

Alert | **Export Controls & Economic Sanctions**



July 2018

U.S. Reimposes Sanctions after Withdrawal from the Iran JCPOA

On May 8, 2018, President Trump **announced his decision to withdraw the United States from the Iran Joint Comprehensive Plan of Action (JCPOA)**, the multilateral nuclear agreement signed on July 14, 2015, between Iran, the P5+1 (China, France, Russia, the United Kingdom, the United States, and Germany), and the European Union. Implementation of the president's decision to withdraw requires the Department of Treasury's Office of Foreign Assets Control (OFAC) to amend its regulations to officially reimpose certain sanctions. While the sanctions have been reimposed, OFAC has simultaneously provided short-term general licenses to permit industry to wind down activities that are once again prohibited.

Accordingly, on June 27, 2018, OFAC amended the Iranian Transactions and Sanctions Regulations (ITSR) to revoke pre-JCPOA sanctions relief involving exports of aircraft, activities of foreign subsidiaries of U.S. entities, and imports of certain food and carpets. *See* 83 Fed. Reg. 30,335. Specifically, the reimposed sanctions include:

Revocation of General License I and the Statement of Licensing Policy for Activities Related to the Export or Re-export to Iran of Commercial Passenger Aircraft and Related Parts and Services

Pursuant to the JCPOA and associated sanctions relief, OFAC maintained a licensing policy that authorized U.S. persons to export commercial passenger aircraft and related parts and services (JCPOA SLP). OFAC's recently amended regulations now include a wind down general license at 31 C.F.R. § 560.536 that authorizes, "[a]ll transactions and activities that are ordinarily incident and necessary to

the wind down” of activities that were previously eligible for authorization under the JCPOA SLP, but those must be completed by Aug. 6, 2018.

Revocation of General License H and Restrictions on Foreign Subsidiaries of U.S. Entities

Sanctions relief under the JCPOA also included authorizations under the previous General License H for wholly-owned non-U.S. subsidiaries of U.S. entities to engage in certain business activities in Iran. General License H has been revoked, and OFAC has now amended the ITSR at § 560.537 to authorize transactions and activities necessary to wind down activities by an entity owned or controlled by a U.S. person that would have been authorized under GL H. The regulations give entities until Nov. 4, 2018, to complete wind down activities.

Prohibitions on the Importation of Iranian Carpets and Foodstuffs

Under the JCPOA, OFAC had permitted the import of Iranian-origin foodstuffs, carpets, and textiles. OFAC’s regulations have now been amended to eliminate this authorization. Instead, ITSR § 560.534 now authorizes wind down activities related to previously permissible imports which must be concluded by Aug. 6, 2018.

In recently updated [FAQs](#), OFAC stressed the need to complete all activities by the deadlines specified above, noting that failure to do so could subject companies to enforcement actions. Entities that had conducted business under the three authorizations referenced above should review the regulations carefully and structure the closure of their Iranian operations accordingly.

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Authors

This GT Alert was prepared by **Kara M. Bombach and Sonali Dohale**. Questions about this information can be directed to:

- [Kara M. Bombach](#) | +1 202.533.2334 | bombachk@gtlaw.com
- [Sonali Dohale](#) | +1 202.533.2381 | dohales@gtlaw.com
- [Cyril T. Brennan](#) | +1 202.533.2342 | brennanct@gtlaw.com
- [Sandra D. Gonzalez](#) | +1 512.320.7234 | gonzalezsd@gtlaw.com
- [Renée A. Latour†](#) | +1 202.533.2358 | latourr@gtlaw.com
- [Michael X. Marinelli‡](#) | +1 512.320.7236 | marinellimx@gtlaw.com

- Daniel E. Parga | +1 202.533.2355 | pargad@gtlaw.com
- Or your Greenberg Traurig attorney

[†]Admitted in Virginia. Practice in the District of Columbia limited to matters and proceedings before Federal courts and Agencies.

[‡]Admitted in the District of Columbia. Not admitted in Texas.

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