



15 October 2018

U.S. sanctions against Iran – key issues raised by European businesses

In coordination with our Members, we would like to share a number of issues / questions for the consideration of the Office of Foreign Assets Control of the U.S. Department of the Treasury. These concern the re-imposition of U.S. sanctions against Iran.

Following the re-imposition of sanctions pursuant to the May 8, 2018 National Security Presidential Memorandum relating to the Joint and Comprehensive Plan of Actions (JCPOA), European companies are facing a number of challenges regarding transfers of payment in particular. How could the financial sector get the assurances required to facilitate transactions that are complying with U.S. measures?

European companies would like to receive OFAC's confirmation on the following points, as referenced in **section 2 of OFAC's Frequently Asked Questions** document of May 8, 2018, as updated on August 6, 2018:

- a. European banks are allowed to repatriate all the lawful funds and receivables of European companies that comply with the current sanctions until end of the wind-down period November 4, 2018.
- b. European banks are allowed to settle lawful payments from Iran to European companies after November 4, 2018 for goods delivered by November 4, 2018 pursuant to a written agreement from before May 8, 2018.
- c. European companies are also eligible to receive payments after November 4 in respect of business conducted after November 4 that is compliant with U.S. sanctions.

Finally, European companies would like to receive a confirmation that OFAC's Clarifying Guidance from 2013 on the sale of medicine and medical devices is still applicable and humanitarian assistance and related exports to the Iranian People, foreign financial institutions may process transactions for the purchase of humanitarian goods including food, agricultural commodities, medicine and medical devices, using funds in Central Bank of Iran accounts without being subject to U.S. sanctions.
