the IRGC's affiliates might control about 20% of Iran's economy, but details of how such figures are arrived at are scant. Sanctions targeting the IRGC are discussed below—and no IRGC-related sanctions were waived or terminated to implement the JCPOA. IRGC-related entities designated for sanctions are in the tables at the end of the report.

- The IRGC is named as a proliferation-supporting entity under Executive Order 13382, and the Qods Force, the unit of the IRGC that assists pro-Iranian movements and countries abroad, is named as a terrorism-supporting entity under Executive Order 13324. Several Iranian firms linked to the IRGC are sanctioned, as noted in the tables at the end of this report. Several IRGC commanders are named under other executive orders, discussed below, sanctioning Iranian human rights abusers, abusers of Syrian human rights, and entities undermining stability in Iraq.
- Section 311 of the ITRSHRA requires a certification by a contractor to the U.S. government that it is not knowingly engaging in a significant transaction with Iran's Islamic Revolutionary Guard Corps (IRGC), or any of its agents or affiliates that have been sanctioned under several executive orders discussed below. A contract may be terminated if it is determined that the company's certification of compliance was false.
- Section 302 of the Iran Threat Reduction Act imposes at least 5 out of 12 ISA sanctions on persons that materially assist, with financing or technology, the IRGC, or assist or engage in "significant" transactions with any of its affiliates that are sanctioned under Executive Order 13382, 13224, or similar executive orders discussed below—or which are determined to be affiliates of the IRGC. *Section 302 did not amend ISA.*
- Section 301 of the Iran Threat Reduction Act requires the President, within 90 days of enactment (by November 9, 2012), to identify "officials, agents, or affiliates" of the IRGC and to impose sanctions in accordance with Executive Order 13382 or 13224, including blocking any such designee's U.S.-based assets or property. Some of these designations, including of National Iranian Oil Company (NIOC), were made by the Treasury Department on November 8, 2012.
- Section 303 of the ITRSHRA requires the imposition of sanctions on agencies of foreign governments that provide technical or financial support, or goods and services to sanctioned (under U.S. executive orders or U.N. resolutions) members or affiliates of the IRGC. Sanctions include a ban on U.S. assistance or credits for that foreign government agency, a ban on defense sales to it, a ban on U.S. arms sales to it, and a ban on exports to it of controlled U.S. technology.
- Section 104 of CISADA sanctions foreign banks that conduct significant transactions with the IRGC or any of its agents or affiliates that are sanctioned under any executive order. It also sanctions any entity that assists Iran's Central Bank efforts to help the IRGC acquire WMD or support international terrorism.
- The Countering America's Adversaries Through Sanctions Act (P.L. 115-44) mandates sanctions contained in E.O. 13224 (terrorism entities) on the IRGC and its officials, agents and affiliates be applied by October 30, 2017. On October 13, 2017, the Treasury Department designated the IRGC under E.O. 13224.
- In October 2018, 20 entities, including a steel company and acid and zinc mining firms, that help provide revenue to the Basjij militia, an arm of the IRGC, were designated as terrorism entities under Executive Order 13224.

No IRGC-related laws or executive orders were waived or suspended to implement the JCPOA and no IRGC affiliates were "delisted." There are no commitments in the JCPOA for the United States to suspend any IRGC-related sanctions.

Foreign Aid Restrictions for Named Suppliers of Iran

Some past foreign aid appropriations have withheld U.S. assistance to the Russian Federation unless it terminates technical assistance to Iran's nuclear and ballistic missiles programs. The provision applied to the fiscal year for which foreign aid is appropriated. Because U.S. aid to Russia generally has not gone to the Russian government, little or no funding was withheld as a

result of the provision. The JCPOA makes no reference to any U.S. commitments to waive this sanction or to request that Congress not enact such a provision.

Sanctions on "Countries of Diversion Concern"

Title III of CISADA established authorities to sanction countries that allow U.S. technology that Iran could use in its nuclear and WMD programs to be reexported or diverted to Iran. Section 303 of CISADA authorizes the President to designate a country as a "Destination of Diversion Concern" if that country allows substantial diversion of goods, services, or technologies characterized in Section 302 of that law to Iranian end-users or Iranian intermediaries. The technologies specified include any goods that could contribute to Iran's nuclear or WMD programs, as well as goods listed on various U.S. controlled-technology lists such as the Commerce Control List or Munitions List. For any country designated as a country of diversion concern, there would be prohibition of denial for licenses of U.S. exports to that country of the goods that were being reexported or diverted to Iran.

Implementation: To date, no country has been designated a "Country of Diversion Concern." Some countries adopted or enforced antiproliferation laws apparently to avoid designation.

Waiver and Termination

Waiver: The President may waive sanctions on countries designated as of Diversion Concern for 12 months, and additional 12-month periods, pursuant to certification that the country is taking steps to prevent diversions and reexports.

Termination: The designation terminates on the date the President certifies to Congress that the country has adequately strengthened its export controls to prevent such diversion and reexports to Iran in the future. The JCPOA makes no reference to waiving or terminating this sanction.

Financial/Banking Sanctions

U.S. efforts to shut Iran out of the international banking system were a key component of the 2010-2016 international sanctions regime.

Targeted Financial Measures

Status: Initiative Suspended during JCPOA Implementation

During 2006-2016, the Department of the Treasury used long-standing authorities to persuade foreign banks to cease dealing with Iran, in part by briefing them on Iran's use of the international financial system to fund terrorist groups and acquire weapons-related technology. According to a GAO report of February 2013, the Department of the Treasury made overtures to 145 banks in 60 countries, including several visits to banks and officials in the UAE, and convinced at least 80 foreign banks to cease handling financial transactions with Iranian banks. Upon implementation of the JCPOA, the Treasury Department largely dropped this initiative, and instead largely sought to encourage foreign banks to conduct normal transactions with Iran.

Ban on Iranian Access to the U.S. Financial System/Use of Dollars

Status: Remains in Force

There is no blanket ban on foreign banks or persons paying Iran for goods using U.S. dollars. But, U.S. regulations (ITRs, C.F.R. Section 560.516) ban Iran from direct access to the U.S. financial system. The regulations allow U.S. banks to send funds (including U.S. dollars) to Iran for allowed (licensed) transactions. However, the U.S. dollars cannot be directly transferred to an Iranian bank, but must instead be channeled through an intermediary financial institution, such as a European bank. Section 560.510 specifically allows for U.S. payments to Iran to settle or pay judgments to Iran, such as those reached in connection with the U.S.-Iran Claims Tribunal, discussed above. However, the prohibition on dealing directly with Iranian banks still applies.

On November 6, 2008, the Department of the Treasury broadened restrictions on Iran's access to the U.S. financial system by barring U.S. banks from handling any transactions with foreign banks that are handling transactions on behalf of an Iranian bank ("U-turn transactions").[30] This means a foreign bank or person that pays Iran for goods in U.S. dollars cannot access the U.S. financial system (through a U.S. correspondent account, which most foreign banks have) to acquire dollars for any transaction involving Iran. This ban remained in effect under the JCPOA implementation, and Iran argued that these U.S. restrictions deter European and other banks from reentering the Iran market, as discussed later in this report.

Recent Developments

Then-Treasury Secretary Lew in March and April 2016 suggested the Obama Administration was considering licensing transactions by foreign (non-Iranian) clearinghouses to acquire dollars that might facilitate transactions with Iran, without providing Iran with dollars directly.[31] However, doing so was not required by the JCPOA and the Administration declined to take that step. Instead, the Obama Administration encouraged bankers to reenter the Iran market without fear of being sanctioned. The Trump Administration has not, at any time, expressed support for allowing Iran greater access to dollars. The reimposition of U.S. sanctions has further reduced the willingness and ability of foreign firms to use dollars in transactions with Iran.

Punishments/Fines Implemented against Some Banks.

The Department of the Treasury and other U.S. authorities has announced financial settlements (forfeiture of assets and imposition of fines) with various banks that have helped Iran (and other countries such as Sudan, Syria, and Cuba) access the U.S. financial system. The settlement dollar amounts were reportedly determined, at least in part, by the dollar value, number, and duration of illicit transactions conducted, and the strength of the evidence collected by the accusing U.S. regulators,[32] but it is not known from published sources how final settlement amounts compare to the amounts sought by U.S. regulators. (As noted above, the FY2016 Consolidated Appropriation

[30] For text of the OFAC ruling barring U-Turn transactions, see https://www.treasury.gov/resource-center/sanctions/Documents/fr73_66541.pdf.

[31] See Katherine Bauer. "Potential U.S. Clarification of Financial Sanctions Regulations." April 5, 2016. http://www.washingtoninstitute.org/policy-analysis/view/potential-u.s.-clarification-of-financial-sanctions-regulations.

[32] Analyst conversations with U.S. banking and sanctions experts. 2010-2015.

(P.L. 114-113) provides for use of the proceeds of the settlements above to pay compensation to victims of Iranian terrorism.)

(1) In 2004, UBS paid a $100 million settlement for the unauthorized movement of U.S. dollars to Iran and other sanctioned countries; (2) in December 2005, Dutch bank ABN Amro paid an $80 million settlement for failing to fully report the processing of financial transactions involving Iran's Bank Melli; (3) in December 2009, Credit Suisse paid a $536 million settlement for illicitly processing Iranian transactions with U.S. banks;[33] (4) in June 2012, Dutch bank ING paid a $619 million settlement for concealing the movement of billions of dollars through the U.S. financial system on behalf of Iranian and Cuban clients;[34] (5) in August 2012, Standard Chartered paid a $340 million settlement to New York State regulators for allegations that it had processed transactions on behalf of Iran;[35] (6) in January 2014, Luxembourg-based Clearstream Banking paid $152 million for helping Iran evade U.S. banking restrictions; (7) in January 2014, the Bank of Moscow paid a $9.5 million settlement for illicitly allowing Bank Melli to access the U.S. financial system;[36] and (8) in June 2014, BNP Paribas pled guilty to helping Iran (and Sudan and Cuba) violate U.S. sanctions and forfeited $8.9 billion and paid $140 million in fines.[37]

CISADA: Sanctioning Foreign Banks That Conduct Transactions with Sanctioned Iranian Entities

Status: Remained in force after JCPOA, but Iranian banks "delisted." Delisted banks will be "relisted" as of November 5, 2018.

Section 104 of CISADA requires the Secretary of the Treasury to forbid U.S. banks from opening new "correspondent accounts" or "payable-through accounts" (or force the cancellation of existing such accounts) for[38]

- any foreign bank that transactions business with an entity that is sanctioned by Executive Order 13224 or 13382 (terrorism and proliferation activities, respectively). These orders are discussed above. A full list of such entities is at the end of this report, and entities "delisted" are in italics.
- any foreign bank determined to have facilitated Iran's efforts to acquire WMD or delivery systems or provide support to groups named as Foreign Terrorist Organizations (FTOs) by the United States.
- any foreign bank that facilitates "the activities of" an entity designated under by U.N. Security Council resolutions that sanction Iran.
- any foreign bank that transacts business with the IRGC or any of its affiliates designated under any U.S. Iran-related executive order.
- any foreign bank that does business with Iran's energy, shipping, and shipbuilding sectors, including with NIOC, NITC, and IRISL. (This provision

[33] http://www.justice.gov/opa/pr/credit-suisse-agrees-forfeit-536-million-connection-violations-international-emergency.

[34] http://www.nytimes.com/2012/06/13/business/ing-bank-to-pay-619-million-over-sanctions-violations.html?_r=0.

[35] Jessica Silver-Greenberg, "Regulator Says Bank Helped Iran Hide Deals," *New York Times*, August 7, 2012.

[36] Rick Gladstone. "U.S. Announces Actions to Enforce Iran Sanctions." *New York Times*, April 29, 2014.

[37] http://www.reuters.com/article/2015/05/01/us-bnp-paribas-settlement-sentencing-idUSKBN0NM41K20150501.

[38] Foreign banks that do not have operations in the United States typically establish correspondent accounts or payable-through accounts with U.S. banks as a means of accessing the U.S. financial system.

was contained in Section 1244(d) of the Iran Freedom and Counterproliferation Act, IFCA, discussed below, *but did not specifically amend CISADA*. The provision was waived to implement the JCPOA.

One additional intent of the provision was to reduce the ability of Iran's pivotal import-export community (referred to in Iran as the "bazaar merchants" or "*bazaaris*") from obtaining "letters of credit" (trade financing) to buy or sell goods. The Department of the Treasury has authority to determine what constitutes a "significant" financial transaction.

Waiver and Termination

Under Section 401(a) of CISADA, the Section 104 sanctions provisions would terminate 30 days after the President certifies to Congress that Iran (1) has met the requirements for removal from the terrorism list, AND (2) has ceased pursuit, acquisition, or development of, and verifiably dismantled its nuclear weapons and other WMD programs.

The Secretary of the Treasury may waive sanctions under Section 104, with the waiver taking effect 30 days after the Secretary determines that a waiver is necessary to the national interest and submits a report to Congress describing the reason for that determination.

As noted, Section 104 was not waived to implement the JCPOA, but many entities with which transactions would have triggered sanctions under Section 104 have been "delisted" in accordance with the JCPOA. These entities are to be relisted as Specially Designated Nationals (SDNs) and therefore subject to secondary sanctioning by November 5, 2018.

Implementation of Section 104: Sanctions Imposed

On July 31, 2012, the United States sanctioned the Bank of Kunlun in China and the Elaf Islamic Bank in Iraq under Section 104 of CISADA. On May 17, 2013, the Department of the Treasury lifted sanctions on Elaf Islamic Bank in Iraq, asserting that the bank had reduced its exposure to the Iranian financial sector and stopped providing services to the Export Development Bank of Iran.

Iran Designated a Money-Laundering Jurisdiction/FATF

Status: Central Bank Remained Designated Under this Section during JCPOA

On November 21, 2011, the Obama Administration identified Iran as a "jurisdiction of primary money laundering concern"[39] under Section 311 of the USA Patriot Act (31 U.S.C. 5318A), based on a determination that Iran's financial system, including the Central Bank, constitutes a threat to governments or financial institutions that do business with Iran's banks. The designation imposed additional requirements on U.S. banks to ensure against improper Iranian access to the U.S. financial system.

The Administration justified the designation as implementation of recommendations of the Financial Action Task Force (FATF)—a multilateral standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT). The FATF characterizes Iran as a high-risk and noncooperative jurisdiction with respect to AMF/CFT issues.[40] On June 24, 2016, the FATF welcomed an "Action Plan" filed by Iran to address its strategic AML/CFT deficiencies and decided to suspend, for one year, "countermeasures"—mostly voluntary recommendations of

[39] http://www.treasury.gov/press-center/press-releases/Pages/tg1367.aspx.

[40] http://www.fatf-gafi.org/publications/high-riskandnon-cooperativejurisdictions/documents/public-statement-february-2016.html.

increased due diligence with respect to Iran transactions—pending an assessment of Iran's implementation of its Action Plan. The FATF continued the suspension of countermeasures in June and November 2017, and February 2018,[41] but Iran remained blacklisted because of its refusal to implement anti-terrorism financing measures, such as accession to the Convention for the Suppression of Financing of Terrorism. Iranian bodies, including its Supreme National Security Committee and its Majles (parliament) sought in May 2018 to condition that accession on its not applying to Iran's support for groups Iran supports, such as Hezbollah and Hamas, which Iran does not consider to be terrorist groups.[42] On October 19, 2018, the FATF stated that Iran had only acted on 9 out of 10 of its guidelines, and that Iran's Majles had not completed legislation to adopt international standards. The FATF continued to suspend countermeasures and gave Iran until February 2019 to fully accede to all FATF guidelines.

On October 12, 2018, one week prior to the FATF meeting discussed above, the Treasury Department Financial Crimes Enforcement Network (FINCEN) issued a warning to U.S. banks to guard against likely Iranian efforts to evade U.S. financial sanctions. Earlier, in January 1, 2013, OFAC issued an Advisory to highlight Iran's use of *hawalas* (traditional informal banking and money exchanges) in the Middle East and South Asia region to circumvent U.S. financial sanctions. Because the involvement of an Iranian client is often opaque, banks have sometimes inadvertently processed *hawala* transactions involving Iranians.

Use of the SWIFT System

Section 220 of the ITRSHRA required reports on electronic payments systems, such as the Brussels-based SWIFT (Society of Worldwide Interbank Financial Telecommunications), that do business with Iran. That law also authorizes—but neither it or any other U.S. law or Executive Order mandates—sanctions against SWIFT or against electronic payments systems per se. Still, as noted, many transactions with Iran are subject to U.S. sanctions, no matter the payment mechanism.

Cross-Cutting Secondary Sanctions: The Iran Freedom and Counter-Proliferation Act (IFCA)

Status: Waived to implement JCPOA; will go back into effect as specified.

The National Defense Authorization Act for FY2013 (H.R. 4310, P.L. 112-239, signed January 2, 2013)—Subtitle D, "The Iran Freedom and Counter-Proliferation Act" (IFCA) sanctions a wide swath of Iran's economy. (Its provisions on Iran's human rights record are discussed elsewhere.)

- Section 1244 of IFCA mandates the blocking of U.S.-based property of any entity (Iranian or non-Iranian) that provides goods, services, or other support to any Iranian entity designated by the Treasury Department as a "specially designated national" (SDN). The tables at the end of this report show that hundreds of Iranian entities are designated as SDNs under various Executive Orders. The

[41] http://www.fatf-gafi.org/publications/high-riskandnon-cooperativejurisdictions/documents/public-statement-june-2017.html.

[42] Katherine Bauer. "Pushing Iran to Take Steps against Terrorist Financing." Washington Institute for Near East Policy, February 20, 2018.

Iranian entities designated for civilian economic activity were "delisted" to implement the JCPOA, but will be relisted on November 5, 2018.

- Section 1247 of IFCA prohibits from operating in the United States any bank that knowingly facilitates a financial transaction on behalf of an Iranian SDN. This provision is, to some extent, duplicative of Section 104 of CISADA (see above).

Several sections of IFCA impose ISA sanctions on entities determined to have engaged in specified transactions below. (*The provisions apply ISA sanctions but do not amend ISA.)*

- *Energy, Shipbuilding, and Shipping Sector.* Section 1244 mandates 5 out of 12 ISA sanctions on entities that provide goods or services to Iran's energy, shipbuilding, and shipping sectors, or to port operations there—or which provide insurance for such transactions. *The sanctions do not apply when such transactions involved purchases of Iranian oil by countries that have exemptions under P.L. 112-81*, *or to the purchase of natural gas from Iran.* This section goes back into effect after a 180-day wind-down period (by November 4, 2018).
- *Dealings in Precious Metals.* Section 1245 imposes 5 out of 12 ISA sanctions on entities that provide precious metals to Iran (including gold) or semifinished metals or software for integrating industrial processes. The section affected foreign firms that transferred these items or other precious metals to Iran in exchange for oil or any other product. *There is no exception to this sanction for countries exempted under P.L. 112-81.* This section went back into effect after a 90-day wind-down period (August 6, 2018).
- *Insurance for Related Activities.* Section 1246 imposes 5 out of 12 ISA sanctions on entities that provide underwriting services, insurance, or reinsurance for any transactions sanctioned under any Executive Order on Iran, ISA, CISADA, the Iran Threat Reduction Act, INKSNA, other IFCA provisions, or any other Iran sanction, as well as to any Iranian SDN. (*There is no exception for countries exempted under P.L. 112-81*.) This provision goes back into effect after a 180-day wind-down period (by November 4, 2018).
- *Exception for Afghanistan Reconstruction*. Section 1244(f) of IFCA provides a sanctions exemption for transactions that provide reconstruction assistance for or further the economic development of Afghanistan.
- *Basij-Related Industrial Designations*. On October 16, 2018, OFAC designated as terrorism-related entities several Iranian industrial companies on the grounds that they provide the Basij security force with revenue to support its operations in the Middle East. The industrial firms—which were not previously designated and would not anyway be "relisted" as of November 5—were Technotar Engineering Company; Iran Tractor Manufacturing Company; Iran's Zinc Mines Development Company and several related zinc producers; and Esfahan Mobarakeh Steel Company, the largest steel producer in the Middle East. The designations mean that foreign firms that transact business with these Iranian industrial firms could be subject to U.S. sanctions under IFCA.

Implementation

On August 29, 2014, the State Department sanctioned UAE-based Goldentex FZE in accordance with IFCA for providing support to Iran's shipping sector. It was "delisted" from sanctions on Implementation Day of the JCPOA.

Waiver and Termination

Sections 1244 and 1245 of IFCA provide for a waiver of sanctions for 180 days, renewable for 180-day periods, if such a waiver is determined to be vital to U.S. national security. These sections were waived in order to implement the JPA. In addition, Section 5(a)(7) of ISA was waived to allow for certain transactions with NIOC and NITC. Sections 1244(i), 1245(g), 1246(e), and 1247(f) of IFCA were waived to implement the JCPOA on January 18, 2017, and that waiver was last renewed on January 12, 2018. IFCA goes back into full effect as specified above.

Executive Order 13608 on Sanctions Evasion

Executive Order 13608 of May 1, 2012, gives the Department of the Treasury the ability to identify and sanction (cutting them off from the U.S. market) foreign persons who help Iran (or Syria) evade U.S. and multilateral sanctions.

Several persons and entities have been designated for sanctions, as shown in the tables at the end of the report.

Sanctions on Iran's Cyber and Transnational Criminal Activities

Status: All in Force during JCPOA Period

The Trump Administration appears to be making increasing use of executive orders issued during the Obama Administration to sanction Iranian entities determined to be engaged in malicious cyberactivities or in transnational crime. Iranian entities have attacked, or attempted to attack, using cyberactivity, infrastructure in the United States, Saudi Arabia, and elsewhere. Iran's ability to conduct cyberattacks appears to be growing. Separately, the Justice Department has prosecuted Iranian entities for such activity. The section below discusses Executive Order 13694 on malicious cyberactivities and Executive Order 13581 on transnational crime.

Executive Order 13694 (April 1, 2015)

Executive Order 13694 blocks U.S.-based property of foreign entities determined to have engaged in cyber-enabled activities that (1) harm or compromise the provision of services by computers or computer networks supporting in the critical infrastructure sector; (2) compromise critical infrastructure; (3) disrupt computers or computer networks; or (4) cause misappropriation of funds, trade secrets, personal identifiers, or financial information for financial advantage or gain.

Executive Order 13581 (July 25, 2011)

Executive Order 13581 blocks the U.S.-based property of entities determined (1) to be a foreign person that constitutes a significant transnational criminal organization; (2) to have materially assisted any person sanctioned under this order; or (3) to be owned or controlled by or to have acted on behalf of a person sanctioned under the order.

Implementation

Iran-related entities sanctioned under the Orders are listed in the tables at the end of this report.

Divestment/State-Level Sanctions

Some U.S. laws require or call for divestment of shares of firms that conduct certain transactions with Iran. A divestment-promotion provision was contained in CISADA, providing a "safe harbor" for investment managers who sell shares of firms that invest in Iran's energy sector at levels that would trigger U.S. sanctions under the Iran Sanctions Act. As noted above, Section 219 of the ITRSHRA of 2012 requires companies to reports to the Securities and Exchange Commission whether they or any corporate affiliate has engaged in any transactions with Iran that could trigger sanctions under ISA, CISADA, and E.O 13382 and 13224.

Implementation: Numerous states have adopted laws, regulations, and policies to divest from—or avoid state government business with—foreign companies that conduct certain transactions with Iran. The JCPOA requires the United States to work with state and local governments to ensure that state-level sanctions do not conflict with the sanctions relief provided by the federal government under the JCPOA. Most states that have adopted Iran sanctions continue to enforce those measures.

Sanctions and Sanctions Exemptions to Support Democratic Change/Civil Society in Iran

Post-JCPOA Status: Virtually All Sanctions in This Section Remain in Effect. No Entities "Delisted."[43]

A trend in U.S. policy and legislation since the June 12, 2009, election-related uprising in Iran has been to support the ability of the domestic opposition in Iran to communicate and to sanction Iranian officials that commit human rights abuses. Sanctions on the IRGC represent one facet of that trend because the IRGC is a key suppressive instrument. Individuals and entities designated under the executive orders and provisions discussed below are listed in the tables at the end of this report. For those provisions that ban visas to enter the United States, the State Department interprets the provisions to apply to all members of the designated entity.[44]

Expanding Internet and Communications Freedoms

Some laws and Administration action focus on expanding internet freedom in Iran or preventing the Iranian government from using the internet to identify opponents. Subtitle D of the FY2010 Defense Authorization Act (P.L. 111-84), called the "VOICE" (Victims of Iranian Censorship) Act, contained several provisions to increase U.S. broadcasting to Iran and to identify (in a report to be submitted 180 days after enactment) companies that are selling Iran technology equipment that it can use to suppress or monitor the internet usage of Iranians. The act authorized funds to document Iranian human rights abuses since the June 2009 Iranian presidential election. Section 1241 required an Administration report by January 31, 2010, on U.S. enforcement of sanctions against Iran and the effect of those sanctions on Iran.

[43] Sections 5-7 and 15 of Executive Order 13628 which have to do primarily with Iran's energy sector, were revoked, but the remaining sections, which concern human rights issues, remain in place.

[44] U.S. Department of the Treasury, Office of Public Affairs, *Treasury Sanctions Iranian Security Forces for Human Rights Abuses*, June 9, 2011.

Countering Censorship of the Internet: CISADA, E.O. 13606, and E.O. 13628

- Section 106 of CISADA prohibits U.S. government contracts with foreign companies that sell technology that Iran could use to monitor or control Iranian usage of the internet. The provisions were directed, in part, against Nokia (Finland) and Siemens (Germany) for reportedly selling internet monitoring and censorship technology to Iran in 2008.[45] The provision was derived from the Reduce Iranian Cyber-Suppression Act (111th Congress, S. 1475 and H.R. 3284).
- On April 23, 2012, President Obama issued an executive order (13606) sanctioning persons who commit "Grave Human Rights Abuses by the Governments of Iran and Syria via Information Technology (GHRAVITY)." The order blocks the U.S.-based property and essentially bars U.S. entry and bans any U.S. trade with persons and entities listed in an Annex and persons or entities subsequently determined to be (1) operating any technology that allows the Iranian (or Syrian) government to disrupt, monitor, or track computer usage by citizens of those countries or assisting the two governments in such disruptions or monitoring; or (2) selling to Iran (or Syria) any technology that enables those governments to carry out such actions.
- Section 403 of the ITRSHRA sanctions (visa ban, U.S.-based property blocked) persons/firms determined to have engaged in censorship in Iran, limited access to media, or—for example, a foreign satellite service provider—supported Iranian government jamming or frequency manipulation. On October 9, 2012, the President issued Executive Order 13628 implementing Section 403 by blocking the property of persons/firms determined to have committed the censorship, limited free expression, or assisted in jamming communications. The order also specifies the sanctions authorities of the Department of State and of the Treasury.

Laws and Actions to Promote Internet Communications by Iranians

- On March 8, 2010, OFAC amended the Iran Transactions Regulations to allow for a general license for providing free mass market software to Iranians. The ruling incorporated major features of the Iran Digital Empowerment Act (H.R. 4301 in the 111th Congress). The OFAC determination required a waiver of the provision of the Iran-Iraq Arms Nonproliferation Act (Section 1606 waiver provision) discussed above.
- Section 103(b)(2) of CISADA exempts from the U.S. export ban on Iran equipment to help Iranians communicate and use the internet.
- On March 20, 2012, the Department of the Treasury amended U.S.-Iran trade regulations to permit several additional types of software and information technology products to be exported to Iran under general license, provided the products were available at no cost to the user.[46] The items included personal communications, personal data storage, browsers, plug-ins, document readers, and free mobile applications related to personal communications.
- On May 30, 2013, the Department of the Treasury amended the trade regulations further to allow for the sale, *on a cash basis* (no financing), to Iran of equipment

[45] Christopher Rhoads, "Iran's Web Spying Aided by Western Technology," *Wall Street Journal*, June 22, 2009.

[46] *Fact Sheet: Treasury Issues Interpretive Guidance and Statement of Licensing Policy on Internet Freedom in Iran*, March 20, 2012.

that Iranians can use to communicate (e.g., cellphones, laptops, satellite internet, website hosting, and related products and services).

Measures to Sanction Human Rights Abuses and Promote the Opposition

Some legislation has sought to sanction regime officials involved in suppressing the domestic opposition in Iran or in human rights abuses more generally. Much of this legislation centers on amendments to Section 105 of CISADA.

- *Sanctions against Iranian Human Rights Abusers.* Section 105 of CISADA bans travel and freezes the U.S.-based assets of those Iranians determined to be human rights abusers. On September 29, 2010, pursuant to Section 105, President Obama issued Executive Order 13553 providing for CISADA sanctions against Iranians determined to be responsible for or complicit in post-2009 Iran election human rights abuses. Those sanctioned under the provisions are listed in the tables at the end of this report.
- Section 105 terminates if the President certifies to Congress that Iran has (1) unconditionally released all political prisoners detained in the aftermath of the June 2009 uprising; (2) ceased its practices of violence, unlawful detention, torture, and abuse of citizens who were engaged in peaceful protest; (3) fully investigated abuses of political activists that occurred after the uprising; and (4) committed to and is making progress toward establishing an independent judiciary and respecting human rights.
- *Sanctions on Sales of Anti-Riot Equipment.* Section 402 of the ITRSHRA amended Section 105 by adding provisions that sanction (visa ban, U.S. property blocked) any person or company that sells the Iranian government goods or technologies that it can use to commit human rights abuses against its people. Such goods include firearms, rubber bullets, police batons, chemical or pepper sprays, stun grenades, tear gas, water cannons, and like goods. In addition, ISA sanctions are to be imposed on any person determined to be selling such equipment to the IRGC.
- *Sanctions against Iranian Government Broadcasters/IRIB.* Section 1248 of IFCA (Subtitle D of P.L. 112-239) mandates inclusion of the Islamic Republic of Iran Broadcasting (IRIB), the state broadcasting umbrella group, as a human rights abuser. IRIB was designated as an SDN on February 6, 2013, under E.O. 13628 for limiting free expression in Iran. On February 14, 2014, the State Department waived IFCA sanctions under Sections 1244, 1246, or 1247, on any entity that provides satellite connectivity services to IRIB. The waiver has been renewed each year since.
- *Sanctions against Iranian Profiteers*. Section 1249 of IFCA amends Section 105 by imposing sanctions on any person determined to have engaged in corruption or to have diverted or misappropriated humanitarian goods or funds for such goods for the Iranian people. The measure is intended to sanction Iranian profiteers who are, for example, using official connections to corner the market for vital medicines. This provision, which remains in forces, essentially codifies a similar provision of Executive Order 13645.
- *The Countering America's Adversaries through Sanctions Act (CAATSA, P.L. 115-44) Provision.* Section 106 authorizes (but does not require) the imposition

of the same sanctions as those prescribed in E.O. 13553 on persons responsible for extrajudicial killings, torture, or other gross violations of internationally recognized human rights against Iranians who seek to expose illegal activity by officials or to defend or promote human rights and freedoms in Iran. The persons to be sanctioned are those named in a report provided 90 days after CAATSA enactment (by October 31, 2017) and annually thereafter. The provision is similar to E.O. 13553 but, in contrast, applies broadly to Iranian human rights abuses and is not limited to abuses connected to suppressing the June 2009 uprising in Iran. Additional designations of Iranian human rights abusers under E.O. 13533 were made subsequent to the enactment of CAATSA and the October 31, 2017, CAATSA report deadline.

- *Separate Visa Bans.* On July 8, 2011, the State Department imposed visa restrictions on 50 Iranian officials for participating in political repression in Iran, but it did not name those banned on the grounds that visa records are confidential. The action was taken under the authorities of Section 212(a)(3)(C) of the Immigration and Nationality Act, which renders inadmissible to the United States a foreign person whose activities could have serious consequences for the United States. On May 30, 2013, the State Department announced it had imposed visa restrictions on an additional 60 Iranian officials on similar grounds.[47]
- *High Level Iranian Visits*. There are certain exemptions in the case of high level Iranian visits to attend U.N. meetings in New York. The U.N. Participation Act (P.L. 79-264) provides for U.S. participation in the United Nations and as host nation of U.N. headquarters in New York, and visas are routinely issued to heads of state and their aides attending these meetings. In September 2012, the State Department refused visas for 20 members of Iranian President Ahmadinejad's traveling party on the grounds of past involvement in terrorism or human rights abuses. Still, in line with U.S. obligations under the act, then-President Ahmadinejad was allowed to fly to the United States on Iran Air, even though Iran Air was at the time a U.S.-sanctioned entity, and his plane reportedly was allowed to park at Andrews Air Force base.

U.N. Sanctions

U.N. sanctions on Iran, enacted by the Security Council under Article 41 of Chapter VII of the U.N. Charter,[48] applied to all U.N. member states. During 2006-2008, three U.N. Security Council resolutions—1737, 1747, and 1803—imposed sanctions on Iran's nuclear program and weapons of mass destruction (WMD) infrastructure. Resolution 1929, adopted on June 9, 2010, was key for its assertion that major sectors of the Iranian economy support Iran's nuclear program—giving U.N. member states authorization to sanction civilian sectors of Iran's economy. It also imposed strict limitations on Iran's development of ballistic missiles and imports and exports of arms.

[47] http://www.state.gov/r/pa/prs/ps/2013/05/210102.htm.

[48] Security Council resolutions that reference Chapter VII of the U.N. Charter represent actions taken with respect to threats to international peace and acts of aggression. Article 41 of that Chapter, in general, provides for enforcement of the resolution in question through economic and diplomatic sanctions, but not through military action.

Resolution 2231 and U.N. Sanctions Eased

U.N. Security Council Resolution 2231 of July 20, 2015

- endorsed the JCPOA and superseded all prior Iran-related resolutions as of Implementation Day (January 16, 2016).
- lifted all U.N. sanctions discussed above. The Resolution did not continue the mandate of the "the panel of experts" and the panel ended its operations.
- "calls on" Iran not to develop ballistic missiles "designed to be capable" of delivering a nuclear weapon for a maximum of eight years from Adoption Day (October 18, 2015). The restriction expires on October 18, 2023. And, 2231 is far less restrictive on Iran's missile program than is Resolution 1929. No specific sanctions are mandated in the Resolution if Iran conducted missile tests inconsistent with the Resolution. The JCPOA did not impose any specific missile-related requirements.
- requires Security Council approval for Iran to export arms or to purchase any arms (major combat systems named in the Resolution) for a maximum of five years from Adoption Day (until October 18, 2020). The JCPOA does not impose arms requirements.

No change to the status of Resolution 2231 is anticipated as a consequence of the May 8, 2018, U.S. announcement that it will cease participating in the JCPOA.

Iran Compliance Status

U.N. and International Atomic Energy Agency reports since the JCPOA began implementation have stated that Iran is complying with its nuclear obligations under the JCPOA. That assessment was corroborated by U.S. intelligence leaders in January 29, 2019 testimony before the Senate Select Committee on Intelligence.[49]

U.N. reports on Iranian compliance with Resolution 2231[50] have noted assertions by several U.N. Security Council members, including the United States, that Iranian missile tests have been inconsistent with the Resolution. U.S. officials have called some of Iran's launches of its Khorramshahr missile as violations of the Resolution. The reports required by Resolution 2231, as well as those required by other Resolutions pertaining to various regional crises, such as that in Yemen, also note apparent violations of the Resolution 2231 restrictions on Iran's exportation of arms. The Security Council is responsible for prescribing penalties on Iran for violations, and no U.N. Security Council actions have been taken against Iran for these violations to date.

U.N. List of Sanctioned Entities

Under Paragraph 6(c) of Annex B of Resolution 2231, entities sanctioned by the previous Iran-related Resolutions would continue to be sanctioned for up to eight years from Adoption Day (until October 2023). An attachment to the Annex listed 36 entities for which this restriction would no longer apply (entities "delisted") as of Implementation Day. Most of the entities

[49] https://www.dni.gov/index.php/newsroom/congressional-testimonies/item/1947-statement-for-the-record-worldwide-threat-assessment-of-the-us-intelligence-community.

[50] The report is reprinted in, Iran Watch, at http://www.iranwatch.org/library/multilateral-organizations/united-nations/un-secretary-general/third-report-secretary-general-implementation-security-council-resolution-2231.

immediately delisted were persons and entities connected to permitted aspects of Iran's nuclear program and its civilian economy. According to press reports, two entities not on the attachment list, Bank Sepah and Bank Sepah International PLC, also were delisted on Implementation Day by separate Security Council action.[51] Paragraph 6(c) provides for the Security Council to be able to delist a listed entity at any time, as well as to add new entities to the sanctions list. Delisted entities are in italics in the table of U.N.-listed sanctioned entities at the end of the report.

Table 2. Summary of Provisions of U.N. Resolutions on Iran Nuclear Program (1737, 1747, 1803, 1929, and 2231)

Resolution 1737 required Iran to suspend uranium enrichment, to suspend construction of the heavy-water reactor at Arak, ratify the "Additional Protocol" to Iran's IAEA Safeguards Agreement. (1737) No longer applicable.
Assets frozen of Iranian persons and entities named in annexes to the resolutions, and countries required to ban the travel of named Iranians. (Initial list in Resolution 1737, and additional designations in subsequent resolutions).
Transfer to Iran of nuclear, missile, and dual use items to Iran prohibited, except for use in light-water reactors (1737 and 1747). Resolution 2231 delegates to a Joint Commission the authority to approve Iran's applications to purchase dual-use items.
Resolution 1747 prohibited Iran from exporting arms. Resolution 2231 requires Iran to obtain Security Council approval to export arms for a maximum of five years.
Resolution 1929 prohibited Iran from investing abroad in uranium mining, related nuclear technologies or nuclear capable ballistic missile technology, and prohibits Iran from developing, including testing, nuclear-capable ballistic missiles.
1929 mandated that countries not export major combat systems to Iran, but did not bar sales of missiles that are not on the U.N. Registry of Conventional Arms. Resolution 2231 makes arms sales to Iran and exportation of arms from Iran subject to approval by the U.N. Security Council, for a maximum of five years from Adoption Day (until October 2020).
1929 called for restraint on transactions with Iranian banks, particularly Bank Melli and Bank Saderat. Not applicable under Resolution 2231.
Resolution called for "Vigilance" (but not a ban) on making international lending to Iran and providing trade credits and other financing. Not applicable under Resolution 2231.
Resolution 1929 called on countries to inspect cargoes carried by Iran Air Cargo and Islamic Republic of Iran Shipping Lines—or by any ships in national or international waters—if there are indications they carry cargo banned for carriage to Iran. Searches in international waters would require concurrence of the country where the ship is registered. Resolution 2231 requires U.N. member states to continue to enforce all remaining restrictions on shipment of banned items to Iran.
A Sanctions Committee, composed of the 15 members of the Security Council, monitored implementation of all Iran sanctions and collected and disseminated information on Iranian violations and other entities involved in banned activities. A "panel of experts" was empowered by 1929 to assist the U.N. sanctions committee in implementing the resolution and previous Iran resolutions, and to suggest ways of more effective implementation.

Source: Text of U.N. Security Council resolutions 1737, 1747, 1803, 1929, and 2231. http://www.un.org.

[51] http://www.wsj.com/articles/u-s-signed-secret-document-to-lift-u-n-sanctions-on-iranian-banks-1475193723.

Sanctions Application under Nuclear Agreements

The following sections discuss sanctions relief provided under the November 2013 interim nuclear agreement (JPA) and, particularly, the JCPOA. Later sections discuss the degree to which Iran is receiving the expected benefits of sanctions relief.

Sanctions Eased by the JPA

U.S. officials said that the JPA provided "limited, temporary, targeted, and reversible" easing of international sanctions. Under the JPA (in effect January 20, 2014-January 16, 2016)[52]

- Iran's oil customers were not required reduce their oil purchases from Iran because waivers were issued for Section 1245(d)(1) of the National Defense Authorization Act for FY2012 (P.L. 112-81) and Section 1244c(1) of IFCA. The Obama Administration also stated it would not impose sanctions on foreign banks under Executive Orders 13622, 13645, and 13382 and related regulations. Waivers of ITRSHRA and ISA provisions were issued to permit transactions with NIOC. The European Union amended its regulations to allow shipping insurers to provide insurance for ships carrying oil from Iran.[53]
- A waiver of Section 1245(d)(1) of IFCA allowed Iran to receive directly $700 million per month in hard currency from oil sales and $65 million per month to make tuition payments for Iranian students abroad (paid directly to the educational institutions).
- Executive Orders 13622 and 13645 and several provisions of U.S.-Iran trade regulations were suspended, and several sections of IFCA were waived to enable Iran to sell petrochemicals and trade in gold and other precious metals, and to conduct transactions with foreign firms involved in Iran's automotive manufacturing sector.
- Executive Order 13382 provisions and certain provisions of U.S.-Iran trade regulations were suspended for equipment sales to Iran Air. The United States licensed some safety-related repairs and inspections for certain Iranian airlines and issued a new "Statement of Licensing Policy" to enable U.S. aircraft manufacturers to sell equipment to Iranian airlines.
- The JPA required that the P5+1 "not impose new nuclear-related sanctions ... to the extent permissible within their political systems."[54]

Sanctions Easing under the JCPOA and U.S. Reimposition

Under the JCPOA, sanctions relief occurred at Implementation Day (January 16, 2016), following IAEA certification that Iran had completed stipulated core nuclear tasks. U.S. secondary sanctions were waived or terminated, but most sanctions on direct U.S.-Iran trade. The secondary sanctions eased included[55] (1) sanctions that limited Iran's exportation of oil and sanction foreign sales to

[52] The Administration sanctions suspensions and waivers are detailed at http://www.state.gov/p/nea/rls/220049.htm.

[53] Daniel Fineren, "Iran Nuclear Deal Shipping Insurance Element May Help Oil Sales," *Reuters*, November 24, 2013.

[54] White House Office of the Press Secretary. "Fact Sheet: First Step Understandings Regarding the Islamic Republic of Iran's Nuclear Program," November 23, 2013.

[55] http://iranmatters.belfercenter.org/blog/translation-iranian-factsheet-nuclear-negotiations; and author conversations with a wide range of Administration officials, think tank, and other experts, in Washington, DC, 2015.

Iran of gasoline and energy sector equipment, and which limit foreign investment in Iran's energy sector; (2) financial sector sanctions; and (3) sanctions on Iran's auto sector and trading in the *rial.* The EU lifted its ban on purchases of oil and gas from Iran; and Iranian banks were readmitted to the SWIFT electronic payments system. All U.N. sanctions were lifted.

All of the U.S. sanctions that were eased will go back into effect on November 4, 2018, in accordance with the May 8, 2018, announcement that the United States will cease participating in the JCPOA. The Administration has stated that the purpose of reimposing the sanctions is to deny Iran the revenue with which to conduct regional malign activities and advance its missile, nuclear, and conventional weapons programs.

Some sanctions went back into effect on August 7, 2018, after a 90-day wind-down period. These include U.S. sanctions on

- the purchase or acquisition of U.S. bank notes by Iran;
- Iran's trade in gold and other precious metals;
- transactions in the Iranian *rial*;
- activities relating to Iran's issuing of sovereign debt;
- transactions with Iran in graphite, aluminum, steel, coal, and industrial software;
- importation of Iranian luxury goods to the United States; and
- the sale of passenger aircraft to Iran, as well as licenses for the sale to Iran of foreign-made aircraft with substantial U.S. content.

The sanctions that go back into effect on November 4 (effective November 5) affect

- petroleum-related transactions with Iran. U.S. officials have said they will "work with" Iran's oil customers but the objective is that their purchases be "as close to zero as possible" by November 4;
- port operators and energy, shipping, and shipbuilding sectors; and
- transactions by foreign banks with Iran's Central Banks (including the provision that restricts Iran's access to hard currency held in banks abroad).

U.S. Laws Waived and Executive Orders Terminated, and Reimposition[56]

The JCPOA-related suspension of U.S. sanctions required issuing waivers of the laws below. These waivers were issued on January 16, 2016, and the Obama Administration and Trump Administration renewed all waivers by their prescribed date until the May 8 U.S. announcement of its exit from the JCPOA. Treasury and State Department documents issued on May 8 state that the waivers are all being revoked, rendering post-May 8 waiver expiration deadlines moot. All the provisions discussed below will go back into effect on November 5, 2018.

- *Iran Sanctions Act.* The blanket energy/economic-related provisions of the ISA of P.L. 104-172, as amended. (Section 4(c)(1)(A) waiver provision.) The WMD-related provision of ISA was not waived. The existing six-month waiver of ISA was last renewed on January 12, 2018, and was to expire on July 12, 2018.
- *FY2012 NDAA*. Section 1245(d) of the National Defense Authorization Act for FY2012 (P.L. 112-81) imposes sanctions on foreign banks of countries that do

[56] http://www.politico.com/story/2015/07/full-text-iran-deal-120080.html.

not reduce Iran oil imports. The latest 120-day waiver was issued by the Trump Administration on January 12, 2018, and was to expire on May 12, 2018.

- *Iran Threat Reduction and Syria Human Rights Act.* Sections 212 and 213 (the economy-related provisions) of Iran Threat Reduction and Syria Human Rights Act (P.L. 112-158) provisions. The human rights-related provisions of the law were not waived. The existing six-month waiver period was renewed on January 12, 2018, and was to expire on July 12, 2018.
- *Iran Freedom and Counter-proliferation Act*. Sections 1244, 1245, 1246, and 1247 of the Iran Freedom and Counter-Proliferation Act (Subtitle D of P.L. 112-239). The latest 180-day waiver period was renewed on January 12, 2018, and was to expire on July 11, 2018.
- The core provision of CISADA (P.L. 111-195) that sanctions foreign banks was not waived, but most listed Iranian banks were "delisted" to implement the JCPOA, thereby making this CISADA provision largely moot. The Administration will be relisting all delisted Iranian banks on November 5, 2018.
- Executive Orders: 13574, 13590, 13622, 13645, and Sections 5-7 and 15 of Executive Order 13628 were revoked outright by Executive Order 13716.[57] The Orders were reinstated on August 6, 2018, in the issuing of a new Executive Order, 13846.
- The United States "delisted" for sanctions the specified Iranian economic entities and personalities listed in Attachment III of the JCPOA, including the National Iranian Oil Company (NIOC), various Iranian banks, and many energy and shipping-related institutions. That step enabled foreign companies/banks to resume transactions with those entities without risking being penalized by the United States. The tables at the end of the report depict in italics those entities delisted. Entities that were to be delisted on "Transition Day" (October 2023) are in bold type. The Administration relisted these entities for secondary sanctions, with selected exceptions (such as the Atomic Energy Agency Organization of Iran and 23 of its subsidiaries), on November 5, 2018.
- The JCPOA required the U.S. Administration, by "Transition Day," to request that Congress lift virtually all of the sanctions that were suspended under the JCPOA. No outcome of such a request is mandated. The JCPOA requires all U.N. sanctions to terminate after 10 years of adoption ("Termination Day"). The U.S.-related provisions are rendered moot by the U.S. exit from the JCPOA.

U.S. Sanctions that Remained in Place during JCPOA

The JCPOA did not commit the United States to suspend U.S. sanctions on Iran for terrorism or human rights abuses, on foreign arms sales to Iran or sales of proliferation-sensitive technology such as ballistic missile technology, or on U.S.-Iran direct trade (with the selected exceptions of the latter discussed above). The sanctions below remained in place during JCPOA implementation and remain in effect now:

- E.O. 12959, the ban on U.S. trade with and investment in Iran;

[57] For more information on these Executive Orders and their provisions, see CRS Report RS20871, *Iran Sanctions*, by Kenneth Katzman; and CRS Report R43311, *Iran: U.S. Economic Sanctions and the Authority to Lift Restrictions*, by Dianne E. Rennack.

- E.O. 13224 sanctioning terrorism entities, any sanctions related to Iran's designation as a state sponsor or terrorism, and any other terrorism-related sanctions. The JCPOA does not commit the United States to revoke Iran's placement on the terrorism list;
- E.O. 13382 sanctioning entities for proliferation;
- the Iran-Iraq Arms Non-Proliferation Act;
- the Iran-North Korea-Syria Non-Proliferation Act (INKSNA);[58]
- the section of ISA that sanctions provision to Iran of WMD-and arms related technology to Iran;
- Executive Orders E.O. 13438 on Iran's interference in Iraq and E.O. 13572 on repression in Syria;
- Executive Orders (E.O. 13606 and 13628) and the provisions of CISADA, ITRSHRA, and IFCA that pertain to human rights or democratic change in Iran;
- sanctions under various executive orders on the IRGC, military, proliferation-related, and human rights- and terrorism-related entities, which were not "delisted" from sanctions;
- Treasury Department regulations barring Iran from access to the U.S. financial system. Foreign banks can pay Iran in dollars out of their existing dollar supply, and the Treasury Department revised its guidance in October 2016 to stress that such transactions are permitted.[59]

Other Mechanisms to "Snap-Back" Sanctions on Iran

Sanctions might have been reimposed by congressional action in accordance with President Trump's withholding of certification of Iranian compliance with the JCPOA. Such certification under the Iran Nuclear Agreement Review Act (INARA, P.L. 114-17), was withheld in October 2017 and January and April of 2018. Congress had the opportunity to act on legislation, under expedited procedures, to reimpose sanctions that were suspended. Congress did not take such action.[60]

Additionally, the JCPOA (paragraph 36 and 37) contains a mechanism for the "snap back" of U.N. sanctions if Iran does not satisfactorily resolve a compliance dispute. According to the JCPOA (and Resolution 2231), the United States (or any veto-wielding member of the U.N. Security Council) would be able to block a U.N. Security Council resolution that would continue the lifting of U.N. sanctions despite Iran's refusal to resolve the dispute. In that case "... the provisions of the old U.N. Security Council resolutions would be re-imposed, unless the U.N. Security Council decides otherwise." There are no indications that the Administration plans to try to snap back U.N. sanctions under this process.

[58] The JCPA does commit the United States to terminate sanctions with respect to some entities designated for sanctions under INKSNA.

[59] https://www.treasury.gov/resource-center/sanctions/Programs/Documents/jcpoa_faqs.pdf.

[60] For more information on this option, see CRS Report R44942, *U.S. Decision to Cease Implementing the Iran Nuclear Agreement*, by Kenneth Katzman, Paul K. Kerr, and Valerie Heitshusen.

International Implementation and Compliance[61]

During 2010-2016, converging international views on Iran produced global consensus to pressure Iran through sanctions. In addition to asserting that the international community needed to ensure that Iran did not develop a nuclear weapon, some countries joined the sanctions regime to head off unwanted U.S. or other military action against Iran. Some countries cooperated in order to preserve their close relationships with the United States. This section assesses international cooperation and compliance with U.S. sanctions, and cooperation with U.S. sanctions reimposed as a consequence of the May 8, 2018, U.S. exit from the JCPOA. All the JCPOA parties publicly opposed the U.S. decision to exit the JCPOA and have sought to keep their companies engaged in the Iran market in order to continue to provide the JCPOA's economic benefits to Iran.

A comparison between U.S., U.N., and EU sanctions against Iran is contained in **Table 3** below. Broader issues of Iran's relations with the countries discussed in this section can be found in CRS Report R44017, *Iran's Foreign and Defense Policies*, by Kenneth Katzman.

European Union (EU)

After the passage of Resolution 1929 in June 2010, European Union (EU) sanctions on Iran became nearly as extensive as those of the United States—a contrast from most of the 1990s, when the EU countries refused to join the 1995 U.S. trade and investment ban on Iran and (along with Japanese creditors) rescheduled $16 billion in Iranian debt bilaterally. In July 2002, Iran tapped international capital markets for the first time since the Islamic revolution, selling $500 million in bonds to European banks and, during 2002-2005, there were negotiations between the EU and Iran on a "Trade and Cooperation Agreement" (TCA) that would have lowered the tariffs or increased quotas for Iranian exports to the EU countries.[62]

Under the JCPOA, EU sanctions, most of which were imposed in 2012, were lifted, including the following:

- the ban on oil and gas imports from Iran. EU oil imports from Iran subsequently returned nearly to the 2011 levels of about 600,000 barrels per day.
- a ban on insurance for shipping oil or petrochemicals from Iran and a freeze on the assets of several Iranian firms involved in shipping.
- a ban on trade with Iran in gold, precious metals, diamonds, and petrochemicals.
- a freeze of the assets of Iran's Central Bank (although transactions had been permitted for approved civilian trade).
- a ban on transactions between European and all Iranian banks (in place unless specifically authorized) and on short-term export credits, guarantees, and insurance.
- a ban on exports to Iran of graphite, semi-finished metals such as aluminum and steel, industrial software, shipbuilding technology, oil storage capabilities, and flagging or classification services for Iranian tankers and cargo vessels.

[61] Note: CRS has no mandate or capability to "judge" compliance of any country with U.S. or other sanctions against Iran. This section is intended to analyze some major trends in third country cooperation with U.S. sanctions.

[62] During the active period of talks, which began in December 2002, there were working groups focused not only on the TCA terms and proliferation issues but also on Iran's human rights record, Iran's efforts to derail the Middle East peace process, Iranian-sponsored terrorism, counter-narcotics, refugees, migration issues, and the Iranian opposition PMOI.

- The cutoff of 14 EU-sanctioned Iranian banks from the Brussels-based SWIFT electronic payments system was lifted, and the Iranian banks resumed accessing the system in February 2016.
- A large number of entities were "delisted" from sanctions by the EU on Implementation Day. The entities had been sanctioned by EU Council decisions and regulations over the years. EU diplomats have indicated they will not relist any delisted entities in cooperation with the U.S. exit from the JCPOA.

The following EU sanctions remained in place:

- an embargo on sales to Iran of arms, missile technology, other proliferation-sensitive items, and gear for internal repression.
- a ban on 84 Iranian persons and one entity—all designated for human rights abuses or supporting terrorism—from visiting EU countries, and the freeze on their EU-based assets.

U.S. JCPOA Exit-Driven Divestment

EU diplomats have said that none of the EU sanctions will be reimposed by EU governments in concert with the U.S. exit from the JCPOA, and European diplomats have indicated that they intend to try to protect their economic relations with Iran despite the U.S. pullout from the JCPOA. However, to avoid risk to their position in the large U.S. market, more than 100 companies—mostly in Europe—have announced they are leaving Iran. Press reports indicate that European exports to Iran have fallen as well, including German exports down about 4% in the first eight months of 2018. In some cases, European companies have stopped doing business with Iran after being threatened with U.S. sanctions by U.S. diplomats.[63] And, as noted in the table above, only two EU countries were still buying Iranian oil at the end of 2018—and their purchases were lower than earlier in the year—suggesting that European refiners are trying to avoid any risk of U.S. sanctions. Italy and Greece were given SRE sanctions exemptions on November 5, 2018.

Some of the post-2016 European investments in/transactions with Iran that have been unwound include the following:[64]

- Renault and Citroen of France have suspended their post-JCPOA $1 billion investments in a joint venture (with two Iranian firms) to boost Renault's car production capacity in Iran to 350,000 cars per year.
- Scania of Sweden established a factory in Iran to supply the country with 1,350 buses, but it is not clear what its status is in light of reimposed U.S. sanctions.
- German industrial giant Siemens signed an agreement in March 2016 with Iranian firm Mapna to transfer technology to produce gas turbines in Iran, and other contracts to upgrade Iran's railways. Siemens said subsequent to the U.S. JCPOA exit that it would pursue no new Iranian business. Italy's Danieli industrial conglomerate and Gruppo Ventura also exited the Iran market.
- On August 6, 2018, Daimler (manufacturer of Mercedes Benz autos) announced it was suspending its activities in Iran. Volkswagen followed suit one month later.

[63] https://www.businesstimes.com.sg/government-economy/us-puts-squeeze-on-european-firms-doing-business-with-iran.

[64] "Iran Nuclear Deal: The EU's Billion-Dollar Deals at Risk," BBC News, May 11, 2018.

- In July 2018, at U.S. request, and even though U.S. financial sanctions do not resume effect until November 4, 2018, Germany's central bank (Deutsche Bundesbank) introduced a rule change that will block Iran's planned withdrawal of $400 million in cash from the Europaische-Iranische Handlesbank (EIH). EIH is reportedly at least partly owned by Iran and has often partnered on transactions with the Bundesbank. (EIH was "de-listed" from sanctions by the United States to implement the JCPOA, but will be relisted as of November 5, 2018.)[65]
- Norway's Saga Energy (Norway is not in the EU) signed a $3 billion deal to build solar power plants in Iran.
- Italy's FS signed a $1.4 billion agreement to build a high speed railway between Qom and Arak.
- On energy issues: Total SA has said it would exit a nearly $5 billion energy investment in South Pars gas field, and it is likely to transfer its stake to its joint venture partner, China National Petroleum Corporation. As noted above, European countries have reduced their purchases of Iranian oil as of August 2018 as several European oil refiners have announced cuts in purchases of Iranian oil, including ENI and Saras SpA of Italy; Royal Dutch Shell of the Netherlands; Repsol and Cepsa of Spain; and Hellenic Petroleum of Greece. OMV of Austria announced it would halt energy development work.
- Several banks have announced since the U.S. JCPOA exit a cessation of transactions with Iran: DZ Bank and Allianz of Germany; Oberbank of Austria; and Banque Wormser Freres of France.
- Hapag-Lloyd of Germany and Denmark's AP Moller-Maersk have ceased shipping services to Iran.
- Germany telecommunications firm Deutsche Telekom announced in September 2018 that it would end its business in Iran.
- Although air service is not subject to U.S. sanctions per se, Air France and British Air announced in September 2018 that they would cease service to Iran due to lack of demand.
- One project, the Rhum gas field in the North Sea that is partly owned by Iranian Oil Company (a subsidiary of NIOC), has been able to continue operating. In part because the field supplies about 5% of Britain's demand for natural gas, in October 2018, the Trump Administration renewed the license of BP and Serica Energy to continue providing goods and services to the field, despite the Iranian involvement in the project.[66]

European Counterefforts/Special Purpose Vehicle/INSTEX

The EU countries, in an attempt to persuade Iran to continue to adhere to the JCPOA, have undertaken several steps that run counter to the Trump Administration's reimposition of Iran sanctions. On August 6, 2018, a 1996 EU "blocking statute" took effect which seeks to protect EU firms from reimposed U.S. sanctions. In September 2018, EU countries announced small amounts of development assistance to Iran, apparently in order to demonstrate that the EU is making good faith efforts to provide Iran the economic benefits of the JCPOA. With the blocking statute and aid widely assessed as unlikely to satisfy Iran, EU countries sought to design a

[65] Germany's Central Bank Imposes Rule to Stop Cash Delivery to Tehran. Jerusalem Post, August 6, 2018.

[66] "U.S. Grants BP, Serica Lic4ense to Run Iran-Owned North Sea Field." Reuters, October 9, 2018.

mechanism under which EU countries could continue to trade with Iran with relative immunity from U.S. sanctions. On September 25, 2018, Germany, France, and Britain, joined by Russia and China, as well as Iran, endorsed the creation of a "special purpose vehicle" (SPV) —an entity that would facilitate trade without utilizing dollar-denominated transactions with Iran, and without exposure to the U.S. market, and thereby presumably not be subject to U.S. sanctions. Secretary of State Michael Pompeo denounced the plan as counterproductive, and likely to "solidify[] Iran's ranking as the No. 1 state sponsor of terrorism." In a joint statement, France, Britain, and Germany announced the formal registration of the SPV, formally termed the Instrument for Supporting Trade Exchanges (INSTEX). It is to be based in France, with German governance, and financial support from the three governments. It will initially focus on the sectors most esstenial to Iran, including medicines, medical devices, and food, and perhaps eventually provide a platform for non-European countries to trade with Iran in oil and other products.[67]

Some experts assessed the new vehicle as unlikely to succeed because its personnel and operations could be made subject to additional U.S. sanctions or sanctions designations. U.S. officials reacted to the INSTEX announcement by stating that it likely will not impinge on U.S. efforts to exert maximum economic pressure on Iran. Amid reported agitation among Iran regime hardliners to exit the JCPOA because of the failure of the EU to prevent harm to the Iranian economy, Iranian officials indicated the announcement represented a positive first step.

EU Antiterrorism and Antiproliferation Actions

While attempting to preserve civilian economic engagement with Iran, the European countries have sought to support U.S. efforts to counter Iran's terrorism and proliferation activities. In January 2019, the EU added Iran's intelligence service (MOIS) and an intelligence official to its terrorism-related sanctions list in response to allegations of Iranian terrorism plotting in Europe. Germany followed that move by denying landing rights to Iran's Mahan Air, which the United States has designated as a terrorism supporting entity.

SWIFT Electronic Payments System

The management of the Brussels-based Swift electronic payments system has sought to balance financial risks with the policies of the EU governments. In March 2012, SWIFT acceded to an EU request to expel sanctioned Iranian banks.[68] Some Iranian banks were still able to conduct electronic transactions with the European Central Bank via the "Target II" system. EU diplomats indicated they would not comply with U.S. requests to ask SWIFT to expel Iranian banks again, and no EU request to SWIFT to again expel sanctioned Iranian banks was made. However, SWIFT is run by an independent board and seeks to avoid risk of U.S. penalties. In late 2018, the system again disconnected the Iranian banks that were "relisted" for U.S. sanctions as of November 5, 2018.

China and Russia

Russia and China, two permanent members of the U.N. Security Council, historically have imposed only those sanctions required by Security Council resolutions. Both countries' governments, which are parties to the JCPOA, have said they will not cooperate with reimposed U.S. secondary sanctions. Many observers expect that, because companies in both countries have

[67] https://www.gov.uk/government/news/joint-statement-on-the-new-mechanism-to-facilitate-trade-with-iran.

[68] Avi Jorish, "Despite Sanctions, Iran's Money Flow Continues," *Wall Street Journal*, June 25, 2013.

limited U.S. exposure and are strongly influenced by their governments, much of Iran's trade and economic engagement will shift to China and Russia from EU countries and Japan and South Korea.[69]

Russia

Increasingly close politically primarily on the issue of the conflict in Syria, Iran and Russia have discussed expanding energy and trade cooperation. The two countries reportedly agreed on broad energy development deals during President Putin's visit to Tehran in late October 2017, with an estimated investment value of up to $30 billion,[70] although implementation remains uncertain. In December 2018, Iran signed a free trade deal with the Russia-led "Eurasian Economic Union," suggesting Russian intent not to abide by reimposed U.S. sanctions on Iran.

In April 2015, Russia lifted its own restriction on delivering the S-300 air defense system that it sold Iran in 2007 but refused to deliver after Resolution 1929 was adopted—even though that Resolution technically did not bar supply of that defensive system. In April 2016, Russia began delivering the five S-300 batteries. Iran's Defense Minister visited Russia in February 2016 to discuss a possible purchase of major combat systems—a sale that would require an unlikely approval of the U.N. Security Council. Alternatively, the two countries might complete the sale without such approval, presumably calculating a limited penalty for doing so. There has been no announcement that such sales have been concluded, to date.

China

China is a major factor in the effectiveness of any sanctions regime on Iran because China is Iran's largest oil customer. During 2012-2016, China was instrumental in reducing Iran's total oil exports because it complied with U.S. sanctions by cutting its buys of oil from Iran to about 435,000 barrels per day from its 2011 average of nearly 600,000 barrels per day. At that time, the State Department asserted that, because China was the largest buyer of Iranian oil, percentage cuts by China had a large impact in reducing Iran's oil sales by volume and China merited a Section 1245 (P.L. 112-81) "significant reductions exception" (SRE). After sanctions were lifted in early 2016, China increased its purchases of Iranian oil to levels that sometimes exceeded those of 2011. Several Chinese energy firms that invested in Iran's energy sector put those projects on hold in 2012, but resumed or considered resuming work in earnest, subject to energy market considerations, after sanctions were eased in 2016. Chinese firms might also take over some investments in Iran's energy sector that EU firms will abandon in order to avoid the risk of reimposed U.S. sanctions. Some reports indicate that China asked its refiners to cut imports of Iranian oil as the November 4, 2018, reimposition of U.S. energy sanctions approached, and China appears to have reduced its oil imports from Iran (see chart). The Administration gave China a SRE sanctions exception on November 5, in part to recognize import reductions but also possibly to avoid further complicating U.S. relations with China.

Sanctions on Iran's energy sector have complicated Iran-China banking and trade relations. During 2012-2016, China settled much of its trade balance with Iran with goods rather than hard currency. Doing so was highly favorable to China financially. Press reports indicated that Iran's automotive sector—the largest industrial sector aside from the energy sector—obtained a significant proportion of its parts from China, and subsidiaries of two China-based companies,

[69] "Iran's Door to the West is Slamming Shut, and That Leaves China," Bloomberg News, May 10, 2018.

[70] https://www.yahoo.com/news/putin-visits-tehran-talks-syria-nuclear-deal-133507932.html.

Geelran and Chery, produce cars in Iran. Iran's auto production fell about 60% during 2011-2013 because of sanctions, but recovered somewhat after the JPA went into effect.[71] Iran's auto parts imports increased as Iran was able to obtain at least some trade financing. Iran and China also have a separate escrow account to pay for China's infrastructure projects in Iran, such as the long Niayesh Tunnel, funded by about $20 billion of Iran's hard currency reserves. However, suggesting that settling their trade balance has again complicated Iran-China banking relations, China's Kunlun Bank—an affiliate of China's energy company CNPC and which was sanctioned under CISADA in 2012 as the main channel for money flows between the two countries—reportedly stopped accepting Euro and then China currency-denominated payments from Iran in November 2018.[72] Existing Iranian accounts at the bank presumably can still be used to pay for Iranian imports from China.

In the days after JCPOA Implementation Day, China's President Xi Jinping visited Iran and other Middle East countries, and stated that Iran is a vital link in an effort to extend its economic influence westward through its "One Belt, One Road" initiative. Chinese firms and entrepreneurs are integrating Iran into this vision by modernizing Iran's rail and other infrastructure, particularly where that infrastructure links to that of neighboring countries, including the Sultanate of Oman, funded by loans from China.[73] Iran's place in this initiative offers China's government and firms further incentive to avoid cooperating with reimposed U.S. sanctions.

In April 2018, the Commerce Department (Bureau of Industry and Security, BIS, which administers Export Administration Regulations) issued a denial of export privileges action against China-based ZTE Corporation and its affiliates. The action was taken on the grounds that ZTE did not uphold the terms of March 2017 settlement agreement with BIS over ZTE's shipment of prohibited U.S. telecommunications technology to Iran (and North Korea).

Japan/Korean Peninsula/Other East Asia

During 2010-2016, in part in deference to their alliances with the United States, Japan and South Korea enforced sanctions on Iran similar to those imposed by the United States and the EU. Both countries cut imports of Iranian oil sharply after 2011. Banks in the two countries were the repositories of a large part of the approximately $115 billion in foreign exchange that Iran held abroad—a balance that represents payments for oil shipments. Since 2016, both countries continued to import Iranian oil at about half of 2011 volumes, and Iran has been able to access funds in banks in both countries.

Japan exports to Iran significant amounts of chemical and rubber products, as well as consumer electronics. South Korean firms have been active in energy infrastructure construction in Iran, and its exports to Iran are mainly iron, steel, consumer electronics, and appliances.

Both countries—and their companies—have historically been unwilling to undertake transactions with Iran that could violate U.S. sanctions, and firms in both countries have said they will comply with reimposed U.S. sanctions. In part to avoid economic disruption, both countries have asked the Trump Administration for some exceptions to U.S. sanctions. For example, South Korea depends heavily on Iranian exports of condensates (a petroleum product sometimes considered as

[71] Nahid Kalbasi."Have International Sanctions Crippled Iran's Auto Industry?" Washington Institute for Near East Policy, June 3, 2015.

[72] "As U.S. Sanctions Loom, China's Bank of Kunlun to Stop Receiving Iran Payments – Sources." Reuters, October 23, 2018.

[73] Thomas Erdbrink. "China's Push to Link East and West Puts Iran at 'Center of Everything.'" *New York Times*, July 25, 2017.

crude oil), and has asked to be able to import condensates from Iran at existing levels. Both countries reduced their Iranian oil purchases to zero in October 2018 and both countries received SRE sanctions exceptions.

The following firms have announced their postures following the U.S. exit from the JCPOA:

- Daelim of South Korea terminated a $2 billion contract to expand an Iranian oil refinery. In late October, Hyundai cancelled a $500 million contract to build a petrochemical plant in Iran, citing "financing difficulties."
- Car companies Mazda and Toyota of Japan and Hyundai of South Korea have suspended joint ventures to produce cars in Iran.
- Among oil importers, Hanwha Total Petrochemical of South Korea and Fuji Oil and JXTG of Japan have said they are considering ending purchases of crude oil from Iran.[74]
- Among banks, South Korea's Woori Bank and Industrial Bank of Korea have partly suspended transactions with Iran. Nomura Holdings of Japan has taken a similar position.
- The South Korean conglomerate POSCO withdrew from a 2016 deal to build a steel plant in Iran's free trade zone at the port of Chahbahar.

North Korea

North Korea, like Iran, has been subject to significant international sanctions. North Korea has never pledged to abide by international sanctions against Iran, and it reportedly cooperates with Iran on a wide range of WMD-related ventures, particularly the development of ballistic missiles. A portion of the oil that China buys from Iran (and from other suppliers) is reportedly sent to North Korea, but it is not known if North Korea buys any Iranian oil directly. The potential for North Korea to try to buy Iranian oil illicitly increased in the wake of the adoption in September 2017 of U.N. Security Council sanctions that limit North Korea's importation of oil, but there are no publicly known indications that it is doing so. While serving as Iran's president in 1989, the current Supreme Leader, Ayatollah Ali Khamene'i, visited North Korea. North Korea's titular head of state Kim Yong Nam attended President Rouhani's second inauguration in August 2017, and during his visit signed various technical cooperation agreements of unspecified scope.[75]

Taiwan

Taiwan has generally been a small buyer of Iranian oil. It resumed imports of Iranian oil after sanctions were eased in 2016. In the wake of the May 8, 2018, U.S. exit from the JCPOA, a Taiwan refiner, Formosa Petrochemical Corp, said it is considering ending imports of Iran's oil. Taiwan bought no Iranian oil in September or October 2018 and was given an SRE sanctions exemption on November 5.

[74] "Some Top Oil Buyers Are Thinking about Shunning Iran Oil." Bloomberg News, June 27, 2018.

[75] https://www.thedailybeast.com/north-koreas-deadly-partnership-with-iran.

South Asia

India

During 2011-2016, India, citing U.N. Security Council resolutions on Iran, generally cooperated with multilateral efforts to use sanctions to achieve a nuclear agreement with Iran. Its private sector assessed Iran as a "controversial market"—a term used by many international firms to describe markets that entail reputational and financial risks. India's central bank ceased using a Tehran-based regional body, the Asian Clearing Union, to handle transactions with Iran, and the two countries agree to settle half of India's oil buys from Iran in India's currency, the rupee. Iran used the rupee accounts to buy India's wheat, pharmaceuticals, rice, sugar, soybeans, auto parts, and other products.

India reduced its imports of Iranian oil substantially after 2011, lowering purchases to 6% of its oil imports by 2013, from over 16% in 2008, in the process incurring significant costs to retrofit refineries that were handling Iranian crude. However, since sanctions were eased, India's oil imports from Iran increased to as much as 800,000 bpd in July 2018—well above 2011 levels. Indian firms ended or slowed work on investments in Iranian oil and gas fields during 2012-2016, but reportedly resumed work after sanctions were lifted. After international sanctions were lifted, India reportedly also paid Iran the $6.5 billion it owed for oil purchased during 2012-2016.[76]

The degree to which Indian firms and the government of India are cooperating with reimposed U.S. sanctions is not certain. Indian leaders assert that Iran did not violate the JCPOA and sanctions should not be reimposed on it.[77] In June 2018, the two countries again agreed to use rupee accounts for their bilateral trade. Nonetheless, major Indian refiners Reliance Ltd. and Indian Oil Corp—citing a decision by the State Bank of India to cease transactions with Iran—announced that they would cut oil buys from Iran. India's purchases of Iranian oil fell from July to October 2018, totaling about 350,000 barrels per day in October—still a substantial amount—but apparently enough of a reduction to earn India an SRE sanctions exception on November 5.[78] India reduced its purchases from Iran further for all of November 2018, but it might buy more oil from Iran after receiving its SRE, which applies for six months from November 5, 2018.

In 2015, India and Iran agreed that India would help develop Iran's Chahbahar port that would enable India to trade with Afghanistan unimpeded by Pakistan. With sanctions lifted, the project no longer entails risk to Indian firms involved. In May 2016, Indian Prime Minister Narendra Modi visited Iran and signed an agreement to invest $500 million to develop the port and related infrastructure. Construction at the port is proceeding. During a late June 2018 visit to India, U.S. Ambassador to the United Nations Nikki Haley said that "We know the port has to happen and the United States is going to work with India to do that."[79] This suggested the Administration might use the "Afghanistan reconstruction" exception under Section 1244(f) of IFCA to allow for firms to continue developing it.

[76] "India Seeks to Pay $6.5 Billion to Iran for Oil Imports." Economic Times of India. May 16, 2016.

[77] CRS conversations with Indian officials and U.S. experts on India. 2017-18.

[78] The Hill. Thehill.com September 14, 2018.

[79] "U.S. Envoy Haley tells Modi Important to Cut Imports of Iranian Oil." Reuters, June 27, 2018.

Pakistan

One test of Pakistan's compliance with sanctions was a pipeline project that would carry Iranian gas to Pakistan—a project that U.S. officials on several occasions stated would be subject to ISA sanctions. Despite that threat, agreement on the $7 billion project was finalized on June 12, 2010, and construction was formally inaugurated in a ceremony attended by the Presidents of both countries on March 11, 2013. In line with an agreed completion date of mid-2014, Iran reportedly completed the pipeline on its side of the border. China's announcement in April 2015 of a $3 billion investment in the project seemed to remove financial hurdles to the line's completion, and the JCPOA removed sanctions impediments to the project.[80] However, during President Hassan Rouhani's visit to Pakistan in March 2016, Pakistan still did not commit to complete the line, and observers note that there are few indications of progress on the project. In 2009, India dissociated itself from the project over concerns about the security of the pipeline, the location at which the gas would be transferred to India, pricing of the gas, and tariffs.

Turkey/South Caucasus

Iran has substantial economic relations with Turkey and the countries of the South Caucasus.

Turkey

Turkey buys about 40% of its oil from Iran, and bought about 6% of its total gas imports from Iran in 2017. Turkey did reduce purchases of oil from Iran during 2012-2016, but its purchases returned to 2011 levels after sanctions on Iran were eased in 2016. Turkey also is Iran's main gas customer via a pipeline built in 1997, which at first was used for a swap arrangement under which gas from Turkmenistan was exported to Turkey. Turkey's leaders have said that the country will not cooperate with reimposed U.S. sanctions, but its oil import volumes from Iran have remained about 33% below what they were before the U.S. pullout from the JCPOA in May 2018. Turkey received an SRE sanctions exemption on November 5.

Direct Iranian gas exports to Turkey through the line began in 2001 (with additional such exports through a second pipeline built in 2013), but no ISA sanctions were imposed on the grounds that the gas supplies were crucial to Turkey's energy security. Prior to the October 2012 EU ban on gas purchases from Iran, this pipeline was a conduit for Iranian gas exports to Europe (primarily Bulgaria and Greece).

Pre-JCPOA, in response to press reports that Turkey's Halkbank was settling Turkey's payments to Iran for energy with gold, U.S. officials testified on May 15, 2013, that the gold going from Turkey to Iran consists mainly of Iranian private citizens' purchases of Turkish gold to hedge against the value of the *rial*. A U.S. criminal case involved a dual Turkish-Iranian gold dealer, Reza Zarrab, arrested in the United States in 2016 for allegedly violating U.S. sanctions prohibiting helping Iran deal in precious metals.

Among past cases of possible Turkish violations of Iran sanctions, on November 7, 2016, the U.S. Attorney for New York's Southern District indicted several individuals for using money services businesses in Turkey and in the UAE for conspiring to conceal from U.S. banks transactions on behalf of and for the benefit of sanctioned Iranian entities, including Mahan Air.[81] On January 6,

[80] *Asia Times*, March 21, 2014, http://www.atimes.com/atimes/South_Asia/SOU-02-210314.html.

[81] https://www.justice.gov/usao-sdny/pr/manhattan-united-states-attorney-announces-superseding-indictment-charging-turkish-and.

2014, the Commerce Department blocked a Turkey-based firm (3K Aviation Consulting and Logistics) from reexporting two U.S.-made jet engines to Iran's Pouya Airline.[82]

Caucasus and Caspian Sea

The rich energy reserves of the Caspian Sea create challenges for U.S. efforts to deny Iran financial resources. The Clinton and George W. Bush Administrations cited potential ISA sanctions to deter oil pipeline routes involving Iran—thereby successfully promoting an the alternate route from Azerbaijan (Baku) to Turkey (Ceyhan), which became operational in 2005. Section 6 of Executive Order 13622 exempts from sanctions any pipelines that bring gas from Azerbaijan to Europe and Turkey.

Agreements reached in 2018 between Russia and the Caspian Sea states on the legal division of the sea could spawn new energy development in the Caspian. Iran's energy firms will undoubtedly become partners in joint ventures to develop the Caspian's resources, and Iran's involvement in such projects will require the Administration to determine whether to impose sanctions.

Iran's relations with Azerbaijan—even though that country is inhabited mostly by Shiite Muslims—are hindered by substantial political and ideological differences. Iran and Azerbaijan have in recent years tried to downplay these differences for joint economic benefit, and they have been discussing joint energy and infrastructure projects among themselves and with other powers, including Russia.

Iran and Armenia—Azerbaijan's adversary—have long enjoyed extensive economic relations: Armenia is Iran's largest direct gas customer, after Turkey. In May 2009, Iran and Armenia inaugurated a natural gas pipeline between the two, built by Gazprom of Russia. No determination of ISA sanctions was issued. Armenia has said its banking controls are strong and that Iran is unable to process transactions illicitly through Armenia's banks.[83] However, observers in the South Caucasus assert that Iran is using Armenian banks operating in the Armenia-occupied Nagorno-Karabakh territory to circumvent international financial sanctions.[84]

Persian Gulf States and Iraq[85]

The Persian Gulf countries of the Gulf Cooperation Council (GCC: Saudi Arabia, UAE, Qatar, Kuwait, Bahrain, and Oman) are oil exporters and close allies of the United States. As Iranian oil exports decreased after 2012, the Gulf states supplied the global oil market with additional oil. Since the U.S. exit from the JCPOA, U.S. officials have said that they are working with Gulf oil exporters to make sure the oil market is well supplied as U.S. officials work to reduce Iranian oil exports. However, largely in order not to antagonize Iran, the Gulf countries maintained relatively normal trade with Iran. Some Gulf-based shipping companies, such as United Arab Shipping Company reportedly continued to pay port loading fees to such sanctioned IRGC-controlled port operators as Tidewater, despite the imposition of sanctions on that company.[86]

---

[82] "US Acts to Block Turkish Firm from Sending GE Engines to Iran," *Reuters*, January 6, 2014.

[83] Louis Charbonneau, "Iran Looks to Armenia to Skirt Banking Sanctions," *Reuters*, August 21, 2012.

[84] Information provided to the author by regional observers. October 2013.

[85] The CRS Report RL32048, *Iran: Internal Politics and U.S. Policy and Options*, by Kenneth Katzman, discusses the relations between Iran and other Middle Eastern states.

[86] Mark Wallace, "Closing U.S. Ports to Iran-Tainted Shipping. Op-ed," *Wall Street Journal*, March 15, 2013.

The UAE has been particularly closely watched by U.S. officials because of the large presence of Iranian firms there. Several UAE-based firms have been sanctioned for efforts to evade sanctions, as noted in the tables at the end of the report. U.S. officials praised the UAE's March 1, 2012, ban on transactions with Iran by Dubai-based Noor Islamic Bank, which Iran reportedly used to process oil payments. Some Iranian gas condensates (120,000 barrels per day) were imported by Emirates National Oil Company (ENOC) and refined mostly into jet fuel. Subsequent to the May 8, 2018, U.S. exit from the JCPOA, ENOC officials said they are trying to find alternative supplies of the hydrocarbon products it buys from Iran.[87]

Iran and several of the Gulf states have had discussions on various energy and related projects, but few have materialized because of broad regional disputes between Iran and the Gulf states. Kuwait and Iran have held talks on the construction of a 350-mile pipeline that would bring Iranian gas to Kuwait, but the project does not appear to be materializing. Bahrain's discussions of purchasing Iranian gas have floundered over sharp political differences.[88] Qatar and Iran share the large gas field in the Gulf waters between them, and their economic relations have become closer in light of the isolation of Qatar by three of its GCC neighbors, Saudi Arabia, UAE, and Bahrain. The only GCC state that has moved forward with economic joint ventures with Iran is Oman, particularly in the development of Oman's priority project to expand its port at Al Duqm port, which Oman and Iran envision as a major hub for regional trade. In September 2015, the two countries also recommitted to a gas pipeline joint venture.

Omani banks, some of which operate in Iran, were used to implement some of the financial arrangements of the JPA and JCPOA.[89] As a consequence, a total of $5.7 billion in Iranian funds had built up in Oman's Bank Muscat by the time of implementation of the JCPOA in January 2016. In its efforts to easily access these funds, Iran obtained from the Office of Foreign Assets Control (OFAC) of the Treasury Department a February 2016 special license to convert the funds (held as Omani rials) to dollars as a means of easily converting the funds into Euros. Iran ultimately used a different mechanism to access the funds as hard currency, but the special license issuance resulted in a May 2018 review by the majority of the Senate Permanent Subcommittee on Investigation to assess whether that license was consistent with U.S. regulations barring Iran access to the U.S. financial system.[90]

Iraq

Iraq's attempts to remain close to its influential neighbor, Iran, have complicated Iraq's efforts to rebuild its economy yet avoid running afoul of the United States and U.S. sanctions on Iran. As noted above, in 2012, the United States sanctioned an Iraqi bank that was a key channel for Iraqi payments to Iran, but lifted those sanctions when the bank reduced that business. Iraq presented the United States with a sanctions-related dilemma in July 2013, when it signed an agreement with Iran to buy 850 million cubic feet per day of natural gas through a joint pipeline that enters

[87] Some Top Oil Buyers Are Thinking about Shunning Iran Oil, op. cit.

[88] http://www.kuwaittimes.net/read_news.php?newsid=NDQ0OTY1NTU4; http://english.farsnews.com/newstext.php?nn=8901181055.

[89] Omani banks had a waiver from U.S. sanctions laws to permit transferring those funds to Iran's Central Bank, in accordance with Section 1245(d)(5) of the National Defense Authorization Act for Fiscal Year 2012 (P.L. 112-81). For text of the waiver, see a June 17, 2015, letter from Assistant Secretary of State for Legislative Affairs Julia Frifield to Senate Foreign Relations Committee Chairman Bob Corker, containing text of the "determination of waiver."

[90] "Obama Misled Congress, Tried and Failed to Give Iran Secret Access to US Banks Before the Deal." Business Insider, June 6, 2018; Permanent Subcommittee on Investigations of the U.S. Senate. Majority Report. "Review of U.S. Treasury Department's License to Convert Iranian Assets Using the U.S. Financial System." May 2018.

Iraq at Diyala province and would supply several power plants. No sanctions were imposed on the arrangement, which was agreed while applicable sanctions were in effect. In May 2015, the Treasury Department sanctioned Iraq's Al Naser Airlines for helping Mahan Air (sanctioned entity) acquire nine aircraft.[91]

The Trump Administration reportedly is seeking to accommodate Iraq's need for Iranian electricity supplies and other economic interactions. As of October 2018, Iraq reportedly has discontinued crude oil swaps with Iran—about 50,000 barrels per day—in which Iranian oil flowed to the Kirkuk refinery and Iran supplied oil to Iraq's terminals in the Persian Gulf. Iraq did not receive an SRE sanctions exception on November 5, 2018. On the other hand, the Administration reportedly has given Iraq permission—renewable at 45-day intervals—to buy the Iranian natural gas that runs Iraq's power plants. The limited "waiver" reportedly will provide time for Iraq to line up alternative supplies and equipment to generate electricity.[92] U.S. sanctions laws do not apply to the purchase of natural gas, and no U.S. law provides for a waiver lasting exactly 45 days, so presumably the U.S. permission represents, rather than a legal determination, an understanding that the United States will refrain from sanctioning Iraqi banks or payment mechanisms for Iranian gas.

Iran is supplying advisers and weapons to help Iraq try to defeat Islamic State forces. The Iranian support to the Iraqi government has not been sanctioned, even though Iranian arms exports remain prohibited by Resolution 2231.

Syria and Lebanon

Iran has extensive economic relations with both Syria and Lebanon, countries where Iran asserts that core interests are at stake. The compliance of Syrian or Lebanese banks and other institutions with international sanctions against Iran was limited even during 2012-2015. Iran reportedly uses banks in Lebanon to skirt financial sanctions, according to a wide range of observers, and these banks are among the conduits for Iran to provide financial assistance to Hezbollah as well as to the regime of Syrian President Bashar Al Assad. In January 2017, Iran and Syria signed a series of economic agreements giving Iranian firms increased access to Syria's mining, agriculture, and telecommunications sectors, as well as management of a Syrian port.[93]

Africa and Latin America

During the presidency of Ahmadinejad, Iran looked to several Latin American and African countries to try to circumvent international sanctions. For the most part, however, Iran's trade and other business dealings with these regions are apparently too modest to weaken the effect of international sanctions significantly.

World Bank and WTO

The united approach to sanctions on Iran during 2010-2016 carried over to international lending to Iran. The United States representative to international financial institutions is required to vote against international lending, but that vote, although weighted, is not sufficient to block international lending. No new loans have been approved to Iran since 2005, including several

[91] Eli Lak, "Iran Sanctions Collapsing Already," *Bloomberg News*, May 11, 2015.

[92] U.S. Grants Iraq Sanctions Relief in Bid to Boost Business Deals. Wall Street Journal, December 21, 2018.

[93] Iran Signs Phone, Gas Deals with Syria. Agence France Presse, January 17, 2017.

environmental projects under the Bank's "Global Environmental Facility" (GEF). The initiative slated more than $7.5 million in loans for Iran to dispose of harmful chemicals.[94] The 2016 lifting of sanctions increased international support for new international lending to Iran, but the U.S. exit from the JCPOA will likely lead to differences between the United States and other lenders over extending any new loans to Iran.

Earlier, in 1993, the United States voted its 16.5% share of the World Bank against loans to Iran of $460 million for electricity, health, and irrigation projects, but the loans were approved. To block that lending, the FY1994-FY1996 foreign aid appropriations (P.L. 103-87, P.L. 103-306, and P.L. 104-107) cut the amount appropriated for the U.S. contribution to the bank by the amount of those loans, contributing to a temporary halt in new bank lending to Iran. But, in May 2000, the United States' allies outvoted the United States to approve $232 million in loans for health and sewage projects. During April 2003-May 2005, a total of $725 million in loans were approved for environmental management, housing reform, water and sanitation projects, and land management projects, in addition to $400 million in loans for earthquake relief.

WTO Accession

An issue related to sanctions is Iran's request to join the World Trade Organization (WTO). Iran began accession talks in 2006 after the George W. Bush Administration dropped its objection to Iran's application as part of an effort to incentivize Iran to reach an interim nuclear agreement. The lifting of sanctions presumably paves the way for talks to accelerate, but the accession process generally takes many years. Accession generally takes place by consensus of existing WTO members. Iran's accession might be complicated by the requirement that existing members trade with other members; as noted above, the U.S. ban on trade with Iran remains in force. The Trump Administration does not advocate Iran's admission to that convention.

Table 3. Comparison Between U.S., U.N., and EU and Allied Country Sanctions (Prior to Implementation Day)

U.S. Sanctions	U.N. Sanctions	EU and Other Allied Countries
General Observation: Most sweeping sanctions on Iran of virtually any country in the world	As of 2010, U.N. sanctions were intended to give countries justification to cooperate with U.S. secondary sanctions. Post-JCPOA: Resolution 2231 is the only operative Resolution on Iran.	EU closely aligned its sanctions tightening with that of the United States. Most EU sanctions lifted in accordance with the JCPOA, although some sanctions on arms, dual-use items, and human rights remain. Japan, South Korean, and China sanctions also became extensive but were almost entirely lifted in concert with the JCPOA.
Ban on U.S. Trade with, Investment in, and Financing for Iran: Executive Order 12959 bans (with limited exceptions) U.S. firms from exporting to Iran, importing from Iran, or investing in Iran.	U.N. sanctions did not at any time ban civilian trade with Iran or general civilian sector investment in Iran.	No comprehensive EU ban on trade in civilian goods with Iran was imposed at any time. Japan and South Korea did not ban normal civilian trade with Iran.

[94] Barbara Slavin, "Obama Administration Holds Up Environmental Grants to Iran," *Al Monitor*, June 23, 2014.

U.S. Sanctions	U.N. Sanctions	EU and Other Allied Countries
Sanctions on Foreign Firms that Do Business with Iran's Energy Sector: The Iran Sanctions Act, P.L. 104-172, and subsequent laws and executive orders, discussed throughout the report, mandate sanctions on virtually any type of transaction with/in Iran's energy sector.	No U.N. equivalent existed. However, Resolution 1929 "not[es] the potential connection between Iran's revenues derived from its energy sector and the funding of Iran's proliferation-sensitive nuclear activities." This wording was interpreted as providing U.N. support for countries to ban their companies from dealing with Iran's energy sector.	With certain exceptions, the EU banned almost all dealings with Iran's energy sector after 2011. These sanctions now lifted. Japanese and South Korean measures banned new energy projects in Iran and called for restraint on ongoing projects. South Korea in December 2011 cautioned its firms not to sell energy or petrochemical equipment to Iran. Both cut oil purchases from Iran sharply. These sanctions now lifted.
Ban on Foreign Assistance: U.S. foreign assistance to Iran—other than purely humanitarian aid—is banned under §620A of the Foreign Assistance Act, which bans U.S. assistance to countries on the U.S. list of "state sponsors of terrorism." Iran is also routinely denied direct U.S. foreign aid under the annual foreign operations appropriations acts (most recently in §7007 of division H of P.L. 111-8).	No U.N. equivalent	EU measures of July 27, 2010, banned grants, aid, and concessional loans to Iran. Also prohibited financing of enterprises involved in Iran's energy sector. These sanctions now lifted. Japan and South Korea measures did not specifically ban aid or lending to Iran.
Ban on Arms Exports to Iran: Iran is ineligible for U.S. arms exports under several laws, as discussed in the report.	As per Resolution 1929 (paragraph 8), as superseded by Resolution 2231, Security Council approval is required to sell Iran major weapons systems.	EU sanctions include a comprehensive ban on sale to Iran of all types of military equipment, not just major combat systems. Arms embargo remains post-JCPOA. No similar Japan and South Korean measures announced, but neither has exported arms to Iran.
Restriction on Exports to Iran of "Dual Use Items": Primarily under §6(j) of the Export Administration Act (P.L. 96-72) and §38 of the Arms Export Control Act, there is a denial of license applications to sell Iran goods that could have military applications.	U.N. resolutions on Iran banned the export of many dual-use items to Iran. Resolution 2231 sets up a procurement network for the P5+1 to approve of all purchases for Iran's ongoing nuclear program.	EU banned the sales of dual use items to Iran, including ballistic missile technology, in line with U.N. resolutions. These restrictions generally remain post-JCPOA. Japan and S. Korea have announced full adherence to strict export control regimes when evaluating sales to Iran. These restrictions generally remain post-JCPOA.

U.S. Sanctions	U.N. Sanctions	EU and Other Allied Countries
Sanctions Against Lending to Iran: Under §1621 of the International Financial Institutions Act (P.L. 95-118), U.S. representatives to international financial institutions, such as the World Bank, are required to vote against loans to Iran by those institutions.	Resolution 1747 (oper. paragraph 7) requested, but did not mandate, that countries and international financial institutions refrain from making grants or loans to Iran, except for development and humanitarian purposes. (No longer applicable.)	The July 27, 2010, measures prohibited EU members from providing grants, aid, and concessional loans to Iran, including through international financial institutions. Sanctions lifted post-JCPOA. Japan and South Korea banned medium- and long-term trade financing and financing guarantees. Short-term credit was still allowed. These sanctions now lifted.
Sanctions Against the Sale of Weapons of Mass Destruction-Related Technology to Iran: Several laws and regulations provide for sanctions against entities, Iranian or otherwise, that are determined to be involved in or supplying Iran's WMD programs (asset freezing, ban on transaction with the entity).	Resolution 1737 (oper. paragraph 12) imposed a worldwide freeze on the assets and property of Iranian WMD-related entities named in an Annex to the Resolution. Each subsequent resolution expanded the list of Iranian entities subject to these sanctions.	The EU measures imposed July 27, 2010, commit the EU to freezing the assets of WMD-related entities named in the U.N. resolutions, as well as numerous other named Iranian entities. Most of these restrictions remain. Japan and South Korea froze assets of U.N.-sanctioned entities. Most of these restrictions have been lifted.
Ban on Transactions with Terrorism Supporting Entities: Executive Order 13224 bans transactions with entities determined by the Administration to be supporting international terrorism. Numerous entities, including some of Iranian origin, have been designated.	No direct equivalent, but Resolution 1747 (oper. paragraph 5) bans Iran from exporting any arms. Resolution 2231 continues that restriction for a maximum of five years.	No direct equivalent, but many of the Iranian entities named as blocked by the EU, Japan, and South Korea overlap or complement Iranian entities named as terrorism supporting by the United States. Japan and S. Korea did not impose specific terrorism sanctions on Iran.
Human Rights Sanctions: CISADA provides for a prohibition on travel to the U.S., blocking of U.S.-based property, and ban on transactions with Iranians determined to be involved in serious human rights abuses against Iranians since the June 12, 2009, presidential election there, or with persons selling Iran equipment to commit such abuses.	No U.N. sanctions were imposed on Iran for terrorism or human rights abuses.	EU sanctions include 87 named Iranians subject to a ban on travel to the EU countries. The EU also retains a ban on providing equipment that can be used for internal repression. Japan and South Korea have announced bans on named Iranians involved in WMD programs.

U.S. Sanctions	U.N. Sanctions	EU and Other Allied Countries
Restrictions on Iranian Shipping: Under Executive Order 13382, the U.S. Department of the Treasury has named Islamic Republic of Iran Shipping Lines and several affiliated entities as entities whose U.S.-based property is to be frozen.	Resolution 1803 and 1929 authorize countries to inspect cargoes carried by Iran Air and Islamic Republic of Iran Shipping Lines (IRISL)—or any ships in national or international waters—if there is an indication that the shipments include goods whose export to Iran is banned. These resolutions no longer apply.	The EU measures announced July 27, 2010, bans Iran Air Cargo from access to EU airports. The measures also freeze the EU-based assets of IRISL and its affiliates. Insurance and reinsurance for Iranian firms are banned. These sanctions now lifted. Japan and South Korean measures took similar action against IRISL and Iran Air. Sanctions now lifted.
Banking Sanctions: During 2006-2011, several Iranian banks have been named as proliferation or terrorism supporting entities under Executive Orders 13382 and 13224, respectively (see Table 4 at end of report). CISADA prohibits banking relationships with U.S. banks for any foreign bank that conducts transactions with Iran's Revolutionary Guard or with Iranian entities sanctioned under the various U.N. resolutions. FY2012 Defense Authorization (P.L. 112-81) prevents U.S. accounts with foreign banks that process transactions with Iran's Central Bank (with specified exemptions).	No direct equivalent However, two Iranian banks were named as sanctioned entities under the U.N. Security Council resolutions. U.N. restrictions on Iranian banking now lifted.	The EU froze Iran Central Bank assets January 23, 2012, and banned all transactions with Iranian banks unless authorized on October 15, 2012. Brussels-based SWIFT expelled sanctioned Iranian banks from the electronic payment transfer system. This restriction has been lifted. Japan and South Korea took similar measures South Korea imposed the 40,000 Euro threshhold requiring authorization. Japan and S. Korea froze the assets of 15 Iranian banks; South Korea targeted Bank Mellat for freeze. These sanctions now lifted.
Ballistic Missiles: U.S. proliferations laws provide for sanctions against foreign entities that help Iran with its nuclear and ballistic missile programs.	Resolution 1929 (paragraph 9) prohibited Iran from undertaking "any activity" related to ballistic missiles capable of delivering a nuclear weapon. Resolution 2231 calls on Iran not to develop or launch ballistic missiles designed to be capable of carrying a nuclear weapon.	EU measures on July 27, 2010, required adherence to this provision of Resolution 1929. EU has retained ban on providing ballistic missile technology to Iran in post-JCPOA period.

Effectiveness of Sanctions on Iranian Behavior

It can be argued that the question "are sanctions on Iran 'working'?" should be assessed based on an analysis of the goals of the sanctions. The following sections try to assess the effectiveness of Iran sanctions according to a number of criteria.

Effect on Iran's Nuclear Program and Strategic Capabilities

The sanctions regime of 2011-2015 is widely credited with increasing Iran's willingness to accept restraints on its nuclear program, at least for a long period of time, as stipulated in the JCPOA. Hassan Rouhani was elected president of Iran in June 2013 in part because of his stated

commitment to achieving an easing of sanctions and ending Iran's international isolation—a commitment that would undoubtedly require accepting such restraints. Still, as to the long-term effects of sanctions, the intelligence community assesses that it "does not know" whether Iran plans to eventually develop a nuclear weapon.[95]

It remains uncertain whether Iran will remain in the JCPOA despite the U.S. exit from it.[96] There are no indications that Iranian leaders will answer the Trump Administration call for negotiations on a new agreement that would cover not only Iran's nuclear program but also its missile program and its regional malign activities. Both President Trump and President Rouhani have publicly said they would accept bilateral talks without conditions, but both leaders generally indicate that the other's demands are too extensive to make such a meeting productive.

There is little evidence that even the strict sanctions of 2011-2016 slowed Iran's nuclear program or its missile program. And, even though U.S. and EU sanctions remain on Iran's missile programs, U.S. intelligence officials have testified that Iran continues to expand the scale, reach, and sophistication of its ballistic missile arsenal. Still, some U.S. officials have asserted that Iran's nuclear and missile programs might have advanced faster were sanctions not imposed.[97]

Sanctions have apparently prevented Iran from buying significant amounts of major combat systems since the early 1990s. Iran has been able to acquire defensive systems; Russia delivered the S-300 air defense system in April 2016. However, Iran's indigenous arms industry has grown over the past two decades and Iran might have acquired some systems from foreign suppliers such as North Korea that do not abide by U.N. restrictions.[98] U.S. intelligence directors testified in February 2018 that Iran is fielding increasingly lethal weapons systems, including more advanced naval mines and ballistic missiles, small but capable submarines, armed UAVs (unmanned aerial vehicles), coastal defense cruise missile batteries, attack craft, and anti-ship ballistic missiles.[99]

Effects on Iran's Regional Influence

Strict sanctions during 2012-2016, and U.N. restrictions and U.S. sanctions against Iran's exportation of weaponry, did not prevent Iran from supplying arms, including missiles, to its regional allies, such as the Asad regime in Syria, the Houthi rebels in Yemen, Lebanese Hezbollah, or Shiite militia groups in Iraq. Iran apparently is able to manufacture domestically the weaponry it suppliers to such entities, and sanctions do not appear to be an effective tool to limit such Iranian efforts. Nor did sanctions prevent Iran from sending thousands of IRGC advisers to help the Asad regime in Syria beginning in 2013.

Iran has remained engaged in these regional conflicts since sanctions were eased in early 2016. In his May 8, 2018, announcement of withdrawal from the JCPOA, President Donald Trump stated that Iran's defense budget had increased 40% since Implementation Day, but it is not clear that the extra defense funds contributed to any expansion of Iran's regional activities. The President

[95] "Worldwide Threat Assessment of the U.S. Intelligence Community." Testimony before the Senate Select Committee on Intelligence. May 11, 2017. This language was not contained in the 2018 version of the testimony.

[96] This possibility is examined in detail in: CRS Report R43333, *Iran Nuclear Agreement and U.S. Exit*, by Paul K. Kerr and Kenneth Katzman and CRS In Focus IF10916, *Iran: Efforts to Preserve Economic Benefits of the Nuclear Deal*, by Cathleen D. Cimino-Isaacs, Kenneth Katzman, and Derek E. Mix.

[97] Speech by National Security Adviser Tom Donilon at the Brookings Institution, November 22, 2011.

[98] Department of Defense, *Annual Report of Military Power of Iran*, April 2012.

[99] Worldwide Threat Assessment of the U.S. Intelligence Community, February 13, 2018.

stated on August 6, 2018, the day that many U.S. sanctions were reimposed on Iran, that "Since the deal [JCPOA] was reached, Iran's aggression has only increased. The regime has used the windfall of newly accessible funds it received under the JCPOA to build nuclear-capable missiles, fund terrorism, and fuel conflict across the Middle East and beyond.... The reimposition of nuclear-related sanctions through today's actions further intensifies pressure on Tehran to change its conduct."[100] However, there are no indications that the reimposition of U.S. sanctions has caused any Iranian regional retrenchment, to date.

In terms of congressional oversight, a provision of the FY2016 Consolidated Appropriation (P.L. 114-113) requires an Administration report to Congress on how Iran has used the financial benefits of sanctions relief. And, a provision of the Iran Nuclear Agreement Review Act (P.L. 114-17) requires that a semiannual report on Iran's compliance with the JCPOA include information on any Iranian use of funds to support acts of terrorism.

Political Effects

No U.S. Administration, including the Trump Administration, has asserted that sanctions on Iran are intended to bring about the change of Iran's regime, although some experts assert that this might be a desired U.S. goal in the 2018 reimposition of U.S. sanctions. But, the support of Iranians seeking reintegration with the international community and sanctions relief helped propel the relatively moderate Rouhani to election victories in both 2013 and 2017. Many Iranians cheered the finalization of the JCPOA on July 15, 2015, undoubtedly contributing to Supreme Leader Khamene'i's acceptance of the deal.

Still, the IRGC and other hardliners control domestic security and the judiciary, and these factions have criticized Rouhani's compromises, particularly following the U.S. exit from the JCPOA. The security forces have continued to arrest U.S. and dual nationals and to prosecute Rouhani allies on various charges. In July 2018, the IRGC and Iran's parliament (*Majles*) called for cabinet changes to address economic mismanagement and, in September 2018, the *Majles* compelled Rouhani to be questioned about the economic situation.[101] In July 2018, Rouhani replaced Iran's Central Bank governor as an apparent gesture to indicate responsiveness to economic concerns expressed by members of Iran's political establishment. Still, there does not appear to be an imminent threat to Rouhani's grip on his office.

Some assert that the sanctions relief of the JCPOA played a role in the widespread unrest that erupted in Iran in late December 2017-January 2018 by feeding unrealized public expectations of better economic conditions. Others note that the unrest illustrates that sanctions relief of the JCPOA did not yield the domestic stability that Iran's regime expected to achieve. The U.S. pullout from the JCPOA on May 8 has begun to cause economic effects, discussed below, that led to protests in the Tehran bazaar in late June 2018, subsequent demonstrations in several cities, and labor strikes and unrest beginning in summer 2018 and continuing, although sporadically. However, the level of unrest in Iran does not appear sufficient to threaten the regime.

Economic Effects

Sanctions took a substantial toll on Iran's economy, and sanctions relief caused Iran's economy to rebound, although perhaps not to the extent that Iranians expected. Assessing the effects of the

[100] Statement from the President on the Reimposition of United States Sanctions with Respect to Iran. August 6, 2018.

[101] https://en.radiofarda.com/a/iran-rouhani-irgc-demands/29413585.html.

U.S. exit from the JCPOA will likely require time for most economic indicators to be accurately measured.

- ***GDP and Employment Trends.*** Then-Treasury Secretary Jacob Lew told a Washington, DC, research institute in April 2015 that Iran's gross domestic product (GDP) was 15%-20% smaller than it would have been had sanctions not been imposed.[102] The unemployment rate rose to about 20% by 2014, and many additional Iranians were working but unpaid or partially paid. In 2015, Iran's GDP was about $400 billion at the official exchange rate ($1.4 trillion if assessed on a purchasing power parity [PPP] basis). IMF and outside economists report that Iran achieved about 7% growth during March 2016-March 2017,[103] and a similar 7% growth rate was achieved for the March 2017-March 2018 period. Iran's parliament researchers have forecast that Iran's economy could decline by as much as 5%—a significant recession—during March 2019-March 2020.[104]
- ***Oil Exports.*** As noted in Table 1, 2010-2016 sanctions reduced Iran's crude oil sales about 60% from the 2.5 mbd level of 2011, causing Iran to lose over $160 billion in oil revenues during that time. Iran earned $120 billion from oil sales in 2011; but only about $35 billion in 2013, 2014, and 2015. The JPA capped Iran's crude oil exports at about 1.1 mbd.[105] The JCPOA sanctions relief enabled Iran to increase its oil export volumes to nearly 2011 levels. As shown in the table, the 2018 reimposition of U.S. sanctions has driven Iran's oil exports to about 1 mbd as of December 1, 2018. It is possible that Iran's customers that have received SRE exceptions will increase purchases in coming months. Iran has been exempted from an attempt by OPEC to increase oil prices by imposing production cuts on most of the cartel's members.
- ***Banking.*** Global banks were slow to reenter the Iran market after the 2016 easing of sanctions because of (1) reported concerns that the United States might still sanction such transactions under remaining sanctions provisions; (2) a lack of transparency in Iran's financial sector; (3) lingering concerns over past financial penalties for processing Iran-related transactions in the U.S. financial system (see above); and (4) extra costs and procedures caused by the inability to process Iran-related transactions through the U.S. financial system and/or easily use dollars in Iran-related transactions. Those banks that did reenter the Iran market have, as a consequence of the U.S. exit from the JCPOA, stopped, limited, or are considering stopping their transactions with Iran.
- ***Shipping Insurance***. Iran was able after 2016 to obtain shipping insurance as a result of waivers given to numerous insurers, as discussed above. However, as of August 7, 2018, U.S.-based shipping reinsurers no longer have active U.S. waivers to participate in the insurance market for Iranian shipping, harming Iran's ability to obtain shipping insurance.
- ***Hard Currency Accessibility***. The 2011-2015 sanctions regime prevented Iran from accessing the hard currency it was being paid for its oil. By January 2016,

[102] Department of the Treasury. Remarks of Secretary Jacob J. Lew at the Washington Institute for Near East Policy 30th Anniversary Gala. April 29, 2015.

[103] "Foreign Investors Flock to Iran as U.S. Firms Watch on the Sidelines." *Wall Street Journal*, March 27, 2017.

[104] Forecast Says Sharp Drop in Iran's Economic Growth Rate. Radio Farda, September 2, 2018.

[105] "Why Higher Iran Oil Exports Are Not Roiling Nuclear Deal," *Reuters*, June 13, 2014.

the total of Iranian hard currency reserves held in foreign banks stood at about $115 billion,[106] and Iranian officials stated in February 2016 that they had gained access to the funds. Iran regained access to the SWIFT electronic payments system in early 2016, enabling Iran to move money internationally. Of this amount, about $60 billion is owed to creditors such as China ($20 billion) or to repay nonperforming loans extended to Iranian energy companies working in the Caspian and other areas in Iran's immediate neighborhood. Iran has kept most of its available reserves abroad for cash management purposes and to pay for imports, but Iran's foreign exchange reserves will again be restricted by foreign banks as U.S. sanctions go back into effect, making it likely that Iran will try to repatriate funds before the wind-down period ends on November 4, 2018.

- ***Currency Decline***. Sanctions caused the value of the *rial* on unofficial markets to decline about 56% from January 2012 until January 2014. The election of Rouhani and the JPA agreement in 2013 caused the *rial* to stabilize at about 35,000 to the dollar. However, as U.S. sanctions were reimposed in 2018, the value of the *rial* to collapsed to about 95,000 to the dollar by August 2018, and to nearly 150,000 to one by the November 5, 2018, reimposition of all U.S. sanctions. The downturn caused unrest in the Tehran bazaar as merchants were unable to import goods or properly price merchandise. The government responded by banning the importation of about 1,400 different goods in order to preserve its supply of hard currency. The value of the *rial* later recovered somewhat to about 100,000 to one at the beginning of 2019.
- ***Inflation*.** The drop in value of the currency caused inflation to accelerate during 2011-2013. The estimated actual inflation rate was between 50% and 70% (a higher figure than that acknowledged by Iran's Central Bank). The sanctions relief of the JPA reduced the inflation rate to about 15% and inflation slowed to the single digits by June 2016, meeting the Central Bank's stated goal.[107] However, in 2017, the inflation rate reportedly increased back to double digits, and turmoil surrounding the possible U.S. exit from the JCPOA caused inflation to increase to about 15% by late June 2018. It increased significantly, to nearly 40%, by the end of 2018 as U.S. sanctions went back into effect.[108]
- ***Industrial/Auto Production and Sales*.** Iran's light-medium manufacturing sector has been expanding in recent years, but is dependent on imported parts. Sanctions complicated obtaining trade credit and created difficulties for Iranian manufacturers, who had to prepay for imported parts often through circuitous mechanisms. Iran's production of automobiles fell by about 60% from 2011 to 2013. Press reports say that the auto sector, and manufacturing overall, rebounded since sanctions were lifted, but is declining again in light of the announced divestments by French auto makers following the U.S. exit from the JCPOA. Researchers at Iran's parliament estimated in September 2018 that auto production could decline 45% by March 2019, and other industrial production might drop by 5%.[109]

[106] CRS conversation with Department of the Treasury officials. July 2015.

[107] "A Year after Iran Deal, Oil Flows but the Money's Stuck." op. cit.

[108] https://tradingeconomics.com/iran/inflation-cpi.

[109] Radio Farda, op.cit.

- ***U.S.-Iran Trade.*** U.S.-Iran trade remains negligible. In 2015, the last full year before JCPOA implementation, the United States sold $281 million in goods to Iran and imported $10 million worth of Iranian products. The slight relaxation of the U.S. import ban stemming from the JCPOA likely accounts for the significant increase in imports from Iran in 2016 to $86 million. U.S. imports from Iran were about $63 million in 2017. However, U.S. exports to Iran remained low for all of 2016 and 2017 ($172 million and $137 million, respectively).

Iran's Economic Coping Strategies

Iran had some success mitigating the economic effect of sanctions, and which will likely be used to try to cope with reimposed U.S. sanctions.

Promoting a Broader Range of Exports. Over the past 10 years, Iran has promoted sales of nonoil products such as minerals, cement, urea fertilizer, and other agricultural and basic industrial goods. Such "nonoil" exports now generate much of the revenue that funds Iran's imports.[110]

Oil Products/Condensate Sales. Iran has increased sales of oil products such as petrochemicals and condensates, earning about $4.7 billion in revenue from that source by 2016.[111] Condensates are not generally included in figures for Iran's export of crude oil.

Reallocation of Investment Funds and Import Substitution. Sanctions compelled some Iranian manufacturers to increase domestic production of some goods as substitutes for imports. This trend was hailed by Iranian economists and Supreme Leader Khamene'i, who has long maintained that Iran should build a "resistance economy" less dependent on imports and foreign investment.

Partial Privatization/IRGC in the Economy. Over the past few years, portions of Iran's state-owned enterprises have been transferred to the control of quasi-governmental or partially private entities. Some of them are incorporated as holding companies, foundations, or investment groups. Based on data from the Iranian Privatization Organization, there are about 120 such entities that account for a significant proportion of Iran's GDP.[112] Rouhani has sought to push the IRGC out of Iran's economy through divestment, to the extent possible. However, a substantial part of the economy remains controlled by government-linked conglomerates, including the IRGC. Although estimates vary widely, the IRGC's corporate affiliates are commonly assessed as controlling at least 20% of Iran's economy, although there is little available information on the degree of IRGC-affiliated ownership stakes.[113]

Subsidy Reductions. In 2007, the Ahmadinejad government began trying to wean the population off of generous subsidies by compensating families with cash payments of about $40 per month. Gasoline prices were raised to levels similar to those in other regional countries, and far above the subsidized price of 40 cents per gallon. Rouhani has continued to reduce subsidies, including by raising gasoline and staple food prices further and limiting the cash payments to only those families who could claim financial hardship. Rouhani also has improved collections of taxes and of price increases for electricity and natural gas utilities.[114]

---

[110] Testimony of Patrick Clawson before the Senate Banking Committee. January 21, 2015.

[111] "Iran Reaps Less Cash from Eased Sanctions Than Predicted," op. cit.

[112] Kevan Harris, "Iran's Political Economy Under and After the Sanctions," *Washington Post* blogs, April 23, 2015.

[113] https://www.thenational.ae/world/us-sanctions-on-revolutionary-guards-causes-iran-investment-rethink-1.733028.

[114] Patrick Clawson testimony, January 21, 2015, op. cit.

Import Restrictions/Currency Controls. To conserve hard currency, Iran has at times reduced the supply of hard currency to importers of luxury goods, such as cars or cellphones, in order to maintain hard currency supplies to importers of essential goods. These restrictions eased after sanctions were lifted in 2016 but have been reimposed in 2018 to deal with economic unrest and the falling value of the *rial*.

Effect on Energy Sector Long-Term Development

The Iran Sanctions Act (ISA) was enacted in large part to reduce Iran's oil and gas production capacity over the longer term by denying Iran the outside technology and investment to maintain or increase production. U.S. officials estimated in 2011 that Iran had lost $60 billion in investment in the sector as numerous major firms pulled out of Iran. Iran says it needs $130 billion-$145 billion in new investment by 2020 to keep oil production capacity from falling.[115] Further development of the large South Pars gas field alone requires $100 billion.[116]

During 2012-2016, there was little development activity at Iran's various oil and gas development sites, as energy firms sought to avoid sanctions (see Table 4). Some work abandoned by foreign investors was assumed by domestic companies, particularly those linked to the IRGC. However, the Iranian firms are not as technically capable as the international firms that have withdrawn. The lifting of sanctions in 2016 lured at least some foreign investors back into the sector, encouraged by Iran's more generous investment terms under a concept called the "Iran Petroleum Contract." That contract gives investing companies the rights to a set percentage of Iran's oil reserves for 20-25 years.[117] Iran signed a number of new agreements with international energy firms since mid-2016 but, as noted in the tables and other information above, major energy firms have begun to divest in response to the U.S. exit from the JCPOA.

Sanctions relief also opened opportunities for Iran to resume developing its gas sector. Iran has used its gas development primarily to reinject into its oil fields rather than to export. Iran exports about 3.6 trillion cubic feet of gas, primarily to Turkey and Armenia. Sanctions have rendered Iran unable to develop a liquefied natural gas (LNG) export business. However, it was reported in March 2017 that the Philippine National Oil Company is seeking to build a 2-million-ton LNG plant in Iran, suggesting that patent issues do not necessarily preclude Iran from pursuing LNG.

[115] Khajehpour presentation at CSIS, op. cit.

[116] "Iran Faces Steep Climb to Join Gas Superpowers by 2017," *International Oil Daily*, April 29, 2014.

[117] Thomas Erdbrink. "New Iran Battle Brews over Foreign Oil Titans." *New York Times*, February 1, 2016.

Table 4. Post-1999 Major Investments in Iran's Energy Sector

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/ Goal
Feb. 1999	**Doroud (oil)** Total and ENI exempted from sanctions because of pledge to exit Iran	Total (France)/ENI (Italy)	$1 billion	205,000 bpd
Apr. 1999 Dec./May 2016	**Balal (oil)** Initial development completed in 2004 Dec. 2016: Thailand PTTEP signed agreement with NIOC to study further development. May 2016: KOGAS signed a memorandum of understanding (MoU) to assess the field.	Total/ Bow Valley (Canada)/ENI Thailand PTTEP KOGAS (South Korea)	$300 million	40,000 bpd
Nov. 1999	**Soroush and Nowruz (oil)** Royal Dutch exempted from sanctions because of pledge to exit Iran market	Royal Dutch Shell (Netherlands)/Japex (Japan)	$800 million	190,000 bpd
Apr. 2000	**Anaran bloc (oil)** Lukoil and Statoil invested in 2000 but abandoned work in 2009. As of Dec. 2016, Lukoil reportedly is considering returning to the project.	Lukoil (Russia) and Statoil (Norway)	$105 million	65,000
Jul. 2000	**South Pars Phases 4 and 5 (gas)** On stream as of 2005. ENI exempted from sanctions based on pledge to exit Iran market	ENI	$1.9 billion	2 billion cu. ft./day (cfd)
Mar. 2001	**Caspian Sea oil exploration**—construction of submersible drilling rig for Iranian partner	GVA Consultants (Sweden)	$225 million	NA
Jun. 2001	**Darkhovin (oil)** ENI exited in 2013 and doing so enabled the firm to be exempted from U.S. sanctions	ENI Field in production	$1 billion	100,000 bpd
May 2002	**Masjid-e-Soleyman (oil)**	Sheer Energy (Canada)/CNPC (China))/ Naftgaran Engineering (Iran)	$80 million	25,000 bpd
Sept. 2002	**South Pars Phases 9 and 10 (gas)** On stream as of early 2009	GS Engineering and Construction Corp. (South Korea)	$1.6 billion	2 billion cfd
Oct. 2002	**South Pars Phases 6, 7, and 8** Field began producing late 2008; operational control handed to NIOC in 2009. Statoil exempted from sanctions upon pledge to divest	Statoil (Norway)	$750 million	3 billion cfd
Jan. 2004 Dec. 2016	**Azadegan (oil)—South and North** Oct. 2010: original investor Inpex sold its stake and was exempted from ISA investigation. China National Petroleum Corp. took a majority stake in South and North Azadegan fields in January 2009. However, in 2014, Iran cancelled the contracts for for nonperformance Dec. 2016: Royal Dutch Shell and Petronas signed a MoU to assess S. Azadegan for possibly taking the project over.	Inpex (Japan) CNPC (China) Royal Dutch Shell/Petronas (Malaysia)	$200 million (Inpex stake); China $2.5 billion	260,000 bpd, of which 80,000 is from N. Azadegan.

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/ Goal
Jan. 2004	**Tusan Block** Oil found in block in Feb. 2009, but not in commercial quantity, according to the firm.	Petrobras (Brazil)	$178 million	
Oct. 2004 Dec. 2016	**Yadavaran (oil)** In 2014, Iran says Sinopec has "experienced problems with regards to progress" on the field, which also extends into Iraq. December 2016: Royal Dutch Shell signed MoU to assess taking over developing the field.	Sinopec (China), deal finalized Dec. 9, 2007	$2 billion	300,000 bpd
2005	**Saveh bloc (oil)** GAO report, cited below	PTT (Thailand)		
Jun. 2006	**Garmsar bloc (oil)** Deal finalized in June 2009 ("China's Sinopec signs a deal to develop oil block in Iran—report," Forbes, 20 June 2009, http://www.forbes.com/feeds/afx/2006/06/20/afx2829188.html.)	Sinopec (China)	$20 million	
Jul. 2006	**Arak Refinery expansion** (GAO reports; Fimco FZE Machinery website; http://www.fimco.org/index.php?option=com_content&task=view&id=70&Itemid=78.)	Sinopec (China); JGC (Japan). Work continued by Hyundai Heavy Industries (S. Korea)	$959 million (major initial expansion; extent of Hyundai work unknown)	Expansion to produce 250,000 bpd
Sept. 2006	**Khorramabad block (oil)** Seismic data gathered, but no production is planned. (Statoil factsheet, May 2011)	Norsk Hydro and Statoil (Norway).	$49 million	no estimates
Dec. 2006	**North Pars Gas Field (offshore gas).** Includes gas purchases	China National Offshore Oil Co. Work suspended in 2011, but reportedly resumed in 2016.	$16 billion	3.6 billion cfd
Feb. 2007	**LNG Tanks at Tombak Port** Contract to build three LNG tanks at Tombak, 30 miles north of Assaluyeh Port. (May not constitute "investment" in pre-2010 version of ISA, because that definition did not specify LNG as "petroleum resource" of Iran.)	Daelim (S. Korea)	$320 million	200,000 ton capacity
Feb. 2007	**South Pars Phases 13 and 14** Deadline to finalize (May 2009) not met; firms submitted revised proposals to Iran in June 2009. State Department said on September 30, 2010, that Royal Dutch Shell and Repsol will not pursue this project any further.	Royal Dutch Shell, Repsol (Spain)	$4.3 billion	
Mar. 2007	**Esfahan refinery upgrade**	Daelim (S. Korea)		NA
Jul. 2007	**S. Pars Phases 22, 23, and 24** Pipeline to transport Iranian gas to Turkey, and on to Europe and building three power plants in Iran. Contract not finalized to date.	Turkish Petroleum Company (TPAO)	$12. billion	2 billion cfd

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/ Goal
Dec. 2007	**Golshan and Ferdowsi onshore and offshore gas and oil fields and LNG plant** Contract modified but reaffirmed December 2008 (GAO reports; Oil Daily, January 14, 2008.)	Petrofield Subsidiary of SKS Ventures (Malaysia)	$15 billion	3.4 billion cfd of gas/250,000 bpd of oil
2007	**Jofeir Field (oil)** GAO report cited below. Belarusneft, a subsidiary of Belneftekhim, sanctioned under ISA on March 29, 2011. Naftiran sanctioned on September 29, 2010, for this and other activities.	Belarusneft (Belarus) under contract to Naftiran. No production to date	$500 million	40,000 bpd
2008	**Dayyer Bloc (Persian Gulf, offshore, oil)** GAO reports.	Edison (Italy)	$44 million	
Feb. 2008	**Lavan field (offshore natural gas)**	PGNiG (Polish Oil and Gas Company, Poland), divested to Iranian firms in 2011	$2 billion	
Mar. 2008	**Danan Field (on-shore oil)** "PVEP Wins Bid to Develop Danan Field." Iran Press TV, March 11, 2008.	Petro Vietnam Exploration and Production Co. (Vietnam)		
Apr. 2008	**Iran's Kish Gas Field** Includes pipeline from Iran to Oman.	Oman (cofinancing of project)	$7 billion	1 billion cfd
Apr. 2008	**Moghan 2 (onshore oil and gas, Ardebil province)**	INA (Croatia), but firm withdrew in 2014	$40-$140 million	
2008	**Kermanshah petrochemical plant (new construction)** GAO reports.	Uhde (Germany)		300,000 metric tons/yr
Jun. 2008	**Resalat Oilfield** Status of work unclear.	Amona (Malaysia). Joined in June 2009 by CNOOC and another China firm, COSL.	$1.5 billion	47,000 bpd
Jan. 2009	**Bushehr Polymer Plants** Production of polyethelene at two polymer plants in Bushehr Province. Product exported	Sasol (South Africa), but firm withdrew in 2014		Capacity is 1 million tons per year.
Mar. 2009	**Phase 12 South Pars (gas)**—Incl. LNG terminal construction and Farsi Block gas field/Farzad-B bloc.	Indian firms: Oil and Natural Gas Corp. of India (ONGC); Oil India Ltd., India Oil Corp. Ltd./minor stakes by Sonanagol (Angola) and PDVSA (Venezuela).	$8 billion	20 million tonnes of LNG annually by 2012
Aug. 2009	**Abadan refinery** Upgrade and expansion; building a new refinery at Hormuz on the Persian Gulf coast.	Sinopec	Up to $6 billion if new refinery is built	

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/ Goal
Oct. 2009	**South Pars Gas Field—Phases 6-8, Gas Sweetening Plant** CRS conversation with Embassy of S. Korea in Washington, DC, July 2010. Contract signed but then abrogated by S. Korean firm.	G and S Engineering and Construction (South Korea)	$1.4 billion	
Nov. 2009	**South Pars Phase 12—Part 2 and Part 3** ("Italy, South Korea To Develop South Pars Phase 12." Press TV [Iran], November 3, 2009, http://www.presstv.com/pop/Print/?id=110308.)	Daelim (S. Korea)—Part 2; Tecnimont (Italy)—Part 3	$4 billion ($2 bn each part)	
Feb. 2010/July 2017	**South Pars Phase 11** Project originally awarded to CNPC in 2010, but CNPC exited the project in October 2012. In July 2017, Total took over the project as operator, with CNPC as minority partner (30%). Iran's Petropars has a 20% stake as well. In November 2018, Total exited and CNPC became operator. CNPC exited in December 2018, leaving production status unclear.	Total SA (France) and CNPC (China), with Iran Petropars	$4.7 billion	
2011	**Azar Gas Field** Iran cancelled Gazprom's contract due to Gazprom's failure to fulfill its commitments.	Gazprom (Russia)		
Dec. 2011	**Zagheh Oil Field** Preliminary deal signed December 2011	Tatneft (Russia)	$1 billion	55,000 barrels per day
Jul. 2016	**Aban Oil Field** Zarubezhneft signed a MoU to assess the field.	Zarubezhneft (Russia)		
Jul. 2016	**Paydar Garb Oil Field** Zarubezhneft signed a MoU to assess the field.	Zarubezhneft (Russia)		
Nov. 2016	**Parsi and Rag E-Sefid** Schlumberger signed a MoU to assess the fields.	Schlumberger (France)		
Nov. 2016	**South Pars Phase 11** Total has announced it will divest in response to U.S. reimposition of sanctions in 2018	Total SA (France)/CNPC (China) and Petropars	$4.8 billion	1.8 billion cu ft/day
Nov. 2016	**Sumar Oil Field** Polish Oil and Gas Company (PGNiG) signed a MoU to assess the field for six months.	PGNiG (Poland)		
Nov. 2016	**Karanj** International Pergas Consortium signed a MoU to assess this field.	Pergas (consortium of 15 firms from Norway, Britain, and Iran)		
Dec. 2016	**Changuleh Oil Field** Companies signed MoU's to assess field.	Gazprom (Russia), PTTEP (Thailand), and DNO (Norway)		
Dec. 2016	**Kish Gas Field**	Royal Dutch Shell		

Date	Field/Project	Company(ies)/Status (If Known)	Value	Output/ Goal
	Royal Dutch Shell signed MoU to assess the field			
Dec. 2016	**Chesmekosh Gas Field** Gazprom signed MoU to assess the field	Gazprom (Russia) and Petronas (Malaysia)		
Mar. 2017	**Shadegan Oil Field** Khuzestan province (southern Iran). Currently producing about 65,000 bpd.	Tatneft (Russia)		500,000 bpd max.

Sources: Various oil and gas journals, as well as CRS conversations with some U.S. and company officials. Some information comes from various GAO reports, the latest of which was January 13, 2015 (GAO-15-258R).

Note: CRS has no mandate, authority, or means to determine violations of the Iran Sanctions Act, and no way to confirm the status of any of the reported investments. The investments are private agreements between Iran and the firms involved, which are not required to reveal the terms of their arrangements. Reported $20 million+ investments in oil and gas fields, refinery upgrades, and major project leadership are included in this table. Responsibility for a project to develop Iran's energy sector is part of ISA investment definition.

Effect on Gasoline Availability and Importation

As the enactment of U.S. sanctions on the sale of gasoline to Iran became increasingly likely in 2010, several suppliers apparently stopped selling gasoline to Iran.[118] Others ceased after the enactment of CISADA. Gasoline deliveries to Iran fell from about 120,000 barrels per day before CISADA to about 30,000 barrels per day immediately thereafter, although importation later increased to about 50,000 barrels per day. In 2017, Iranian officials said Iran had become largely self-sufficient in gasoline production.

Human Rights-Related Effects

It is difficult to draw any direct relationship between sanctions and Iran's human rights practices. Recent human rights reports by the State Department and the U.N. Special Rapporteur on Iran's human rights practices generally assess that there has been some modest improvement in some of Iran's practices in recent years, particularly relaxation of enforcement of the public dress code for women. But the altered policies cannot necessarily be attributed to sanctions relief.

Since at least 2012, foreign firms have generally refrained from selling the Iranian government equipment to monitor or censor social media use. Such firms include German telecommunications firm Siemens, Chinese internet infrastructure firm Huawei, and South African firm MTN Group. In October 2012, Eutelsat, a significant provider of satellite service to Iran's state broadcasting establishment, ended that relationship after the EU sanctioned the then head of the Islamic Republic of Iran Broadcasting (IRIB), Ezzatollah Zarghami. However, the regime retains the ability to monitor and censor social media use.

Humanitarian Effects

During 2012-2016, sanctions produced significant humanitarian-related effects, particularly in limiting the population's ability to obtain expensive Western-made medicines, such as chemotherapy drugs. Some of the scarcity was caused by banks' refusal to finance such sales, even though doing so was not subject to any sanctions. Some observers say the Iranian

[118] Information in this section derived from Javier Blas, "Traders Cut Iran Petrol Line," *Financial Times*, March 8, 2010.

government exaggerated reports of medicine shortages to generate opposition to the sanctions. Other accounts say that Iranians, particularly those with connections to the government, took advantage of medicine shortages by cornering the import market for key medicines. However, some of these shortages resurfaced in 2018 following the reimposition of sanctions by the Trump Administration. For example, reports in 2018 indicated that the reimposition of U.S. sanctions may be inhibiting the flow of humanitarian goods to the Iranian people and reportedly contributing to shortages in medicine to treat ailments such as multiple sclerosis and cancer.[119] Other reports indicate that Cargill, Bunge, and other global food traders have halted supplying Iran because of the evaporation of available transactions financing.[120] EU officials have called on the United States to produce a "white list" that would "give clear guidelines about what channels European banks and companies should follow to conduct legitimate [humanitarian] transactions with Iran without fear of future penalties."[121]

Other reports say that pollution in Tehran and other big cities is made worse by sanctions because Iran produces gasoline itself with methods that cause more impurities than imported gasoline. As noted above, Iran's efforts to deal with environmental hazards and problems might be hindered by denial of World Bank lending for that purpose.

In the aviation sector, some Iranian pilots complained publicly that U.S. sanctions caused Iran's passenger airline fleet to deteriorate to the point of jeopardizing safety. Since the U.S. trade ban was imposed in 1995, 1,700 passengers and crew of Iranian aircraft have been killed in air accidents, although it is not clear how many of the crashes, if any, were due to difficultly in acquiring U.S. spare parts.[122]

Air Safety

Sanctions relief ameliorated at least some of the humanitarian difficulties discussed above. In the aviation sector, several sales of passenger aircraft have been announced, and licensed by the Department of the Treasury, since Implementation Day. However, as noted, the licenses are being revoked and deliveries will not proceed beyond November 2018.

- In February 2016, Iran Air—which was delisted from U.S. sanctions as of Implementation Day—announced it would purchase 118 Airbus commercial aircraft at an estimated value of $27 billion. Airbus received an OFAC license and three of the aircraft have been delivered. Airbus has said it will not deliver any more aircraft to Iran because its U.S. Treasury Department license is revoked.
- In December 2016, Boeing and Iran Air finalized an agreement for Boeing to sell the airline 80 passenger aircraft and lease 29 others. Boeing received a specific license for the transaction. The deal has a total estimated value of about $17 billion, with deliveries scheduled to start later in 2018. The Boeing sale is to include 30 of the 777 model. None have been delivered, and Boeing officials

[119] https://www.washingtonpost.com/world/middle_east/fresh-sanctions-on-iran-are-already-choking-off-medicine-imports-economists-say/2018/11/17/c94ce574-e763-11e8-8449-1ff263609a31_story.html; https://www.bloomberg.com/news/articles/2018-11-21/trump-s-sanctions-are-proving-a-bitter-pill-for-iran-s-sick; https://www.csmonitor.com/World/Middle-East/2018/1029/In-Iran-US-sanctions-are-being-felt-with-harsher-measures-to-come.

[120] "Global Traders Halt New Iran Food Deals as U.S. Sanctions Bite." Reuters, December 21, 2018.

[121] https://www.theguardian.com/world/2018/nov/02/iran-sanctions-us-european-humanitarian-supplies.

[122] Thomas Erdbink, "Iran's Aging Airliner Fleet Seen As Faltering Under U.S. Sanctions," July 14, 2012.

have indicated that it will not proceed with deliveries now that the U.S. government has announced its export license is being revoked.

- In April 2017, Iran's Aseman Airlines signed a tentative agreement to buy at least 30 Boeing MAX passenger aircraft. No U.S. license for this sale was announced prior to the U.S. exit from the JCPOA. The airline is owned by Iran's civil service pension fund but managed as a private company.
- In June 2017, Airbus agreed to tentative sales of 45 A320 aircraft to Iran's Airtour Airline, and of 28 A320 and A330 aircraft to Iran's Zagros Airlines. No U.S. license for the sale was announced prior to the U.S. exit from the JCPOA.
- ATR, owned by Airbus and Italy's Leonardo, sold 20 aircraft to Iran Air. It delivered eight aircraft by the time of the U.S. JCPOA exit. It reportedly has been given temporary U.S. Treasury Department licenses to deliver another five after the August 6, 2018, initial sanctions reimposition in which its U.S. export licenses were to be revoked.

Post-JCPOA Sanctions Legislation

The JCPOA, its implications, and related Iran issues have been the subject of legislation. The JCPOA states that as long as Iran fully complies with the JCPOA, the sanctions that were suspended or lifted shall not be reimposed on other bases (such as terrorism or human rights).

Key Legislation in the 114th Congress

The Obama Administration stated that it would adhere to that provision but that some new sanctions that seek to limit Iran's military power, its human rights abuses, or its support for militant groups might not necessarily violate the JCPOA. During 2015-2016, supporters of the bills below asserted that they addressed weaknesses of the agreement or unrelated Iran issues, or increased oversight of the JCPOA.

Iran Nuclear Agreement Review Act (P.L. 114-17)

The Iran Nuclear Agreement Review Act of 2015 (INARA, P.L. 114-17) provided for a 30- or 60-day congressional review period after which Congress could pass legislation to approve or to disapprove of the JCPOA, or do nothing. No such legislation of disapproval was enacted.

There are several certification and reporting requirements under INARA:

- *Material Breach Report*. The President must report a potentially significant Iranian breach of the agreement within 10 days of acquiring credible information of such. Within another 30 days, the President must determine whether this is a material breach and whether Iran has cured the breach.
- *Certification Report*. The President is required to certify, every 90 days, that Iran is "transparently, verifiably, and fully implementing" the agreement, and that Iran has not taken any action to advance a nuclear weapons program. The latest certification was submitted on July 17, 2017, and another one was due on October 15, 2017. On October 13, 2017, the Administration declined to make that certification, on the grounds that continued sanctions relief is not appropriate and proportionate to Iran's measures to terminate its illicit nuclear program (Section (d)(6)(iv)(I) of INARA).

- If a breach is reported, or if the President does not certify compliance, Congress may initiate within 60 days "expedited consideration" of legislation that would reimpose any Iran sanctions that the President had suspended through use of waiver or other authority. That 60-day period is to expire on December 12, 2017.
- Semiannual Report. INARA also requires an Administration report every 180 days on Iran's nuclear program, including not only Iran's compliance with its nuclear commitments but also whether Iranian banks are involved in terrorism financing; Iran's ballistic missile advances; and whether Iran continues to support terrorism.

Visa Restriction

The FY2016 Consolidated Appropriation (P.L. 114-113) contained a provision amending the Visa Waiver Program to require a visa to visit the United States for any person who has visited Iraq, Syria, or any terrorism list country (Iran and Sudan are the two aside from Syria still listed) in the previous five years. Iran argued that the provision represented a violation of at least the spirit of the JCPOA by potentially deterring European businessmen from visiting Iran. The Obama Administration issued a letter to Iran stating it would implement the provision in such a way as not to not impinge on sanctions relief, and allowances for Iranian students studying in the United States were made in the implementing regulations. Another provision of that law requires an Administration report to Congress on how Iran has used the benefits of sanctions relief.

President Trump has issued and amended executive orders that, in general, prohibit Iranian citizens (as well as citizens from several other countries) from entering the United States. This marked a significant additional restriction beyond the FY2016 Consolidated Appropriation.

Iran Sanctions Act Extension

The 114th Congress acted to prevent ISA from expiring in its entirety on December 31, 2016. The Iran Sanctions Extension Act (H.R. 6297), which extended ISA until December 31, 2026, without any other changes, passed the House on November 15 by a vote of 419-1 and then passed the Senate by 99-0. President Obama allowed the bill to become law without signing it (P.L. 114-277), even though the Administration considered it unnecessary because the President retains ample authority to reimpose sanctions on Iran. Iranian leaders called the extension a breach of the JCPOA,[123] but the JCPOA's "Joint Commission" did not determine it breached the JCPOA.

Reporting Requirement on Iran Missile Launches

The conference report on the FY2017 National Defense Authorization Act (S. 2943, P.L. 114-328) contained a provision (Section 1226) requiring a quarterly report to Congress on Iran's missile launches the imposition of U.S. sanctions with respect to Iran's ballistic missile launches until December 31, 2019. The conference report on the FY2018 NDAA (P.L. 115-91) extended that reporting requirement until December 31, 2022. The report is to include efforts to sanction entities or individuals that assist those missile launches.

[123] An Iranian letter to the U.N. Security Council submitted July 20, 2015, indicates Iran's view that "reintroduction or reimposition, including through extension, of the sanctions and restrictive measures will constitute significant nonperformance which would relieve Iran from its commitments in whole or in part." Iran Letter to the President of the U.N. Security Council, July 20, 2015, (S/2015/550).

Other 114th Congress Legislation

Some Iran sanctions legislation in the 114th Congress appeared to be intended to address Iran's objectionable behavior, but was not enacted:

- The Iran Policy Oversight Act (S. 2119) and the Iran Terror Finance Transparency Act (H.R. 3662) contained a provision that would add certification requirements for the Administration to remove designations of Iranian entities sanctioned. The House passed the latter bill but then vacated its vote.
- The IRGC Terrorist Designation Act (H.R. 3646 and S. 2094) required a report on whether the IRGC meets the criteria for designation as a Foreign Terrorist Organization (FTO). The Obama Administration argued that the law that set up the FTO designations (Section 219 of the Immigration and Nationality Act [8 U.S.C. 1189]) applies such designations only to groups, rather than armed forces of a nation-state (which the IRGC is). Bills with similar provisions—H.R. 380, S. 67, and H.R. 478—were introduced in the 115th Congress.
- Prohibiting Assistance to Nuclear Iran Act (H.R. 3273) would prohibit the use of U.S. funds to provide technical assistance to Iran's nuclear program. The provision appeared to conflict with the provision of the JCPOA that calls on the P5+1 to engage in peaceful nuclear cooperation with Iran (Paragraph 32).
- The Justice for Victims of Iranian Terrorism Act (H.R. 3457, S. 2086) would prohibit the President from waiving U.S. sanctions until Iran completed paying judgments issued for victims of Iranian or Iran-backed acts of terrorism. The House passed it on October 1, 2015, by a vote of 251-173, despite Obama Administration assertions that the bill would contradict the JCPOA.[124]
- H.R. 3728 would amend ITRSHRA to make mandatory (rather than voluntary) sanctions related to the use by Iranian banks of electronic bank transfer systems such as SWIFT.
- The IRGC Sanctions Act (H.R. 4257) would require congressional action to approve an Administration request to remove a country from the terrorism list and would require certification that any entity to be "delisted" from sanctions is not a member, agent, affiliate, or owned by the IRGC.
- The Iran Ballistic Missile Sanctions Act of 2016 (S. 2725) would require that specified sectors of Iran's economy (automotive, chemical, computer science, construction, electronic, energy metallurgy, mining, petrochemical, research, and telecommunications) be subject to U.S. sanctions, if those sectors are determined to provide support for Iran's ballistic missile program. The provision appeared to violate the JCPOA by reimposing sanctions on major sectors of Iran's civilian economy. In the 115th Congress, S. 15 and key sections of S. 227 and H.R. 808 (Iran Nonnuclear Sanctions Act of 2017) mirror S. 2725.
- H.R. 4992, which passed the House on July 14, 2016, by a vote of 246-181, and the related Countering Iranian Threats Act of 2016 (S. 3267), would, among their central provisions, require foreign banks and dollar clearinghouses to receive a U.S. license for any dollar transactions involving Iran. That provision would

[124] For more information on the issue of judgments for victims of Iranian terrorism, see CRS Report RL31258, *Suits Against Terrorist States by Victims of Terrorism*, by Jennifer K. Elsea.

appear to represent a new restriction on foreign transactions with Iran, and the Obama Administration opposed it as a violation of the JCPOA.

- H.R. 5631, the Iran Accountability Act, which passed the House on July 14, 2016, by a vote of 246-179, would remove some waiver authority for certain provisions of several Iran sanctions laws and would require sanctions on sectors of Iran's civilian economy determined to have supported Iran's ballistic missile program. The latter provision appeared to contradict the JCPOA.
- H.R. 5119, which passed the House by a vote of 249-176, would prohibit the U.S. government from buying additional heavy water from Iran and appeared intended to block additional U.S. purchases similar to one in April 2016 in which the United States bought 32 metric tons from Iran at a cost of about $8.6 million.
- Several bills and amendments in the 114th Congress sought to block or impede the sale of the Boeing aircraft to Iran by preventing the licensing, financing, or Ex-Im Bank loan guarantees for the sale. These included H.R. 5715, H.R. 5711, and several amendments to the House version of the FY2017 Financial Services and General Government Appropriations Act (H.R. 5485). That act passed the House on July 7, 2016, by a vote of 239-185, and H.R. 5711 passed by the House on November 17, 2016, by a vote of 243-174. The Obama Administration opposed the measures as a JCPOA violation.

The Trump Administration and Major Iran Sanctions Legislation

Even before the Trump Administration pulled the United States out of the JCPOA, Congress acted on or considered additional Iran sanctions legislation. Some of the legislation appeared to avoid violating U.S. JCPOA commitments. Because the Trump Administration has exited the pact, there is increased potential for the 116th Congress to consider legislation that sanctions those Iranian economic sectors that could not be sanctioned under the JCPOA.

The following is some of the Iran sanctions legislation enacted or considered in the 115th Congress.

The Countering America's Adversaries through Sanctions Act of 2017 (CAATSA, P.L. 115-44)

A bill, S. 722, which initially contained only Iran-related sanctions, was reported out by the Senate Foreign Relations Committee on May 25, 2017. After incorporating an amendment adding sanctions on Russia, the bill was passed by the Senate on June 15, 2017, by a vote of 98-2. A companion measure, H.R. 3203, was introduced in the House subsequent to the Senate passage of S. 722, and contained Iran-related provisions virtually identical to the engrossed Senate version of S. 722. Following a reported agreement among House and Senate leaders, H.R. 3364, with additional sanctions provisions related to North Korea (and provisions on Iran remaining virtually unchanged from those of the engrossed S. 722), was introduced and passed both chambers by overwhelming margins. President Trump signed it into law on August 2, 2017 (P.L. 115-44), accompanied by a signing statement expressing reservations about the degree to which provisions pertaining to Russia might conflict with the President's constitutional authority.

CAATSA's Iran-related provisions are analyzed above. Overall, CAATSA does not appear to conflict with the JCPOA insofar as it does not reimpose U.S. secondary sanctions on Iran's civilian economic sectors. The JCPOA did not require the United States to refrain from imposing additional sanctions—as CAATSA does—on Iranian proliferation, human rights abuses,

terrorism, or the IRGC. Section 108 of CAATSA requires an Administration review of all designated entities to assess whether such entities are contributing to Iran's ballistic missile program or contributing to Iranian support for international terrorism.

Other Legislation in the 115th Congress

- H.R. 1698. The Iran Ballistic Missiles and International Sanctions Enforcement Act, passed the House on October 26, 2017, by a vote of 423-2. It would amend the remaining active (not waived) section of ISA (Section 5b) to clarify that assistance to Iran's ballistic missile program is included as subject to sanctions. The provision would apply the sanctions to foreign governments determined to be assisting Iran's missile programs, and would apply several ISA sanctions to foreign entities, including foreign governments, that sell to or import from Iran the major combat systems banned for sale to Iran in Security Council Resolution 2231. This represents a more specific list of banned items than the "destabilizing numbers and types" of weaponry the sale to Iran of which can be sanctioned under ISA and several other U.S. laws discussed above.
- H.R. 1638. On November 14, 2017, the House Financial Services Committee ordered reported H.R. 1638, the Iranian Leadership Asset Transparency Act, requiring the Treasury Secretary to report to Congress on the assets and equity interests held by named Iranian persons including: the Supreme Leader, the President, various IRGC and other security commanders, and members of various leadership bodies.
- H.R. 4324. The House Financial Services Committee also ordered reported on November 14, 2017, the Strengthening Oversight of Iran's Access to Finance Act. The bill required Administration reports on whether financing of Iranian commercial passenger aircraft purchases poses money-laundering or terrorism risks or benefits Iranian persons involved in Iranian proliferation or terrorism. Some argued that the bill might affect the willingness of the Treasury Department to license aircraft sales to Iran, and in so doing the United States to potentially breach its JCPOA commitment to sell such aircraft to Iran.[125]
- Following President Trump's October 13, 2017, statement on Iran, Senate Foreign Relations Committee Chairman Bob Corker and Senator Tom Cotton released an outline of legislation that would reimpose waived U.S. sanctions if, at any time—including after JCPOA restrictions expire—Iran breaches JCPOA-stipulated restrictions. The bill draft, which was not introduced as legislation, included sanctions triggers based on Iranian missile developments.
- H.R. 5132. The Iranian Revolutionary Guard Corps Economic Exclusion Act. This bill mandated Administration reports on whether specified categories of entities are owned or controlled by the IRGC, or conduct significant transactions with the IRGC. The bill would define an entity as owned or controlled by the IRGC even if the IRGC's ownership interest is less than 50%—a lower standard than the usual practice in which ownership is defined as at least 50%. The bill requires Administration investigation of several specified entities as potentially owned or controlled by the IRGC, including several telecommunications, mining, and machinery companies, and requires a report on whether the Iran Airports Company violates E.O. 13224 by facilitating flight operations by Mahan Air,

[125] Author conversations with experts in Washington, DC, November, 2017, and various press reports.

which is a designated SDN under E.O. 13224. Whereas the bill's provisions do not mandate any sanctions on entities characterized within, the bill appears to establish a process under which the Administration could name as SDNs entities in Iran's civilian economic sectors, including civil aviation.

- H.R. 6751. The Banking Transparency for Sanctioned Persons Act of 2018, would require reporting to Congress on any license given to a bank to provide financial services to a state sponsor of terrorism.
- H.R. 4591, S. 3431, and H.R. 4238. Several bills would essentially codify Executive Order 13438 by requiring the blocking of U.S.-based property and preventing U.S. visas for persons determined to be threatening the stability of Iraq—legislation apparently directed at Iran's Shiite militia allies in Iraq. The latter two bills specifically mention the Iraqi groups As'aib Ahl Al Haq and Harakat Hizballah Al Nujabi as entities that the Administration should so sanction. H.R. 4591 passed the House on November 27, 2018.

116th Congress

- As the 116th Congress began to convene in early January 2019, press reports indicated that several Senators and at least one House Member planned to introduce legislation to greatly expand U.S. secondary sanctions on Iran's financial sector.[126] Among the reported provisions were (1) mandatory imposition of sanctions on the SWIFT electronic payments system if it does not expel sanctioned Iranian banks from its network; (2) amending IFCA to sanction any significant transactions with Iran's financial sector (in addition to energy, shipping, and shipbuilding sectors in the current law); (3) requiring the Treasury Department to issue a final rule that would sanction any international transaction with Iran's Central Bank; and (4) sanctioning foreign persons that supply or provide other help to Iran's efforts to establish a digital currency.
- Several bills similar or virtually identical to those introduced previously have been introduced, imposing sanctions on Iranian proxies in Iraq and elsewhere. These bills include H.R. 361, the Iranian Proxies Terrorist Sanctions Act of 2019, and H.R. 571, the Preventing Destabilization of Iraq Act of 2019.

Other Possible U.S. and International Sanctions[127]

There are a number of other possible sanctions that might receive consideration—either in a global or multilateral framework. These possibilities are analyzed in CRS In Focus IF10801, *Possible Additional Sanctions on Iran*, by Kenneth Katzman.

[126] https://www.politico.com/story/2018/11/01/gop-trump-iran-policy-956660.

[127] See CRS In Focus IF10801, *Possible Additional Sanctions on Iran*, by Kenneth Katzman.

Table 5. Entities Sanctioned Under U.N. Resolutions and U.S. Laws and Executive Orders

Persons listed are identified by the positions they held when designated; some have since changed. For U.S. executive order, names in italics are entities and individuals that were delisted to implement the JCPOA. Entities in boldface were to be delisted on Transition Day (October 2023). However, all delisted entities will be relisted on November 5, 2018, and no entities will be delisted.

U.N. Security Council Resolutions

Entities in italics were "delisted" on Implementation Day. Entities in standard font to remain listed until Transition Day (October 2023), unless removed earlier by Security Council

Entities Sanctioned by Resolution 1737 (resolution no longer active)

- Farayand Technique (centrifuge program)
- Defense Industries Organization (DIO)
- 7th of Tir (DOI subordinate)
- Shahid Hemmat Industrial Group (SHIG)—missile program
- Shahid Bagheri Industrial Group (SBIG)—missile program
- Fajr Industrial Group—missile program
- Gen. Mohammad Mehdi Nejad Mouri (Malak Ashtar University of Defense Technology rector)
- Bahmanyar Morteza Bahmanyar (AIO official)
- Reza Gholi Esmaeli (AOI Official)
- Ahmad Vahid Dastjerdi (Head of AOI)
- Maj. Gen. Yahya Rahim Safavi (Commander in Chief, IRGC)
- Gen. Hosein Salimi (Commander, IRGC Air Force)
- *Atomic Energy Organization of Iran (AEIO)*
- *Mesbah Energy Company (Arak supplier)*
- *Mohammad Qanadi, AEIO Vice President*
- *Behman Asgarpour (Arak manager)*
- *Ehsan Monajemi (Natanz construction manager)*
- *Jafar Mohammadi (Adviser to AEIO)*
- *Dawood Agha Jani (Natanz official)*
- *Ali Hajinia Leilabadi (Director of Mesbah Energy)*

Entities/Persons Added by Resolution 1747 (resolution no longer active)

- Ammunition and Metallurgy Industries Group (controls 7th of Tir)
- Parchin Chemical Industries (branch of DIO)
- Sanam Industrial Group (subordinate to AIO)
- Ya Mahdi Industries Group
- Sho'a Aviation (produces IRGC light aircraft for asymmetric warfare)
- Qods Aeronautics Industries (produces UAV's, para-gliders for IRGC asymmetric warfare)
- Pars Aviation Services Company (maintains IRGC Air Force equipment)
- Gen. Mohammad Baqr Zolqadr (IRGC officer serving as deputy Interior Minister)
- Brig. Gen. Mohammad Hejazi (Basij commander)
- Brig. Gen. Qasem Soleimani (Qods Force commander)
- Fereidoun Abbasi-Davani (senior defense scientist)
- Mohasen Fakrizadeh-Mahabai (defense scientist)
- Mohsen Hojati (head of Fajr Industrial Group)
- Ahmad Derakshandeh (head of Bank Sepah)
- Brig. Gen. Mohammad Reza Zahedi (IRGC ground forces commander)
- Naser Maleki (head of SHIG); Brig. Gen. Morteza Reza'i (Deputy commander-in-chief, IRGC)
- Vice Admiral Ali Akbar Ahmadiyan (chief of IRGC Joint Staff)
- *Karaj Nuclear Research Center*
- *Novin Energy Company*; Cruise Missile Industry Group
- *Kavoshyar Company* (subsidiary of AEIO)
- *Bank Sepah* and *Bank Sepah International PLC* (funds AIO and subordinate entities in missile activities) *
- *Esfahan Nuclear Fuel Research and Production Center and Esfahan Nuclear Technology Center*
- *Seyed Jaber Safdari* (Natanz manager)
- *Amir Rahimi* (head of Esfahan nuclear facilities); Mehrdada Akhlaghi Ketabachi (head of SBIG)

* Bank Sepah and Bank Sepah International were delisted on Implementation Day by a separate decision the Security Council. They were not named on the Resolution 2231 attachment of entities to be delisted on that day. No information has been publicized whether Ahmad Derakshandeh, the head of Bank Sepah, was also delisted.

Entities Added by Resolution 1803 (resolution no longer active)

Requires that countries report when the following persons enter or transit their territories:

- Amir Moayyed Alai (centrifuge program management)
- Mohammad Fedai Ashiani (Natanz complex technician)
- Abbas Rezaee Ashtiani (senior AEIO official)
- Haleh Bakhtiar
- Morteza Behzad (centrifuge component production)
- M. Javad Karimi Sabet (head of Novin Energy)
- Hamid-Reza Mohajerani (manager at Esfahan uranium conversion facility)
- Brig. Gen. Mohammad Reza Naqdi (military official, for trying to circumvent U.N. sanctions)
- Houshang Nobari (Natanz)

- Mohammad Eslami (Defense Industries Training and Research Institute)
- Seyyed Hussein Hosseini (AEIO, involved in Arak)
- Abbas Rashidi (Natanz)
- Ghasem Soleymani (Saghand uranium mine)

Travel banned for five Iranians sanctioned under Resolutions 1737 and 1747.

Adds entities to the sanctions list:

- Electro Sanam Co.
- Abzar Boresh Kaveh Co. (centrifuge production)
- Barzaganin Tejaral Tavanmad Saccal
- Jabber Ibn Hayan (AEIO laboratory)
- Khorasan Metallurgy Industries
- Niru Battery Manufacturing Co. (Makes batteries for Iranian military and missile systems)
- Ettehad Technical Group (AIO front co.)
- Industrial Factories of Precision
- Joza Industrial Co.
- Pishgam (Pioneer) Energy Industries
-Tamas Co. (uranium enrichment)
- Safety Equipment Procurement (AIO front, missiles)

Entities Added by Resolution 1929 (resolution no longer active)

Over 40 entities added; makes mandatory a previously nonbinding travel ban on most named Iranians of previous resolutions. Adds one individual banned for travel—AEIO head *Javad Rahiqi.*

- Amin Industrial Complex; Armament Industries Group
- Defense Technology and Science Research Center (owned or controlled by Ministry of Defense)
- Doostan International Company
- Farasakht Industries
- *First East Export Bank, PLC*
- Kaveh Cutting Tools Company
- M. Babaie Industries
-Shahid Karrazi Industries
- Malek Ashtar University (subordinate of Defense Technology and Science Research Center, above)
- Ministry of Defense Logistics Export (sells Iranian made arms to customers worldwide)
- Mizan Machinery Manufacturing
- Pejman Industrial Services Corp.;
- Sabalan Company; Sahand Aluminum Parts Industrial Company
- Shahid Sattari Industries
-Shahid Sayyade Shirazi Industries (acts on behalf of the DIO)
-Special Industries Group (DIO subordinate)
-Tiz Pars (cover name for SHIG)
-Yazd Metallurgy Industries
- **Modern Industries Technique Company**
- **Nuclear Research Center for Agriculture and Medicine** (research component of the AEIO)

The following Revolutionary Guard affiliated firms (several are subsidiaries of Khatam ol-Anbiya, the main Guard construction affiliate):

- Fater Institute
- Garaghe Sazendegi Ghaem
- Gorb Karbala
- Gorb Nooh
- Hara Company
- Sepasad Engineering Company
- Imensazan Consultant Engineers Institute
- Khatam ol-Anbiya
- Makin
- Omran Sahel
- Oriental Oil Kish
- Rah Sahel
- Rahab Engineering Institute
- Sahel Consultant Engineers
- Sepanir

The following entities owned or controlled by Islamic Republic of Iran Shipping Lines (IRISL): **Irano Hind Shipping Company**; **IRISL Benelux**; and **South Shipping Line Iran.**

Entities Designated Under U.S. Executive Order 13382

(many designations coincide with designations under U.N. resolutions)

Entity	Date Named
Shahid Hemmat Industrial Group (Iran)	June 2005, September 2007
Shahid Bakeri Industrial Group (Iran)	June 2005, February 2009
Atomic Energy Organization of Iran (AEOI). AEOI and 23 subsidaries remain delisted for secondary sanctions under E.O. 13382 but are still designated as Iran-owned or controlled entities.	June 2005
Novin Energy Company (Iran) and *Mesbah Energy Company* (Iran)	January 2006
Four Chinese entities: Beijing Alite Technologies, LIMMT Economic and Trading Company, China Great Wall Industry Corp, and China National Precision Machinery Import/Export Corp.	June 2006
Sanam Industrial Group (Iran) and Ya Mahdi Industries Group (Iran)	July 2006
Bank Sepah (Iran)	January 2007
Kalaye Electic Company	February 2007
Defense Industries Organization (Iran)	March 2007

Pars Trash (Iran, nuclear program), **Farayand Technique** (Iran, nuclear program), Fajr Industries Group (Iran, missile program), Mizan Machine Manufacturing Group (Iran, missile program).	June 2007
Aerospace Industries Organization (AIO) (Iran); Korea Mining and Development Corp. (N. Korea).	September 2007
Islamic Revolutionary Guard Corps (IRGC); Ministry of Defense and Armed Forces Logistics; *Bank Melli* (Iran's largest bank, widely used by Guard); Bank Melli Iran Zao (Moscow); Melli Bank PC (U.K.); *Bank Kargoshaee*; *Arian Bank* (joint venture between Melli and Bank Saderat). Based in Afghanistan; *Bank Mellat* (provides banking services to Iran's nuclear sector); *Mellat Bank SB CJSC* (Armenia). Reportedly has $1.4 billion in assets in UAE; *Persia International Bank PLC* (U.K.); Khatam ol Anbiya Gharargah Sazendegi Nooh (main IRGC construction and contracting arm, with $7 billion in oil, gas deals); Oriental Oil Kish (Iranian oil exploration firm); Ghorb Karbala; Ghorb Nooh (synonymous with Khatam ol Anbiya); Sepasad Engineering Company (Guard construction affiliate); Omran Sahel (Guard construction affiliate); Sahel Consultant Engineering (Guard construction affiliate); Hara Company; Gharargahe Sazandegi Ghaem	October 21, 2007
Individuals: Bahmanyar Morteza Bahmanyar (AIO, Iran missile official, see above under Resolution 1737); Ahmad Vahid Dastjerdi (AIO head, Iran missile program); Reza Gholi Esmaeli (AIO, see under Resolution 1737); Morteza Reza'i (deputy commander, IRGC). See also Resolution 1747; Mohammad Hejazi (Basij commander). Also, Resolution 1747; Ali Akbar Ahmadian (Chief of IRGC Joint Staff). Resolution 1747; Hosein Salimi (IRGC Air Force commander). Resolution 1737; Qasem Soleimani (Qods Force commander). Resolution 1747.	October 21, 2007
Future Bank (Bahrain-based but allegedly controlled by Bank Melli)	March 12, 2008
Yahya Rahim Safavi (former IRGC Commander in Chief); Mohsen Fakrizadeh-Mahabadi (senior Defense Ministry scientist); *Dawood Agha-Jani* (head of Natanz enrichment site); Mohsen Hojati (head of Fajr Industries, involved in missile program); Mehrdada Akhlaghi Ketabachi (heads Shahid Bakeri Industrial Group); Naser Maliki (heads Shahid Hemmat Industrial Group); *Tamas Company* (involved in uranium enrichment); Shahid Sattari Industries (makes equipment for Shahid Bakeri); 7th of Tir (involved in developing centrifuge technology); Ammunition and Metallurgy Industries Group (partner of 7th of Tir); Parchin Chemical Industries (deals in chemicals used in ballistic missile programs)	July 8, 2008
Karaj Nuclear Research Center; *Esfahan Nuclear Fuel Research and Production Center* (NFRPC); *Jabber Ibn Hayyan* (reports to Atomic Energy Org. of Iran, AEIO); Safety Equipment Procurement Company; Joza Industrial Company (front company for Shahid Hemmat Industrial Group, SHIG)	August 12, 2008
Islamic Republic of Iran Shipping Lines (IRISL) and 18 affiliates, including *Val Fajr 8*; *Kazar*; *Irinvestship*; *Shipping Computer Services*; *Iran o Misr Shipping*; *Iran o Hind*; *IRISL Marine Services*; *Iriatal Shipping*; *South Shipping*; *IRISL Multimodal*; Oasis; *IRISL Europe*; IRISL Benelux; *IRISL China*; *Asia Marine Network*; *CISCO Shipping*; and *IRISL Malta*	September 10, 2008
Firms affiliated to the Ministry of Defense, including Armament Industries Group; Farasakht Industries; Iran Aircraft Manufacturing Industrial Co.; Iran Communications Industries; Iran Electronics Industries; and Shiraz Electronics Industries (SEI)	September 17, 2008
Export Development Bank of Iran (EDBI). Provides financial services to Iran's Ministry of Defense and Armed Forces Logistics; *Banco Internacional de Desarollo, C.A.*, Venezuelan-based Iranian bank, sanctioned as an affiliate of the Export Development Bank.	October 22, 2008
Assa Corporation (alleged front for Bank Melli involved in managing property in New York City on behalf of Iran)	December 17, 2008
11 Entities Tied to Bank Melli: *Bank Melli Iran Investment (BMIIC); Bank Melli Printing and Publishing*; *Melli Investment Holding*; *Mehr Cayman Ltd.*; *Cement Investment and Development*; *Mazandaran Cement Co.*; *Shomal Cement*; *Mazandaran Textile*; *Melli Agrochemical*; *First Persian Equity Fund*; BMIIC Intel. General Trading	March 3, 2009
IRGC General Rostam Qasemi, head of Khatem ol-Anbiya Construction Headquarters (main IRGC corporate arm) and several entities linked to Khatem ol-Anbiya, including Fater Engineering Institute, Imensazen Consultant Engineers Institute, Makin Institute, and Rahab Institute	February 10, 2010
- *Post Bank of Iran*	June 16, 2010
- IRGC Air Force; IRGC Missile Command	
- Rah Sahel and Sepanir Oil and Gas Engineering (for ties to Khatem ol-Anibya IRGC construction affiliate)	
- Mohammad Ali Jafari—IRGC Commander-in-Chief since September 2007	

- Mohammad Reza Naqdi—Head of the IRGC's Basij militia force that suppresses dissent (since October 2009) - Ahmad Vahedi—Defense Minister - **Javedan Mehr Toos**, *Javad Karimi Sabet* (procurement brokers or atomic energy managers) - Naval Defense Missile Industry Group (SAIG, controlled by the Aircraft Industries Org that manages Iran's missile programs) - Five front companies for IRISL: *Hafiz Darya Shipping Co.*; *Soroush Sarzamin Asatir Ship Management Co.*; *Safiran Payam Darya*; and Hong Kong-based *Seibow Limited* and *Seibow Logistics*. Also identified on June 16 were 27 vessels linked to IRISKL and 71 new names of already designated IRISL ships. Several Iranian entities were also designated as owned or controlled by Iran for purposes of the ban on U.S. trade with Iran.	
Europaisch-Iranische Handelsbank (EIH) for providing financial services to Bank Sepah, Mellat, EDBI, and others.	September 7, 2010
Pearl Energy Company (formed by First East Export Bank, a subsidiary of Bank Mellat, *Pearl Energy Services, SA*, *Ali Afzali (*high official of First East Export Bank), IRISL front companies: *Ashtead Shipping*, *Byfleet Shipping*, *Cobham Shipping, Dorking Shipping*, *Effingham Shipping*, *Farnham Shipping*, *Gomshall Shipping*, and *Horsham Shipping* (all located in the Isle of Man).- IRISL and affiliate officials: *Mohammad Hosein Dajmar*, *Gholamhossein Golpavar*, *Hassan Jalil Zadeh*, and *Mohammad Haji Pajand*.	November 30, 2010
Bonyad (foundation) Taavon Sepah, for providing services to the IRGC; Ansar Bank (for providing financial services to the IRGC); Mehr Bank (same justification as above); *Moallem Insurance Company* (for providing marine insurance to IRISL, Islamic Republic of Iran Shipping Lines)	December 21, 2010
Bank of Industry and Mine (BIM)	May 17, 2011
Tidewater Middle East Company; Iran Air; Mehr-e Eqtesad Iranian Investment Co.	June 23, 2011
For proscribed nuclear activities, including centrifuge development and heavy water research: By State—Nuclear Reactor Fuels Company; *Noor Afzar Gostar Company*; **Fulmen Group**; **Yasa Part**. By Treasury—*Javad Rahiqi*; **Modern Industries Technique Company**; **Iran Centrifuge Technology Company (TESA); Neka Novin; Parto Sanat**; **Paya Partov**; **Simatic Development Co**	November 21, 2011
Iran Maritime Industrial Company SADRA (owned by IRGC engineering firm Khatem-ol-Anbiya, has offices in Venezuela); Deep Offshore Technology PJS (subsidiary of the above); *Malship Shipping Agency and Modality Ltd* (both Malta-based affiliates of IRISL); *Seyed Alaeddin Sadat Rasool* (IRISL legal adviser); *Ali Ezati* (IRISL strategic planning and public affairs manager)	March 28, 2012
Electronic Components Industries Co. (ECI) and Information Systems Iran (ISIRAN); Advanced Information and Communication Technology Center (AICTC) and Hamid Reza Rabiee (software engineer for AICTC); Digital Medical Lab (DML) and Value Laboratory (owned or controlled by Rabiee or AICTC); Ministry of Defense Logistics Export (MODLEX); Daniel Frosh (Austria) and International General Resourcing FZE)—person and his UAE-based firm allegedly supply Iran's missile industry.	July 12, 2012
National Iranian Oil Company; Tehran Gostaresh, company owned by Bonyad Taavon Sepah; Imam Hossein University, owned by IRGC; Baghyatollah Medical Sciences University, owned by IRGC or providing services to it.	November 8, 2012
Atomic Energy Organization of Iran (AEOI) chief **Fereidoun Abbasi Davani**; *Seyed Jaber Safdari* of Novin Energy, a designated affiliate of AEOI; *Morteza Ahmadi Behzad*, provider of services to AEOI (centrifuges); **Pouya Control**—provides goods and services for uranium enrichment; **Iran Pooya**—provides materials for manufacture of IR-1 and IR-2 centrifuges; **Aria Nikan Marine Industry**—source of goods for Iranian nuclear program; **Amir Hossein Rahimyar**—procurer for Iran nuclear program; *Mohammad Reza Rezvanianzadeh*—involved in various aspects of nuclear program; **Faratech**—involved in Iran heavy water reactor project; **Neda Industrial Group**—manufacturer of equipment for Natanz enrichment facility; **Tarh O Palayesh**—designer of elements of heavy water research reactor; **Towlid Abzar Boreshi Iran**—manufacturer for entities affiliated with the nuclear program.	December 13, 2012
SAD Import Export Company (also designated by U.N. Sanctions Committee a few days earlier for violating Resolution 1747 ban on Iran arms exports, along with Yas Air) for shipping arms and other goods to Syria's armed forces; Marine Industries Organization—designated for affiliation with Iran Ministry of Defense and Armed Forces Logistics; Mustafa Esbati, for acting on behalf of Marine	December 21, 2012

Industries; Chemical Industries and Development of Materials Group—designated as affiliate of Defense Industries Org.; Doostan International Company—designated for providing services to Iran Aerospace Industries Org, which oversees Iran missile industries.	
Babak Morteza Zanjani—chairmen of Sorinet Group that Iran uses to finance oil sales abroad; *International Safe Oil*—provides support to NIOC and NICO; *Sorinet Commercial Trust Bankers* (Dubai) and *First Islamic Investment Bank* (Malaysia)—finance NIOC and NICO; *Kont Kosmetik* and *Kont Investment Bank*—controlled by Babak Zanjani; *Naftiran Intertrade Company Ltd*.—owned by NIOC.	April 11, 2013
Iranian-Venezuelan Bi-National Bank (IVBB), for activities on behalf of the Export Development Bank of Iran that was sanctioned on October 22, 2008 (see above). EDBI was sanctioned for providing financial services to Iran's Ministry of Defense. **Aluminat**, for providing centrifuge components to Kalaye Electric Co.; Pars Amayesh Sanaat Kish; **Pishro Systems Research Company** (nuclear research and development); **Taghtiran Kashan Company**; and Sambouk Shipping FZC (UAE)	May 9, 2013
For supporting Iran Air, the IRGC, and NIOC: *Aban Air*; *Ali Mahdavi* (part owner of Aban Air); *DFS Worldwide*; *Everex; Bahareh Mirza Hossein Yazdi*; *Farhad Ali Parvaresh*; **Petro Green**; Hossein Vaziri. For helping Iran's nuclear program: **Farhad Bujar**; **Zolal Iran Company**; **Andisheh Zolal Co**. For helping MODAFL: Reza Mozaffarinia.	May 23, 2013
Bukovnya AE (Ukraine) for leasing aircraft to Iran Air.	May 31, 2013
Several Iranian firms and persons: **Eyvaz Technic Manufacturing Company**; The Exploration and Nuclear Raw Materials Company; **Maro Sanat Company**; Navid Composite Material Company; Negin Parto Khavar; Neka Novin officials **Iradj Mohammadi Kahvarin** and **Mahmoud Mohammadi Dayeni**; Neka Novin alisaes including Kia Nirou; Qods Aviation Industries (operated by IRGC, produces UAVs, paragliders, etc); Iran Aviation Industries Organization; Reza Amidi; Fan Pardazan; Ertebat Gostar Novin.	December 12, 2013
Ali Canko (Turkey) and Tiva Sanat Group, for procuring IRGC-Navy fast boats; **Advance Electrical and Industrial Technologies** and **Pere Punti** (Spain), for procurement for Neka Novin; *Ulrich Wipperman* and Deutsche Forfait (Germany), and Deutsche Forfait Americas (U.S.) for facilitating oil deals for NIOC.	February 6, 2014
Karl Lee (aka Li Fangwei) and 8 China-based front companies: Sinotech Industry Co. Ltd.; MTTO Industry and Trade Limited; Success Move Ltd.; Sinotech Dalian Carbon and Graphite Manufacturing Corporation; Dalian Zhongchuang Char-White Co., Ltd.; Karat Industry Co., Ltd.; Dalian Zhenghua Maoyi Youxian Gongsi; and Tereal Industry and Trade Ltd.	April 29, 2014
By State: **Organization of Defensive Innovation and Research** (nuclear esearch); Nuclear Science and Technology Research Institute (implements nuclear projects including heavy water reactor at Arak); **Jahan Tech Rooyan Pars**: and **Mandegar Baspar Kimiya Company** (latter two are involved in procuring carbon fiber for proscribed aspects of Iran's nuclear program).	April 29, 2014 (by both State and Treasury)
By Treasury: **Mohammad Javad Imarad** and **Arman Imanirad** (for acting on behalf of Aluminat, which procures aluminum products for Iran's nuclear program*); Nefertiti Shipping* (IRISL's agent in Egypt); Sazeh Morakab (provides services to Shahid Hemat Industrial Group, SHIG, and Iran's Aircraft Manufacturing Industrial Co., HESA); Ali Gholami and Marzieh Bozorg (officials of Sazeh Morakab). SHIG aliases identified: Sahand Aluminum Parts Co and Ardalan Machineries Co.	
11 ballistic missile-related entities: Mabrooka Trading Co LLC (UAE); Hossein Pournaghshband; Chen Mingfu; Anhui Land Group (Hong Kong); Candid General Trading; Rahim Reza Farghadani; Sayyed Javad Musavi; Seyed Mirahmad Nooshin; Sayyed Medhi Farahi (deputy director of the Ministry of Defense and Armed Forces Logistics); Seyed Mohammad Hashemi; Mehrdada Akhlaghi Ketabachi. According to the designations, Musavi (has worked with North Korean officials involved in that country's ballistic missile programs.	January 17, 2016
Two Iranian entities subordinate to SHIG: Shahid Nuri Industries and Shahid Movahed Industries. Updating of prior IRGC Missile Command designation to include IRGC Al Ghadir Missile Command (specific IRGC element with operational control of Iran's missile program).	
17 ballistic missile-related Entities. Abdollah Asgharzadeh Network (for supporting SHIG): Abdollah Asgharzadeh; Tenny Darian; East Start Company; Ofog Sabze Company; Richard Yue (China); Cosailing Business Trading Company (China); Jack Qin (China); Ningbo New Century Import and Export Co. Ltd (China); and Carol Zhou (China). Gulf-Based Rostamian Network (supporting SHIG and AIO): MKS International; Kambiz Rostamian; Royal Pearl General Trading. Iran-Based Network Working with Navid Composite and Mabrooka Trading: Ervin Danesh Aryan Company; Mostafa	February 3, 2017

Zahedi; Mohammad Magham. Ghodrat Zargair and Zist Tajhiz Pooyesh Company (supporting Mabrooka Trading): Ghodrat Zargari, and Zist Tajhiz Pooyesh Company.	
Ballistic missile-related entities. Rahim Ahmadi (linked to Shahid Bakeri Industrial Group); Morteza Farasatpour (linked to Defense Industries Organization); Matin Sanat Nik Andishan (for supporting SHIG); and Ruan Ruling and three associated Chinese companies (for supporting Iran's missile guidance capabilities): Shanghai Gang Quan Trade Company, Shanghai North Begins International, and Shanghai North Transway International Trading Company.	May 17, 2017
12 IRGC/military and ballistic missile entities designated by Treasury and two by State. By Treasury: Rayan Roshd Afzar Company for IRGC drone and censorship equipment, plus three company officials: Mohsen Parsajam, Seyyed Reza Ghasemi, and Farshad Hekemzadeh; Qeshm Madkandaloo Cooperative Co., Ramor Group (Turkey) and Resit Tavan of Ramor Group for supplying IRGC-Navy infrastructure; Emily Liu, Abascience Tech Co. Ltd, Raybeam Optronics Co. Ltd., Raytronic Corporation Ltd., and Sunway Tech Co. Ltd (all China) for supporting MODAFL subcontractor Shiraz Electronics Industries. By State: IRGC Aerospace Force Self Sufficiency Jihad Org and IRGC Research and Self Sufficiency Jihad Org—both for supporting Iran ballistic missile program.	July 18, 2017
Missile entities related to Iran Simorgh space launch on July 27: six subordinate entities to Shahid Hemmat Industrial Group (SHIG, main Iran missile contractor) involved in making various components of Iranian missiles: Shaid Karimi Industries; Shahid Rastegar Industries; Shahid Cheraghi Industries; Shahid Varamini Industries; Shahid Kalhor Industries; and Amir Al Mo'Menin Industries.	July 28, 2017
Suppliers to Iran's Naval Defence Missile Industry Group (SAIG): Shahid Alamolhoda Industries; Rastafann Ertebat Engineering Company, Fanamoj. For supporting Iran's military: Wuhan Sanjiang Import and Export Company	October 13, 2017
Five ballistic missile entities (owned or controlled by Shahid Bakeri Industrial Group, SBIG) : Shahid Kharrazi Industries; Shahid Sanikhani Industries; Shahid Moghaddam Industries; Shahid Eslami Research Center; and Shahid Shustari Industries.	January 4, 2018
Green Wave Telecommunications (Malaysia) and Morteza Razavi (for supporting Fanamoj, designated on October 13, 2017); Iran Helicopter Support and Renewal Company (PANHA) and Iran Aircraft Industries (SAHA) (for supporting Iran's military aviation industry); Shi Yuhua (China) (for selling Iran navigation equipment); Pardazan System Namad Arman (PASNA)(for procuring lead zirconium tritanate (PZT) for Iranian military undersea and aircraft weaponry); and Bochuang Ceramic Inc. and Zhu Yuequn (China) for selling Iran PZT.	January 12, 2018
Sayyed Mohammad Ali Haddadnezhad Tehrani, for supporting the IRGC Research and Self-Sufficiency Jihad Organization (see above), which is improving Houthi missile capabilities	May 22, 2018
Bank Tejarat (for providing servides to support Bank Sepah); Trade Capital Bank (Belarus); Morteza Ahmadali Behzad (for acting on behalf of Pishro Company.	November 5, 2018

Iran-Related Entities Sanctioned Under Executive Order 13224 (Terrorism Entities)

Martyr's Foundation (Bonyad Shahid), a major Iranian foundation (bonyad)—for providing financial support to Hezbollah and PIJ; Goodwill Charitable Organization, a Martyr's Foundation office in Dearborn, Michigan; Al Qard Al Hassan—part of Hezbollah's financial infrastructure (and associated with previously designated Hezbollah entities Husayn al-Shami, Bayt al-Mal, and Yousser Company for Finance and Investment); Qasem Aliq—Hezbollah official, director of Martyr's Foundation Lebanon branch, and head of Jihad al-Bina, a previously designated Lebanese construction company run by Hezbollah; Ahmad al-Shami—financial liaison between Hezbollah in Lebanon and Martyf's Foundation chapter in Michigan.	July 25, 2007
IRGC-Qods Force and Bank Saderat (allegedly used to funnel Iranian money to Hezbollah, Hamas, PIJ, and other Iranian supported terrorist groups)	October 21, 2007
Al Qaeda Operatives in Iran: Saad bin Laden; Mustafa Hamid; Muhammad Rab'a al-Bahtiyti; Alis Saleh Husain.	January 16, 2009
Qods Force senior officers: Hushang Allahdad, Hossein Musavi,Hasan Mortezavi, and Mohammad Reza Zahedi; Iranian Committee for the Reconstruction of Lebanon, and its director Hesam Khoshnevis, for supporting Lebanese Hezbollah; Imam Khomeini Relief Committee Lebanon branch,	August 3, 2010

and its director Ali Zuraik, for providing support to Hezbollah; Razi Musavi, a Syrian based Iranian official allegedly providing support to Hezbollah.	
Liner Transport Kish (for providing shipping services to transport weapons to Lebanese Hezbollah)	December 21, 2010
Qasem Soleimani (Qods Force commander); Hamid Abdollahi (Qods force); Abdul Reza Shahlai (Qods Force); Ali Gholam Shakuri (Qods Force); Manssor Arbabsiar (alleged plotter)	October 11, 2011
Mahan Air (for transportation services to Qods Force)	October 12, 2011
Ministry of Intelligence and Security of Iran (MOIS)	February 16, 2012
Five entities/persons for weapons shipments to Syria and an October 2011 shipment to Gambia, intercepted in Nigeria: Yas Air (successor to Pars Air); Behineh Air (Iranian trading company); Ali Abbas Usman Jega (Nigerian shipping agent); Qods Force officers: Esmail Ghani, Sayyid Ali Tabatabaei, and Hosein Aghajani.	March 27, 2012
Mohammad Minai, senior Qods Force member involved in Iraq; Karim Muhsin al-Ghanimi, leader of Kata'ib Hezbollah (KH) militia in Iraq; Sayiid Salah Hantush al-Maksusi, senior KH member; and Riyad Jasim al-Hamidawi, Iran based KH member.	November 8, 2012
Ukraine-Mediterranean Airlines (Um Air, Ukraine) for helping Mahan Air and Iran Air conduct illicit activities; Rodrigue Elias Merhej (owner of Um Air); Kyrgyz Trans Avia (KTA, Kyrgyzstan) for leasing aircraft to Mahan Air; Lidia Kim, director of KTA; Sirjanco (UAE) for serving as a front for Mahan Air acquisition of aircraft; Hamid Arabnejad, managing director of Mahan Air.	May 31, 2013
Several persons/entities in UAE aiding Mahan Air (see above): Blue Sky Aviation FZE; Avia Trust FZE; Hamidreza Malekouti Pour; Pejman Mahmood Kosrayanifard; and Gholamreza Mahmoudi. Several IRGC-Qods Force offices or facilitators involved in Iran's efforts in Afghanistan: Sayyed Kamal Musavi; Alireza Hemmati; Akbar Seyed Alhosseini; and Mahmud Afkhami Rashidi. One Iran-based Al Qaeda facilitator (supporting movement of Al Qaeda affiliated fightes to Syria): Olimzhon Adkhamovich Sadikov (aka Jafar al-Uzbeki or Jafar Muidinov).	February 6, 2014
Meraj Air (for delivering weapons to Syria from Iran); Caspian Air (supports IRGC by transporting personnel and weapons to Syria); Sayyed Jabar Hosseini (manager of Liner Transport Kish which IRGC uses to support terrorist activities outside Iran); Pioneer Logistics (Turkey, helps Mahan Air evade sanctions); Asian Aviation Logistics (Thailand, helps Mahan Air evade sanctions). Pouya Air designated as alias of Yas Air.	August 29, 2014
Al Naser Airlines (Iraq) for transferring nine aircraft to Mahan Air, which is a 13224 designee: Issam Shamout, a Syrian businessman, and his company Sky Blue Bird Aviation, for the same transaction.	May 21, 2015
Four U.K.-based and two UAE-based entities for supporting Mahan Air. U.K.: Jeffrey John James Ashfield; Aviation Capital Solutions; Aircraft, Avionics, Parts and Support Ltd (AAPS); John Edward Meadows (for acting on behalf of AAPS). UAE: Grandeur General Trading FZE and HSI Trading FZE.	March 24, 2016
Eight Entities. Lebanon-Based IRGC-QF Network: Hasan Dehghan Ebrahimi (IRGC-QF operative in Beirut supporting Hezbollah); Muhammad Abd-al-Amir Farhat; Yahya al-hajj; Maher Trading and Construction Company (laundering funds and smuggling goods to Hezbollah); Reem Phamaceutical; Mirage for Engineering and Trading; Mirage for Waste Management and Environmental Services. Ali Sharifi (for procuring aviation spare parts for the IRGC-QF).	February 3, 2017
Islamic Revolutionary Guard Corps (IRGC)	October 13, 2017
Six entities involved in IRGC-QF counterfeiting: Reza Heidari; Pardazesh Tasvir Rayan Co. (Rayan Printing); ForEnt Technik and Printing Trade Center GmbH (Germany); Mahmoud Seif; Tejarat Almas Mobin Holding (parent of Rayan Printing).	November 20, 2017
Nine individuals and entities, disrupted by U.S.-UAE joint action, attempting to acquire dollars in UAE to provide to the IRGC-QF: Individuals: Mas'ud Nikbakht, Sa'id Najafpur, and Mohammad Khoda'i, for financial activities on behalf of the IRGC-QF; Mohammadreza Valadzaghard, Meghdad Amini, and Foad Salehi, for providing material support, including illicit financial assistance, to the IRGC-QF. Entities: Jahan Aras Kish, a front company involved in transferring and converting funds for the IRGC-QF, Rashed Exchange, for converting currency for the IRGC-QF, and Khedmati and Company Joint Partnership, for being owned by Khedmati and Khoda'i.	May 10, 2018

Persons and entities providing funds to Hezbollah on behalf of the IRGC-QF: Central Bank Governor Valiollah Seif; Aras Habib and his Iraq-based Al Bilad Islamic Bank; and Muhammad Qasir	May 15, 2018
Four persons for helping the Houthi missile program through the IRGC Aerospace Forces Al Ghadir Missile Command: Mahmud Bagheri Kazemabad; Mohammad Agha Ja'fari; Javad Bordbar Shir Amin; and Mehdi Azarpisheh (IRGC-QF affiliate)	May 22, 2018
Twenty-one entities linked to the Basij security force, including firms it owns or controls that provide it revenue to send child soldiers to fight in Syria: Bonyad Taavon Basij (economic conglomerate giving financial support to Basij members); Mehr Eqtesad Bank; Bank Mellat; Mehr Eqtesad Iranian Investment Company; Tadbirgaran Atiyeh Investment Company; Negin Sahel Royal Company; Mehr Eqtesad Financial Group; Technotar Engineering Company; Iran Tractor Manufacturing Company (owned by Mehr Investment and Negin above); Taktar Investment Company; Iran's Zinc Mines Development Company; Calcimin (owned by Iran Zinc Mines above); Bandar Abbas Zinc Production Company; Qeshm Zinc Smelting and Reduction Company; Zanjan Acid Production Company; Parsian Catalyst Chemical Company; Esfehan's Mobarakeh Steel Company (largest steel maker in Middle East and North Africa); Andisheh Mehvaran Investment Company; Parsian Bank; Sina Bank; and Bahman Group.	October 16,2018
IRGC-QF personnel supporting the Taliban in Afghanistan (in conjunction with U.S.-GCC Terrorist Financing Targeting Center): Mohammad Ebrahim Owhadi and Esma'il Razavi	October 23, 2018
Banks and other Entities newly designated. Many of these entities are also being redesignated under EO13382, but their designations below under 13224 is new. Aircraft and vessels are not included: Bank Melli; Arian Bank; Bank Kargoshaee; Melli Bank PLC; Tose-E Develoment Company; Behshahr Industrial Development Corp.; Cement Industry and Development Company; Melli International Building and Industry Company; BMIIC International General Trading LLC; Shomal Cement Company; Persian Gulf Sabz Karafarinan; Mir Business Bank; Export Development Bank of Iran (EDBI); EDBIStock Exchange; EDBI Exchange Brokerage; Banco Internacional de Desarrollo, C.A.; Iran-Venezuela Bi-National Bank; Day Bank and subsidiaries—Atieh Sazan Day; Buali Investment Company; Tejarat Gostar Fardad; Day Exchange Company; Day Leasing Co.; Day Brokerage Co.; Tose-e Didar Iran Holding Co.; Royay-e Roz Kish Investment Co; Day E-Commerce; Tose-e Donya Shahr Kohan Co.; Damavand Power Generation Co,; Omid Bonyan Day Insurance Services; Omran Va Maskan Abad Day Co.; Day Iranian Financial and Accounting Services Co.; Persian International Bank PLC; First East Export Bank PLC; Mellat Bank Close Joint-Stock Co.; Bank Tejarat; and Trade Capital Bank (Belarus).	November 5, 2018 (in concert with reimposition of JCPOA-related sanctions)
Four Hezbollah and IRGC-QF-related individuals who operate in Iraq : Shibl Mushin 'Ubayd Al-Zaydi; Yusuf Hashim; Adnan Hussein Kawtharani; Muhammad 'Abd-Al-Hadi Farhat	November 13, 2018
Individuals involved in a network through which Iran provides oil to Syria's government and transfer funds to Iranian proxies including Hezbollah and Hamas: Mohamed Amer Alchwiki (also designated under E.O. 13582 for providing financial support to the government of Syria); Global Vision Group (also designated under E.O. 13582); Rasul Sajjad and Hossein Yaghoobi (for assisting the IRGC-QF); and Muhammad Qasim al-Bazzal (for assisting Hezbollah).	November 20, 2018
Also designated under E.O. 13582 as part of the network (but not designated under E.O. 13224): Promsyrioimport; Andrey Dogaev; Mir Business Bank; and Tadbir Kish Medical and Pharmaceutical Company	
Two Iran-recruited Afghan and Pakistani-staffed militia entities fighting in Syria: Fatemiyoun Division and Zaynabiyoun Brigade. Qeshm Fars Air and Flight Travel LLC – Mahan Air affiliates - for weapons deliveries into Syria.	January 24, 2019

Determinations and Sanctions under the Iran Sanctions Act

Total SA (France); Gazprom (Russia); and Petronas (Malaysia)—$2 billion project to develop South Pars gas field. ISA violation determined but sanctions waived in line with U.S.-EU agreement for EU to cooperate on antiterrorism and antiproliferation issues and not file a complaint at the WTO. Then-Secretary of State Albright, in the May 18, 1998, waiver announcement indicated that similar future such projects by EU firms in Iran would not be sanctioned. (http://www.parstimes.com/law/albright_southpars.html). *Violation determined but sanctions waived.*	May 18, 1998

Naftiran Intertrade Co. (NICO), Iran and Switzerland. Sanctioned for activities to develop Iran's energy sector. *Sanctions lifted under JCPOA.*	Sept. 30, 2010
Total (France); Statoil (Norway); ENI (Italy); and Royal Dutch Shell. *Exempted under ISA "special rule" for pledging to wind down work on Iran energy fields.*	Sept. 30, 2010
Inpex (Japan) *Exempted under the Special rule for divesting its remaining 10% stake in Azadegan oil field*.	Nov. 17, 2010
Belarusneft (Belarus, subsidiary of Belneftekhim) Sanctioned for $500 million contract with NICO (see above) to develop Jofeir oil field. Other subsidiaries of Belneftekhim were sanctioned in 2007 under E.O. 13405 (Belarus sanctions). *Sanctions remain.*	March 29, 2011
Petrochemical Commercial Company International (PCCI) of Bailiwick of Jersey and Iran; Royal Oyster Group (UAE); Tanker Pacific (Singapore); Allvale Maritime (Liberia); Societie Anonyme Monegasque Et Aerienne (SAMAMA, Monaco); Speedy Ship (UAE/Iran); Associated Shipbroking (Monaco); and Petroleos de Venezuela (PDVSA, Venezuela). Sanctioned under CISADA amendment to ISA imposing sanctions for selling gasoline to Iran or helping Iran import gasoline. Allvale Maritime and SAMAMA determinations were issued on September 13, 2011, to "clarify" the May 24 determinations that had named Ofer Brothers Group. The two, as well as Tanker Pacific, are affiliated with a Europe-based trust linked to deceased Ofer brother Sami Ofer, and not Ofer Brothers Group based in Israel. Firms named subjected primarily to the financial sanctions provided in ISA. U.S.-based subsidiaries of PDVSA, such as Citgo, were not sanctioned. *Sanctions lifted under JCPOA.*	May 24, 2011
Zhuhai Zhenrong Co. (China); Kuo Oil Pte Ltd. (Singapore); FAL Oil Co. (UAE) Sanctioned for brokering sales or making sales to Iran of gasoline. *Sanctions lifted under JCPOA*.	January 12, 2012
Sytrol (Syria), for sales of gasoline to Iran. *Sanctions remain*.	August 12, 2012
Dr. Dimitris Cambis; Impire Shipping; Kish Protection and Indemnity (Iran); and Bimeh Markasi-Central Insurance of Iran (CII, Iran) Sanctioned under ISA provision on owning vessels that transport Iranian oil or providing insurance for the shipments. Treasury sanctions also imposed on eight UAE-based oil traders that concealed the transactions. *Sanctions lifted under JCPOA.*	March 14, 2013
Tanker Pacific; SAMAMA; and Allvale Maritime Sanctions lifted. *Special rule applied after "reliable assurances" they will not engage in similar activity in the future.*	April 12, 2013
Ferland Co. Ltd. (Cyprus and Ukraine) Sanctioned for cooperating with National Iranian Tanker Co. to illicitly sell Iranian crude oil. *Sanctions lifted under JCPOA*.	May 31, 2013
Dettin SPA Sanctioned. Italy-based company sanctioned for providing goods and services to Iran's petrochemical industry. *Sanctions lifted under JCPOA.*	August 29, 2014

Entities Sanctioned Under the Iran North Korea Syria Nonproliferation Act or Executive Order 12938 for Iran-Specific Violations

The designations are under the Iran, North Korea, Syria Nonproliferation Act (INKSNA) unless specified. These designations expire after two years, unless redesignated

Baltic State Technical University and Glavkosmos, both of Russia. (Both "delisted" in 2010)	July 30, 1998
D. Mendeleyev University of Chemical Technology of Russia and Moscow Aviation Institute (Both removed on May 21, 2010)	January 8, 1999
Changgwang Sinyong Corp. (North Korea)	January 2, 2001
Changgwang Sinyong Corp. (North Korea) and Jiangsu Yongli Chemicals and Technology Import-Export (China)	June 14, 2001

Three entities from China	January 16, 2002
Armen Sargsian and Lizen Open Joint Stock Co. (Armenia); Cuanta SA and Mikhail Pavlovich Vladov (Moldova); and eight China entities	May 9, 2002
Norinco (China). For alleged missile technology sale to Iran.	May 2003
Taiwan Foreign Trade General Corporation (Taiwan)	July 4, 2003
Tula Instrument Design Bureau (Russia). For alleged sales of laser-guided artillery shells to Iran. (Also designated under Executive Order 12938)	September 17, 2003
13 entities sanctioned including companies from Russia, China, Belarus, Macedonia, North Korea, UAE, and Taiwan.	April 1, 2004
14 entities from China, North Korea, Belarus, India (two nuclear scientists, Dr. Surendar and Dr. Y.S.R. Prasad), Russia, Spain, and Ukraine.	September 23, 2004
14 entities, mostly from China, for supplying of Iran's missile program. Designations included North Korea's Changgwang Sinyong and China's Norinco and Great Wall Industry Corp, have been sanctioned several times previously. Others sanctioned included North Korea's Paeksan Associated Corporation, and Taiwan's Ecoma Enterprise Co.	December 2004 and January 2005
Nine entities, including those from China (Norinco, Hondu Aviation, Dalian Sunny Industries, Zibo Chemet Equipment); India (Sabero Organicx Chemicals and Sandhya Organic Chemicals); and Austria (Steyr Mannlicher Gmbh). Sanctions against Dr. Surendar of India (see September 29, 2004) were ended, presumably because of information exonerating him.	December 23, 2005
Two Indian chemical companies (Balaji Amines and Prachi Poly Products); two Russian firms (Rosobornexport and aircraft manufacturer Sukhoi); two North Korean entities (Korean Mining and Industrial Development, and Korea Pugang Trading); and one Cuban entity (Center for Genetic Engineering and Biotechnology).	July 28, 2006
Abu Hamadi (Iraq); Aerospace Logistics Services (Mexico); Al Zargaa Optical and Electronics (Sudan); Alexey Safonov (Russia); Arif Durrani (Pakistan)China National Aero Technology Import-Export (China); China National Electronic Import Export (China); Defense Industries Org. (Iran); Giad Industrial Complex (Sudan); Iran Electronics Industry (Iran); Kal al-Zuhiry (Iraq); Kolomna Design Bureau of Machine Building (Russia); NAB Export Co. (Iran); Rosoboronexport (Russia); Sanam Industrial Group (Iran); Target Airfreight (Malaysia); Tula Design Bureau of Instrument Building (Russia); Yarmouk Industrial Complex (Sudan) Zibo Chemet Equipment Co. (China)	December 28, 2006
Rosobornexport, Tula Design, and Komna Design Office of Machine Building, and Alexei Safonov (Russia); Zibo Chemical, China National Aerotechnology, and China National Electrical (China). Korean Mining and Industrial Development (North Korea) for WMD or advanced weapons sales to Iran (and Syria).	January 2007 (see below for Tula and Rosoboronexport removal)
14 entities, including Lebanese Hezbollah. Some were penalized for transactions with Syria. Among the new entities sanctioned for assisting Iran were Shanghai Non-Ferrous Metals Pudong Development Trade Company (China); Iran's Defense Industries Organization; Sokkia Company (Singapore); Challenger Corporation (Malaysia); Target Airfreight (Malaysia); Aerospace Logistics Services (Mexico); and Arif Durrani (Pakistani national).	April 17, 2007
China Xinshidai Co.; China Shipbuilding and Offshore International Corp.; Huazhong CNC (China); IRGC; Korea Mining Development Corp. (North Korea); Korea Taesong Trading Co. (NK); Yolin/Yullin Tech, Inc. (South Korea); Rosoboronexport (Russia sate arms export agency); Sudan Master Technology; Sudan Technical Center Co; Army Supply Bureau (Syria); R and M International FZCO (UAE); Venezuelan Military Industries Co. (CAVIM). (Rosoboronexport removed May 21, 2010.)	October 23, 2008
BelTechExport (Belarus); Dalian Sunny Industries (China); Defense Industries Organization (Iran); Karl Lee; Shahid Bakeri Industries Group (SBIG); Shanghai Technical By-Products International (China); Zibo Chemet Equipment (China)	July 14, 2010
16 entities: Belarus: Belarusian Optical Mechanical Association; Beltech Export; China: Karl Lee; Dalian Sunny Industries; Dalian Zhongbang Chemical Industries Co.; Xian Junyun Electronic; Iran: Milad Jafari; DIO; IRISL; Qods Force; SAD Import-Export; SBIG; North Korea: Tangun Trading; Syria: Industrial Establishment of Defense; Scientific Studies and Research Center; Venezuela: CAVIM.	May 23, 2011

Belvneshpromservice (Belarus); Dalian Sunny Industries (China); Defense Industries Organization (Iran); Karl Lee (China); SAD Import-Export (Iran); Zibo Chemet Equipment Co. (Iran); F	December 20, 2011
Al Zargaa Engineering Complex (Sudan); BST Technology and Trade Co. (China); China Precision Machinery Import and Export Co. (China); Dalian Sunny Industries (China); Iran Electronics Industries (Iran); Karl Lee (China); Marine Industries Organization (Iran); Milad Jafari (Iran); Poly Technologies (China); Scientific and Industrial Republic Unitary Enterprise (Belarus); SMT Engineering (Sudan); TM Services Ltd. (Belarus); Venezuelan Military Industry Co. (CAVIM, Venezuela).	February 5, 2013 (these designations, and prior designations above, have expired)
Al Zargaa Engineering Complex (Sudan); Belvneshpromservice (Belarus); HSC Mic NPO Mashinostroyenia (Russia); Russian Aircraft Corporation (MiG); Giad Heavy Industries Complex (Sudan); Sudan Master Technologies (Sudan); Military Industrial Corps. (Sudan); Yarmouk Industrial Complex (Sudan); Venezuelan Military Industry Co. (CAVIM, Venezula)	December 19, 2014. Sanctions still active. Syria designations not included
BST Technology and Trade Co. (China); Dalian Sunny Industries (China); Li Fang Wei (China); Tianjin Flourish Chemical Co. (China); Qods Force Commander Qasem Soleimani; IRGC; Rock Chemie (Iran); Polestar Trading Co. Ltd. (North Korean entity in China); RyonHap-2 (North Korea) Tula Instrument Design Bureau (Russia); Joint Stock Co. Katod (Russia); JSC Mic NPO Mashinostroyenia (Russia); Rosoboronexport (Russia) Russian Aircraft Corp. MiG (Russia); Sudanese Armed Forces (Sudan); Vega Aeronautics (Sudan); Yarmouk Complex (Sudan); Hezbollah; Eliya General Trading (UAE).	August 28, 2015. Sanctions still active. Designations that applied to Syria or North Korea not included.
Asaib Ahl Haq (Iraqi Shiite militia); Katai'b Hezbollah (Iraqi militia); IRGC; Shahid Moghadam-Yazd Marine Industries (Iran); Shiraz Electronic Industries (Iran); Hezbollah; Military Industrial Corp. (Sudan); Khartoum Industrial Complex (Sudan); Khartoum Military Industrial Complex (Sudan); Luwero Industries (Uganda)	June 28, 2016 Sanctions still active.
11 entities sanctions for transfers of sensitive items to Iran's ballistic missile program (all China except as specified: Beijing Zhong Ke Electric Co.; Dalian Zenghua Maoyi Youxian Gongsi; Jack Qin; Jack Wang; Karl Lee; Ningbo New Century Import and Export Co.; Shenzhen Yataida High-Tech Company; Sinotech Dalian Carbon and Graphite Corp.; Sky Rise Technology (aka Reekay); Saeng Pil Trading Corp. (North Korea); Mabrooka Trading (UAE)	March 21, 2017

Entities Designated under the Iran-Iraq Arms Non-Proliferation Act of 1992
(all designations have expired or were lifted)

Mohammad al-Khatib (Jordan); Protech Consultants Private (India)	December 13, 2003
China Machinery and Electric Equipment Import and Export Corp. (China); China Machinery and Equipment Import-Export Co. (China); China National Machinery and Equipment Import-Export Co. (China); China Shipbuilding Trading Co. (China); CMEC Machinery (China); Hans Raj Shiv (India); Jiangsu Youngli Chemicals and Technology Import-Export Co. (China); Q.C. Chen (China); Wha Cheong Tai Co. Ltd. (China).	July 9, 2002

Entities Designated as Threats to Iraqi Stability under Executive Order 13438 (July 17, 2007)

Ahmad Forouzandeh. Commander of the Qods Force Ramazan Headquarters, accused of fomenting sectarian violence in Iraq and of organizing training in Iran for Iraqi Shiite militia fighters; Abu Mustafa al-Sheibani. Iran based leader of network that funnels Iranian arms to Shiite militias in Iraq; Isma'il al-Lami (Abu Dura). Shiite militia leader, breakaway from Sadr Mahdi Army, alleged to have committed mass kidnapings and planned assassination attempts against Iraqi Sunni politicians; Mishan al-Jabburi. Financier of Sunni insurgents, owner of pro-insurgent Al-Zawra television; Al Zawra Television Station.	January 8, 2008
Abdul Reza Shahlai, a deputy commander of the Qods Force; Akram Abbas Al Kabi, leader of Mahdi Army "Special Groups"; Harith Al Dari, Sunnis Islamist leader (Secretary General of the Muslim Scholars' Association; Ahmad Hassan Kaka Al Ubaydi, ex-Baathist leader of Sunni insurgents based in Iraq's Kirkuk Province; and three person/entities designated for operating Syria-based media that support Iraqi Sunni insurgents: Al Ray Satellite TV Channel, and Suraqiya for Media and Broadcasting, owned by Mish'an Al Jabburi (see above), and Raw'a Al Usta (wife of Al Jabburi.	September 16, 2008
Khata'ib Hezbollah (pro-Iranian Mahdi splinter group); Abu Mahdi al-Muhandis	July 2, 2009

Iranians Designated Under Executive Order 13553 on Human Rights Abusers (September 29, 2010)

These persons are named in a semiannual report to Congress, required under CISADA. Virtually all of the persons on this list, and those listed under Executive order 13628 (below) are designated as human rights abusers by the European Union, whose list contains 87 individuals, including several province-level prosecutors

Eight persons: IRGC Commander Mohammad Ali Jafari; Minister of Interior at time of June 2009 elections Sadeq Mahsouli; Minister of Intelligence at time of elections Qolam Hossein Mohseni-Ejei; Tehran Prosecutor General at time of elections Saeed Mortazavi; Minister of Intelligence Heydar Moslehi; Former Defense Minister Mostafa Mohammad Najjar; Deputy National Police Chief Ahmad Reza Radan; Basij (security militia) Commander at time of elections Hossein Taeb	September 29, 2010
Two persons: Tehran Prosecutor General Abbas Dowlatabadi (appointed August 2009), for indicting large numbers of protesters; Basij forces commander Mohammad Reza Naqdi (headed Basij intelligence during 2009 protests)	February 23, 2011
Four entities: Islamic Revolutionary Guard Corps (IRGC); Basij Resistance Force; Law Enforcement Forces (LEF); LEF Commander Ismail Ahmad Moghadam	June 9, 2011
Two persons: Chairman of the Joint Chiefs of Staff Hassan Firouzabadi; Deputy IRGC Commander Abdollah Araghi	December 13, 2011
One entity: Ministry of Intelligence and Security of Iran (MOIS)	February 16, 2012
One person: Ashgar Mir-Hejazi for human rights abuses on/after June 12, 2009, and for providing material support to the IRGC and MOIS.	May 30, 2013
One entity: Abyssec, for training the IRGC in cyber tradecraft and supporting its development of offensive information operations capabilities.	December 30, 2014
One entity and One person: Tehran Prisons Organization. For severe beating of prisoners at Evin Prison in April 2014; Sohrab Soleimani (brother of IRGC-QF commander) as head of Tehran Prisoners Organization at the time of the attack above. Heads State Prisons Organization.	April 13, 2017
Persons and entities designated following repression of December 2017-January 2018 protests: Judiciary head Sadeq Amoli Larijani (highest-ranking Iranian official sanctioned by the United States); Rajaee Shahr Prison; and Gholmreza Ziaei	January 12, 2018
Ansar-e Hezbollah internal security militia designations: Ansar-e Hezbollah; Ansar leaders Abdolhamid Mohtasham; Hossein Allahkaram; and Hamid Ostad. Evin Prison.	May 30, 3018
Ghavamin Bank (for assisting Iran's Law Enforcement Forces, LEF)	November 5, 2018
Fatemiyoun Division and Zaynabiyoun Brigade	January 24, 2019

Iranian Entities Sanctioned Under Executive Order 13572 for Repression of the Syrian People (April 29, 2011)

Revolutionary Guard—Qods Force (IRGC-QF)	April 29, 2011
Qasem Soleimani (Qods Force Commander); Mohsen Chizari (Commander of Qods Force operations and training)	May 18, 2011
Ministry of Intelligence and Security (MOIS)	February 16, 2012

Iranian Entities Sanctioned Under Executive Order 13606 (GHRAVITY, April 23, 2012))

Ministry of Intelligence and Security (MOIS); IRGC (Guard Cyber Defense Command); Law Enforcement Forces; Datak Telecom	April 23, 2012
IRGC Electronic Warfare and Cyber Defense Organization	January 12, 2018
Hanista Programming Group. For operating technology that monitors or tracks computers	May 30, 2018

Entities Sanctioned Under Executive Order 13608 Targeting Sanctions Evaders (May 1, 2012)

Ferland Company Ltd. for helping NITC deceptively sell Iranian crude oil	May 31, 2013

Three persons based in the Republic of Georgia: Pourya Nayebi, Houshang Hosseinpour, and Houshang Farsoudeh.	February 6, 2014
Eight firms owned or controlled by the three: Caucasus Energy (Georgia); Orchidea Gulf Trading (UAE and/or Turkey); Georgian Business Development (Georgia and/or UAE); Great Business Deals (Georgia and/or UAE); KSN Foundation (Lichtenstein); New York General Trading (UAE); New York Money Exchange (UAE and/or Georgia); and European Oil Traders (Switzerland).	

Entities Named as Iranian Government Entities Under Executive Order 13599 (February 5, 2012)

Hundreds of entities—many of which are names and numbers of individual ships and aircraft—were designated under this Order to implement the JCPOA, and removed from the list of SDNs, in order that secondary sanctions not apply. Those entities are in italics. Others were designated as owned or controlled by the government of Iran before the JCPOA. As of November 5, 2018, all the entities designated under E.O. 13599 are subject to secondary sanctions.

Two insurance companies: *Bimeh Iran Insurance Company (U.K.) Ltd.* and *Iran Insurance Company*.	June 16, 2010
20 Petroleum and Petrochemical Entities: *MSP Kala Naft Co. Tehran*; *Kala Limited*; *Kala Pension Trust Limited*; *National Iranian Oil Company PTE Ltd*; *Iranian Oil Company (U.K.) Ltd*.; *NIOC International Affairs (London) Ltd*.; *Naftiran Trading Services Co. (NTS) Ltd*.; *NICO Engineering Ltd*.; *National Petrochemical Company*; *Iran Petrochemical Commercial Company*; *NPC International Ltd*.; *Intra Chem Trading Gmbh*; *Petrochemical Commercial Company International Ltd*.; *P.C.C. (Singapore) Private Ltd*.; *Petrochemical Commercial Company FZE*; *Petrochemical Commercial Company (U.K.) Ltd*.; *PetroIran Development Company (PEDCO) Ltd*.; *Petropars Ltd*.; *Petropars International FZE*; *Petropars U.K. Ltd.*	
Central Bank of Iran (aka Bank Markazi)	February 12, 2012
Shipping Companies*: Arash Shipping Enterprises Ltd.; Arta Shipping Enterprises Ltd.; Asan Shipping Enterprise Ltd.; Caspian Maritime Ltd.; Danesh Shipping Co. Ltd.; Davar Shipping Co. Ltd.; Dena Tankers FZE; Good Luck Shipping LLC; Hadi Shipping Company Ltd.; Haraz Shipping Company Ltd.; Hatef Shipping Company Ltd.; Hirmand Shipping Company Ltd,; Hoda Shipping Company Ltd.; Homa Shipping Company Ltd.; Honar Shipping Company Ltd.; Mehran Shipping Company Ltd.; Mersad Shipping Company Ltd.; Minab Shipping Company Ltd.; Pars Petrochemical Shipping Company; Proton Petrochemicals Shipping Ltd; Saman Shipping Company Ltd.; Sarv Shipping Company Ltd.; Sepid Shipping Company Ltd.; Sima Shipping Company Ltd.; Sina Shipping Company Ltd.; TC Shipping Company Ltd.*	July 12, 2012
Energy Firms*: Petro Suisse Intertrade Company* (Switzerland); *Hong Kong Intertrade Company* (Hong Kong); *Noor Energy* (Malaysia); *Petro Energy Intertrade* (Dubai, UAE) (all four named as front companies for NIOC, *Naftiran Intertrade Company, Ltd* (NICO), or *NICO Sarl*)	
58 vessels of National Iranian Tanker Company (NITC)	
Banks: Ansar Bank; *Future Bank B.S.C*; *Post Bank of Iran*; *Dey Bank*; *Eghtesad Novin Bank*; *Hekmat Iranian Bank*; *Iran Zamin Bank; Islamic Regional Cooperation Bank*; Joint Iran-Venezuela Bank; *Karafarin Bank*; *Mehr Iran Credit Union Bank*; *Parsian Bank*; *Pasargad Bank*; *Saman Bank*; *Sarmayeh Bank*; *Tat Bank; Tosee Taavon Bank*; *Tourism Bank; Bank-e Shahr; Credit Institution for Development*	
Entities and persons helping Iran evade oil shipping sanctions: *Dimitris Cambis*; *Impire Shipping Co*.; Libra Shipping SA; *Monsoon Shipping Ltd*.; *Koning Marine Ltd*.; *Blue Tanker Shipping SA*; *Jupiter Seaways Shipping*; *Hercules International Ship*; *Hermis Shipping SA*; *Garbin Navigation Ltd*.; *Grace Bay Shipping Inc*; *Sima General Trading Co. FZE*; *Polinex General Trading LLC*; *Asia Energy General Trading*; *Synergy General Trading FZE.*	March 14, 2013
Sambouk Shipping FZC, which is tied to Dr. Dimitris Cambis and his network of front companies.	May 9, 2013
Eight petrochemicals companies: *Bandar Imam; Bou Ali Sina; Mobin; Nouri; Pars; Shahid Tondgooyan; Shazand;* and *Tabriz.*	May 31, 2013
Six individuals including *Seyed Nasser Mohammad Seyyedi*, director of Sima General Trading who is also associated with NIOC and NICO. The other 5 persons sanctioned manage firms associated with NIOC and NICO.	September 6, 2013
Four businesses used by Seyyedi to assist NIOC and NICO front companies: *AA Energy FZCO*; *Petro Royal FZE*; and *KASB International LLC (all in UAE); and Swiss Management Services Sarl.*	
Execution of Imam's Order (EIKO) and entities under its umbrella, designated for hiding assets on behalf of the government of Iran's leadership: *Tosee e Eqtesad Ayandehsazan Company* (TEACO); *Tadbir Economic Development Company* (Tadbir Group); *Tadbir Investment Company*; *Modaber*; *Tadbir Construction Development Company*; *Tadbir Energy Development Group*; *Amin Investment Bank*; *Pardis*	January 4, 2013

Investment Company; *Mellat Insurance Company*; *Rey Investment Company*; *Reyco GmbH*; *MCS International GmbH* (Mannesman Cylinder Systems); *MCS Engineering* (Efficient Provider Services GmbH); *Golden Resources Trading Company L.L.C.* (GRTC); *Cylinder System Ltd.* (Cylinder System DDO); *One Vision Investments 5 (Pty) Ltd.*; *One Class Properties (Pty) Ltd.; Iran and Shargh Company; Iran and Shargh Leasing Company; Tadbir Brokerage Company;* Rafsanjan Cement Company; *Rishmak Productive and Exports Company*; *Omid Rey Civil and Construction Company*; *Behsaz Kashane Tehran Construction Company*; *Royal Arya Company*; *Hormuz Oil Refining Company*; *Ghaed Bassir Petrochemical Products Company*; *Persia Oil and Gas Industry Development Company*; *Pars Oil Company*; *Commercial Pars Oil Company*; *Marjan Petrochemical Company*; *Ghadir Investment Company*; *Sadaf Petrochemical Assaluyeh Company*; *Polynar Company*; *Pars MCS*; Arman Pajouh Sabzevaran Mining Company; *Oil industry Investment Company*; *Rey Niru Engineering Company*.	
Five Iranian banks: *Khavarmianeh Bank, Ghavamin Bank*, *Gharzolhasaneh Bank, Kish International Bank*, and *Kafolatbank* (Tajikistan).	August 29, 2014
Numerous Iranian aircraft and vessels were designated under this Order, in keeping with the reimposition of U.S. secondary sanctions.	November 5, 2018

Entities Sanctioned Under Executive Order 13622 for Oil and Petrochemical Purchases from Iran and Precious Metal Transactions with Iran (July 30, 2012)

All entities were delisted (and are italicized) and the Order was revoked to implement the JCPOA

Jam Petrochemical Company (for purchasing petrochemical products from Iran); *Niksima Food and Beverage JLT* (for receiving payments on behalf of Jam Petrochemical).	May 31, 2013
Asia Bank (for delivering from Moscow to Tehran of $13 million in U.S. bank notes paid to representatives of the Iranian government).	August 29, 2014
Five individuals and one company for helping Iran acquire U.S. banknotes: *Hossein Zeidi, Seyed Kamal Yasini*, *Azizullah Qulandary*, *Asadollah Seifi*, *Teymour Ameri*, and *Belfast General Trading*.	December 30, 2014
Anahita Nasirbeik—Asia Bank official (see above).	

Entities Sanctioned under the Iran Freedom and Counter-Proliferation Act (IFCA, P.L. 112-239)

Goldentex FZE (UAE)	August 29, 2014

Entities Designated as Human Rights Abusers or Limiting Free Expression under Executive Order 13628 (October 9, 2012, E.O pursuant to Iran Threat Reduction and Syria Human Rights Act)

Ali Fazli, deputy commander of the Basij; Reza Taghipour, Minister of Communications and Information Technology; LEF Commander Moghaddam (see above); Center to Investigate Organized Crime (established by the IRGC to protect the government from cyberattacks; Press Supervisory Board, established in 1986 to issue licenses to publications and oversee news agencies; Ministry of Culture and Islamic Guidance; Rasool Jalili, active in assisting the government's internet censorship activities; Anm Afzar Goster-e-Sharif, company owned by Jalili, above, to provide web monitoring and censorship gear; PekyAsa, another company owned by Jalili, to develop telecom software.	November 8, 2012
Islamic Republic of Iran Broadcasting (IRIB) and Ezzatollah Zarghami (director and head of IRIB); Iranian Cyber Police (filters websites and hacks email accounts of political activists); Iranian Communications Regulatory Authority (filters internet content); Iran Electronics Industries (producer of electronic systems and products including those for jamming, eavesdropping	February 6, 2013
Committee to Determine Instances of Criminal Content for engaging in censorship activities on/after June 12, 2009; Ofogh Saberin Engineering Development Company for providing services to the IRGC and Ministry of Communications to override Western satellite communications.	May 30, 2013
Morteza Tamaddon for cutting mobile phone communications and harassing opposition leaders Mir Hosein Musavi and Mehdi Karrubi when Tamaddon was governor-general of Tehran Province in 2009.	May 23, 2014
Douran Software Technologies, for acting on behalf of the Committee to Determine Instances of Criminal Content (see above).	December 30, 2014
Two entities that blocked social media sites and websites: Supreme Council for Cyberspace, and National Cyberspace Center	January 12, 2018

IRIB Director General Abdulali Ali-Asgari (see above); Abolhassan Firouzabadi (Secretary of the Supreme Council of Cyberspace); and Abdolsamad Khoramabadi (Secreary of the Committee to Determine Instances of Criminal Conduct, which oversees the censorship of the internet)	May 30, 3018

Entities Designated under E.O. 13645 on Auto production, Rial Trading, and Precious Stones (June 3, 2013)

All entities were delisted (and are italicized) and the Order was revoked to implement the JCPOA

Five entities/persons supporting NITC: *Mid Oil Asia* (Singapore); *Singa Tankers* (Singapore); *Siqiriya Maritime* (Philippines); *Ferland Company Limited* (previously designated under other E.O.); *Vitaly Sokolenko* (general manager of Ferland).	December 12, 2012
Three entities/persons for deceptive Iran oil dealings: *Saeed Al Aqili* (co-owner of Al Aqili Group LLC); *Al Aqili Group LLC*; *Anwar Kamal Nizami* (Dubai-based Pakistani facilitator, manages bank relations for affilates of Al Aqili and Al Aqili Group. Also works for *Sima General Trading*, sanctioned under E.O. 13599).	April 29, 2014
Faylaca Petroleum (for obscuring the origin of Iranian sales of gas condensates); *Lissome Marine Services LLC* and six of its vessels (for supporting NITC with ship-to-ship transfers); *Abdelhak Kaddouri* (manages Iranian front companies on behalf of NICO); *Mussafer Polat* (for obscuring origin of Iran's gas condensate sales); *Seyedeh Hanje Seyed Nasser Seyyedi* (managing director of Faylaca).	August 29, 2014

Entities Designated under Executive Order 13581 on Transnational Criminal Organizations (July 24, 2011)

Four individuals/entities: Ajily Software Procurement Group, Andisheh Vesal Middle East Company, Mohammed Saeed Ajily, and Mohammed Reza Rezkhah. For stealing engineering software programs from U.S. and other Western firms and selling them to Iranian military and government entities.	July 18, 2017

Entities Designated under Executive Order 13694 on Malicious Cyber Activities (April 1, 2015)

Eight individuals/entities: ITSec Team, for 2011-12 distributed denial of services attacks on U.S. banks, acting on behalf of the IRGC; and Ahmad Fathi, Amin Shokohi, and Hamid Firoozi (for working for or with ITSec). Four persons working for or with Mersad Co, an IRGC-affiliate firm indicted in 2016 for computer disruption/botnet/malware activities in 2012-13 targeting 24 U.S. financial sector companies: Sadegh Ahmazadegand; Sina Keissar; Omid Ghaffarinia; and Nader Saedi.	September 14, 2017
Ten individuals and one entity, for theft of data from U.S. and third-country universities: Mabna Institute, Gholamreza Rafatnejad, Ehsan Mohammadi, Seyed Ali Mirkarimi, Mostafa Sadeghi, Sajjad Tamasebi, Abdollah Karima, Abuzr Gohair Moqadam. Roozbeh Sabahi, Mohammed Reza Sabai, Behzad Mesri.	March 23, 2018
Ali Khorashadizadeh and Mohammad Ghorbaniyan. For helping exchange bitcoin digital currency into Iranian rials on behalf of Iranian cyber actors involved with a "SamSam" ransomware scheme.	November 28, 2018

Entities Designated under Executive Order 13846 Reimposing Sanctions (August 6, 2018)

Ayandeh Bank (for materially assisting IRIB).	November 5, 2018

Author Information

Kenneth Katzman
Specialist in Middle Eastern Affairs

Acknowledgments

The author wishes to acknowledge that Sarah Manning, Research Associate, Foreign Affairs, Defense, and Trade Division contributed research to this report.

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.