

U.S. ECONOMIC SANCTIONS UPDATE: IRAN



Washington, August 2, 2017

THE UNITED STATES PASSES NEW LAW REQUIRING THE IMPOSITION OF ADDITIONAL U.S. ECONOMIC SANCTIONS WITH RESPECT TO IRAN, RUSSIA AND NORTH KOREA

Today, President Trump signed into law, H.R. 3364, Countering America's Adversaries Through Sanctions Act (the "Act"). The Act requires the imposition of additional U.S. economic sanctions with respect to Iran, Russia and North Korea.

The portion of the Act dealing with Iran is entitled as Countering Iran's Destabilizing Activities Act of 2017 (the "New Iran Sanctions Act"), which is in addition to and builds upon existing U.S. sanctions against Iran, is summarized as follows:

1. The New Iran Sanctions Act directs the President to impose sanctions against any person that:
knowingly engages in any activity that materially contributes to the activities of the Government of Iran with respect to its ballistic missile program, or any other program in Iran for developing, deploying, or maintaining systems capable of delivering weapons of mass destruction, including any efforts to manufacture, acquire, possess, develop, transport, transfer, or use such capabilities; and any person that:
 - a. is a successor to or owned or controlled by the foregoing;
 - b. is acting for or on behalf of a person referred to above; or
 - c. knowingly provides or attempts to provide financial, material, technological, or other support for, or goods or services in support of, a person referred to above.
2. The New Iran Sanctions Act also directs the President and provides him with authority to impose additional sanctions against:

- a. The Iranian Revolutionary Guard Corps (“IRGC”) and foreign persons that are officials, agents, or affiliates of the IRGC; and
 - b. any person that the President determines knowingly engages in any activity that materially contributes to the supply, sale, or transfer directly or indirectly to or from Iran, or for the use in or benefit of Iran, of any battle tanks, armored combat vehicles, large caliber artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems, as defined for the purpose of the United Nations Register of Conventional Arms, or related materiel, including spare parts; or knowingly provides to Iran any technical training, financial resources or services, advice, other services or assistance related to the supply, sale, transfer, manufacture, maintenance, or use of arms and related materiel described above.
3. Under the New Iran Sanctions Act, the President may also impose sanctions against persons responsible for violations of internationally recognized human rights committed against individuals in Iran.
4. The persons (entities and individuals) against whom the foregoing sanctions will be imposed (“Sanctions Targets”) will be identified by the U.S. Treasury’s Office of Foreign Assets Control (“OFAC”) by the inclusion of such persons on OFAC’s List of SDNs and Blocked Persons.
5. Sanctions imposed under the New Iran Sanctions Act will prohibit transactions and activities with or involving Sanctions Targets and U.S. persons or those with a U.S. nexus. The property and all interest in property of Sanctions Targets within U.S. jurisdiction will be blocked. Additionally, individuals who are Sanctions Targets will not be permitted to enter the United States.
6. Exceptions to the imposition of sanctions may be made for U.S. national security reasons. Exceptions to sanctions will also apply to U.S. exports of agricultural commodities and medical devices and medicine to Iran. The President may temporarily waive the imposition or continuation of sanctions under specified circumstances.
7. The New Iran Sanctions expands the universe of Iranian as well as non-Iranian persons that may be targeted by U.S. Iran sanctions.
8. OFAC will issue regulations implementing the New Iran Sanctions.

Questions and Further Guidance

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

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

Mr. Eren and Mr. Pinter of the Firm served in senior positions at the U.S. Treasury's Office of Foreign Assets Control (OFAC), the U.S. government agency that administers and enforces U.S. economic sanctions, for a combined 25 years prior to entering private law practice, respectively 17 and 16 years ago, and since this time, they have devoted and continue to devote most of their time in private practice to economic sanctions issues and matters, particularly those involving Iran.

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