

Circular From LONDON

Date: 20 January 2016

Iran Sanctions - Implementation Day

Members will likely be aware of the lifting of certain US, EU and UN sanctions against Iran following verification by the International Atomic Energy Agency (IAEA) on 16 January 2016 that Iran has implemented the agreed nuclear-related measures as set out in the Joint Comprehensive Plan of Action (JCPOA).

The US Treasury has published guidance/FAQs in respect of the lifting of sanctions which we attach (click [here](#)). The EU has also published a Decision lifting sanctions (click [here](#)) with HM Treasury providing a guidance Notice (click [here](#) - there is also a link to an Information Note on the Sanctions to be lifted in paragraph 6 of the Notice). UN Resolution 2231 provides for the termination of previous Security Council resolutions on the Iranian nuclear issue (click [here](#) for the summary on the UN website). Since not all sanctions have been lifted, the Club is currently reviewing the legislation to determine the precise ambit and effect and will report further shortly by way of another News Alert.

In the meantime, given that some sanctions remain in place, the Club would not recommend entering into contracts or fixtures involving previously sanctioned Iranian trade or entities without Members performing full due diligence on the current sanctions position.

This is particularly the case because despite the lifting of certain sanctions:-

1. it will still be in breach of sanctions for US Banks to process dollar transactions connected to Iran even if it concerns non-sanctioned trade for non-US persons.
2. likely due to the fact that not all sanctions have been lifted, international banks have yet to indicate whether they will now commence processing non-sanctioned payments in currencies other than USD connected to Iran.
3. US Insurers and Reinsurers still cannot provide services to non-US persons conducting non-sanctioned trade so claims subject to insurance and/or reinsurance in the US market may not be able to be reimbursed.

Source of Information: London P&I Club