

Implementation day

The key to the agreement between 5 plus 1 and Iran reached in July 2015 known as JCPOA is "Implementation"

Implementation took place last weekend as the IAEA has now confirmed that Iran has complied with the JCPOA in ensuring that it severely cut back on its uranium enrichment. Pursuant to the JCPOA the EU and US have responded by lifting the nuclear related sanctions on Iran in accordance with the JCPOA. What does this mean in practice for the EU sanctions? The EU announcement confirms that the JCPOA has been complied with:

" The Council notes that on 16 January 2016 the Director-General of the IAEA presented a report to the IAEA Board of Governors and to the United Nations Security Council confirming that Iran has taken the measures specified in paragraphs 15.1 to 15.11 of Annex V to the JCPOA"

As a result many prohibitions have been lifted:

- There will no further prohibition on purchase of Iranian oil and gas products & related services
- bunkering and supply services to Iranian vessels is now allowed
- provision of engineering and maintenance services to cargo aircraft as long as the cargo does not include goods in the " Common Military List "

Dual Use Equipment precious and other listed metals, diamonds, and graphite

Regarding the above, the prohibition is lifted but replaced with a requirement to obtain prior authority.

Financial Services

Most financial restrictions are now gone. Importantly, the ban on:

- Providing insurance or re-insurance in Iran or to Iranian persons is lifted.
- The ban on transfer of funds to and from Iran has been lifted.
- One can also trade with Iranian government bonds.

Delisting

A significant number of entities and individuals have been delisted although some organisations and individuals will continue to be listed.

The U.S

The U.S has ceased application of secondary sanctions which generally target non EU persons and entities for specified conduct involving Iran that occurs entirely outside the U.S jurisdictions. Certain other activities which would generally be prohibited would now be licensed. There has also been a delisting from the Specially Designated Nationals ("SDN") list of some 400 individuals and entities although others will remain on that list.

US trade embargoes (primary sanctions) will remain in place although not in relation to passenger aircrafts.

Snap Back

In case of breach and according to the JCPOA the sanctions could “ snap back “. There is a process set out in the JCPOA which explains the mechanism and consequences of a potential “ snap back “.

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