

Brussels, 2 February 2016

Briefing note

EU-Iran Trade relations – the EU sanctions regime and its lifting

As the EU lifted all the economic and financial sanctions taken in connection with the Iranian nuclear programme, the following activities, including associated services, are allowed as of 16 January 2016:

- *Oil, gas and petrochemical sectors*

Import, purchase, swap and transport of crude oil and petroleum products, gas and petrochemical products from Iran is allowed. EU persons are able to export equipment or technology, and provide technical assistance, including training, used in the sectors of the oil, gas and petrochemical industries in Iran covering exploration, production and refining of oil and natural gas, including liquefaction of natural gas, to any Iranian person, in or outside Iran, or for use in Iran. Investing in the Iranian oil, gas and petrochemical sectors, by the granting of any financial loan or credit to, the acquisition or extension of a participation in, and the creation of any joint venture with, any Iranian person that is engaged in the oil, gas and petrochemical sectors in Iran or outside Iran is also permitted.

- *Metals*

Sale, supply, transfer or export of certain graphite and raw or semi-finished metals to any Iranian person, entity or body or for use in Iran is no longer prohibited but subject to an authorisation regime.

- *Shipping, shipbuilding and transport sectors*

Sanctions related to shipping and shipbuilding sectors and certain sanctions related to the transport sector, including the provision of associated services to these sectors, are lifted.

- *Gold, other precious metals, banknotes and coinage*

Sale, supply, purchase, export, transfer or transport of gold and precious metals as well as diamonds, and provision of related brokering, financing and security services, to, from or for the Government of Iran, its public bodies, corporations and agencies, or the Central Bank of Iran is allowed. Delivery of newly printed or minted banknotes and coinage for the Central Bank of Iran is also permitted.

- *Financial, banking and insurance measures*

The prohibition of financial transfers to and from Iran (including the notification and authorisation regimes) is lifted.

Orgalime, the European Engineering Industries Association, speaks for 42 trade federations representing the mechanical, electrical, electronic, metalworking & metal articles industries of 24 European countries. The industry employs some 10.3 million people in the EU and in 2014 accounted for more than €1,800 billion of annual output. The industry accounts for over a quarter of manufacturing output and a third of the manufactured exports of the European Union.

The European Engineering Industries Association

- *Software*

Sale, supply, transfer or export of Enterprise Resource Planning software, including updates, to any Iranian person, entity or body, or for use in Iran, in connection with activities consistent with the JCPOA is no longer prohibited but subject to an authorisation regime if the software is designed specifically for use in nuclear and military industries.

- *De-listing of persons, entities and bodies*

Certain persons, entities and bodies are delisted and consequently no longer subject to the asset freeze, prohibition to make funds available and visa ban.

Please find [here](#) the EU 'Guidelines', targeted at facilitating the implementation process of the lifting of the sanctions by authorities and operators (see pages 9-12 for a detailed explanation of the activities permitted as of 16 January 2016 and pages from 44 onward for the Q&As).

The United States have also issued equivalent guidelines with respect to the lifting of U.S. sanctions under the JCPOA (accessible [here](#) together with a [FAQ document](#)).

All the sanctions not taken in connection with the Iran nuclear programme, remain in place (both Proliferation-related and non-Proliferation-related sanctions).

- *Proliferation-related sanctions*

Proliferation-related sanctions concern the arms embargo, and are related to the missile technology, restrictions on certain nuclear-related transfers and activities, provisions concerning certain metals and software which are subject to an authorisation regime, as well as related listings. These sanction will remain in force after 16 January 2016.

The export dual-use goods and technology that could contribute to reprocessing, enrichment-related, heavy water-related or other activities inconsistent with the JCPOA [as listed in Annex II of Council Regulation 267/2012 (as amended)¹] is subject to prior authorisation on a case-by-case basis by the competent authorities of Member States.

- *Non-proliferation-related sanctions*

Sanctions imposed by the EU in view of the human rights situation in Iran, support for terrorism and other grounds are not part of the JCPOA, and will therefore remain in place. This include an asset freeze and visa ban on 84 persons and one entity responsible for grave human rights violations, as well as a ban on exports to Iran of equipment which might be used for internal repression and of equipment for monitoring telecommunications².

Next steps:

In the event of a significant non-performance by Iran of its commitments under the JCPOA and having exhausted all the steps under the dispute resolution mechanism provided in the JCPOA, the European Union shall reintroduce EU sanctions ("snapback") that have been lifted.

¹ [Council Regulation \(EU\) No 267/2012](#) as amended by [Council Regulation \(EU\) 2015/1861](#)

² Annexes III and IV to Council Regulation (EU) No [359/2011](#) of 12 April 2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Iran.

BACKGROUND

Since 2006, the UN Security Council has adopted a number of resolutions requiring Iran to stop enriching uranium with nuclear proliferation purposes. Restrictive measures have been progressively adopted to persuade Iran to comply with the resolutions³.

The EU has implemented the UN sanctions through the adoption of EU legislation. EU trade restrictions with Iran are set out in Council Decision 2010/413/CFSP⁴ and Council Regulation 267/2012⁵, listing the products prohibited from export to Iran.

As of January 2014, some of these sanctions have been suspended⁶, in the context of the implementation of the Joint Plan of Action interim agreement (November 2013).

On 14 July 2015, the negotiations on the Joint Comprehensive Plan of Action (JCPOA) were successfully concluded by Iran and the E3/EU+3 (China, Russia, and the United States and EU + France, Germany and the United Kingdom).

On 20 July 2015, the UN Security Council adopted Resolution 2231(2015)⁷ regarding the Joint Comprehensive Plan of Action. This resolution endorsed the JCPOA, allowed for certain exemptions to existing restrictive measures and defined the schedule and commitments to be undertaken by all parties to lead to the termination of restrictive measures against Iran.

On 18 October 2015, the JCPOA came into effect and Iran started the implementation of its nuclear-related commitments. The European Union adopted the necessary legal acts⁸ to lift all EU economic and financial sanctions taken in connection with the Iranian nuclear programme as laid down in the JCPOA⁹. The EU legislative package adopted on 18 October 2015 came into effect on Implementation Day (16 January 2016)¹⁰.

On 16 January 2016 (*Implementation day*), the International Atomic Energy Agency report '*confirming that Iran has completed the necessary preparatory steps to start the implementation of the Joint Comprehensive Plan of Action*' was published and submitted to the United Nations Security Council. As a result, the legislative package adopted on 18 October 2015 came into effect¹¹ and the EU lifted all the economic and financial sanctions taken in connection with the Iranian nuclear programme.

³ [UN Security Council Resolution 1929 \(2010\)](#)

[UN Security Council Resolution 1803 \(2008\)](#)

[UN Security Council Resolution 1747 \(2007\)](#)

[UN Security Council Resolution 1737 \(2006\)](#)

⁴ http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2010.195.01.0039.01.ENG

⁵ <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1453893154341&uri=CELEX:32012R0267>

⁶ As part of the Joint Plan of Action, the EU suspended on 20 January 2014 sanctions on petrochemicals, gold and precious metals, the prohibitions on the provision of insurance and transport in relation to Iranian crude oil sales as well as vessels. The thresholds for authorising financial transfers to and from Iran were increased.

⁷ <http://www.un.org/press/en/2015/sc11974.doc.htm>

⁸ Council Decision (CFSP) [2015/1863](#) of 18 October 2015 amending Decision 2010/413/CFSP concerning restrictive measures against Iran;

Council Regulation (EU) [2015/1861](#) of 18 October 2015 amending Regulation (EU) No 267/2012 concerning restrictive measures against Iran;

Council Implementing Regulation (EU) [2015/1862](#) of 18 October 2015 implementing Regulation (EU) No 267/2012 concerning restrictive measures against Iran.

⁹ Council Decision (CFSP) [2015/1863](#) of 18 October 2015 amending Decision 2010/413/CFSP concerning restrictive measures against Iran;

Council Regulation (EU) [2015/1861](#) of 18 October 2015 amending Regulation (EU) No 267/2012 concerning restrictive measures against Iran;

Council Implementing Regulation (EU) [2015/1862](#) of 18 October 2015 implementing Regulation (EU) No 267/2012 concerning restrictive measures against Iran.

¹⁰ This happened according to Article 2 of Decision (EU) 1863/2015.

¹¹ See COUNCIL DECISION (CFSP) [2016/37](#).