



JANUARY 22, 2014

CIRCULAR NO. 04/14

TO MEMBERS OF THE ASSOCIATION

Dear Member:

US ECONOMIC SANCTIONS UPDATE: THE ISLAMIC REPUBLIC OF IRAN

The United States and the European Union have taken action to temporarily suspend certain economic sanctions against Iran as part of the implementation of the Joint Plan of Action (JPOA) reached on November 24, 2013 between The P5+1 and the Islamic Republic of Iran.

Following International Atomic Energy Agency (IAEA) verification and confirmation that Iran is implementing its initial commitments under the JPOA, the United States has begun to take the steps required to implement the JPOA by providing limited sanctions relief. The European Union and other international partners of the United States have also begun to take similar actions in temporarily suspending some sanctions against Iran.

Accordingly, the US Department of the Treasury's Office of Foreign Assets Control (OFAC), the primary US government agency in charge of administering and enforcing US economic sanctions against Iran, on January 20, 2014, published guidance to begin implementation of the United States' sanctions suspension/relief commitments under the JPOA. The guidance outlines the sanctions that have been suspended. These documents, as published by OFAC, are attached to this Circular. They are as follows:

1. Guidance Relating to the Provision of Certain Temporary Sanctions Relief in Order to Implement the Joint Plan of Action Reached on November 24, 2013, between the P5+1 and the Islamic Republic of Iran;
2. A Statement of Licensing Policy on Activities Related to the Safety of Iran's Civil Aviation Industry; and
3. Frequently Asked Questions Relating to the Sanctions Relief Provided for in the JPOA between the P5+1 and the Islamic Republic of Iran.

A summary of the US sanctions which have been suspended

Briefly, the following sanctions have been suspended for six months (JPAO Period):

Sanctions related to Iran's export of petrochemical products

1. Sanctions which could have been imposed against foreign financial institutions that facilitate transactions during the six-month JPOA period (6 months as of January 20, 2014), related to exports of petrochemicals from Iran, provided that such transactions are with certain listed permissible Iranian entities (Annex Entities) and they do not involve persons (entities and individuals) appearing on OFAC's SDN List, and certain Iranian financial institutions except Annex Entities. The Annex Entities are listed toward the end of this Circular.

2. Sanctions which could have been imposed against persons that materially assist, sponsor, or provide financial, material, or technological support for, or goods or services to or in support of, the petrochemical companies that are Annex Entities, provided that the activities do not involve persons on the SDN List other than the petrochemical companies that are Annex Entities or certain Iranian depository institutions.
3. Sanctions which could have been imposed on non-US persons not otherwise subject to the primary US sanctions against Iran who engage in transactions exclusively during the JPOA Period for exports of petrochemical products from Iran that are initiated and completed entirely within the JPOA Period, including transactions involving the petrochemical companies that are Annex Entities, provided that the activities do not involve persons on the SDN List other than the petrochemical companies that are Annex Entities or certain Iranian depository institutions.

Sanctions related to Iran's auto industry

1. The United States will not impose correspondent or payable-through account sanctions with respect to foreign financial institutions that, exclusively during the JPOA Period, knowingly conduct or facilitate financial transactions for the sale, supply, or transfer to Iran of significant goods or services used in connection with the automotive sector of Iran that are initiated and completed entirely within the JPOA Period, provided that the transactions do not involve persons on the SDN List other than certain Iranian depository institutions.
2. The United States will not impose sanctions with respect to persons that knowingly engage in transactions for the sale, supply, or transfer to Iran of significant goods or services used in connection with the automotive sector of Iran that are initiated and completed entirely within the JPOA Period, provided that the transactions do not involve persons on the SDN List other than certain Iranian depository institutions.

Sanctions related to gold and other precious metals

The United States will take the following steps to allow for the sale of gold and other precious metals to or from Iran, as well as the provision of associated services, by non-US persons not otherwise subject to the primary US sanctions against Iran:

1. The United States will not impose correspondent or payable-through account sanctions with respect to foreign financial institutions that, exclusively during the JPOA Period, conduct or facilitate transactions by non-US persons not otherwise subject to the primary U.S. sanctions against Iran for the purchase or acquisition of precious metals to or from Iran that are initiated and completed entirely within the JPOA Period, provided that the funds for these purchases of gold and other precious metals may not be drawn from Restricted Funds and further provided that the transactions do not involve persons on the SDN List other than certain political subdivisions, agencies, or instrumentalities of the Government of Iran or certain Iranian depository institutions.
2. The United States, with respect to persons that, exclusively during the JPOA Period, materially assist, sponsor, or provide financial, material, or technological support for, or goods or services in support of, the purchase or acquisition of precious metals to or from Iran or by the Government of Iran if such activities are initiated and completed entirely within the JPOA Period, provided that the funds for these purchases of gold and other precious metals are not drawn from Restricted Funds, and further provided that the transactions do not involve

persons on the SDN List other than certain permissible political subdivisions, agencies, or instrumentalities of the Government of Iran or certain Iranian depository institutions.

Sanctions related to civil aviation

1. Statement of Licensing Policy: OFAC will issue a new Statement of Licensing Policy (SLP) that covers certain activities related to the safety of Iran's civil aviation industry. The SLP will establish, during the JPOA Period, a favorable licensing policy regime under which US persons, US-owned or -controlled foreign entities, and non-US persons involved in the export of US-origin goods can request specific authorization from OFAC to engage in transactions that are initiated and completed entirely within the JPOA Period to ensure the safe operation of Iranian commercial passenger aircraft, including transactions involving Iran Air.
2. The United States will not impose correspondent or payable-through account sanctions on foreign financial institutions that, exclusively during the JPOA Period, conduct or facilitate financial transactions relating to the type of activities covered by the SLP that are conducted on behalf of non-US persons not otherwise subject to the primary US sanctions against Iran, provided such activities are initiated and completed entirely within the JPOA Period, and further provided that the transactions do not involve persons on the SDN List other than Iran Air or certain Iranian depository institutions.
3. The United States will not impose blocking sanctions with respect to persons that, exclusively during the JPOA Period, materially assist, sponsor, or provide financial, material, or technological support for, or goods or services to or in support of, Iran Air in connection with activities intended to ensure the safe operation of Iranian commercial passenger aircraft, provided such activities are outlined in the JPOA and are initiated and completed entirely within the JPOA Period and do not involve persons on the SDN List other than Iran Air or certain Iranian depository institutions.

Sanctions related to Iran's export of crude oil

JPOA provides for certain sanctions relief related to Iran's crude oil sales. Under the JPOA, the United States will "pause efforts to further reduce Iran's crude oil sales, enabling Iran's current customers to purchase their current average amounts of crude oil. Enable the repatriation of an agreed amount of revenue held abroad. For such oil sales, suspend US sanctions on associated insurance and transportation services." To implement this provision of the JPOA, the United States will take the following steps to allow for China, India, Japan, the Republic of Korea, Taiwan, and Turkey to maintain their current average level of imports from Iran during the JPOA Period and to render non-sanctionable a limited number of transactions for the release in installments of an agreed amount of revenue to Iran for receipt at participating foreign financial institutions in selected jurisdictions.

1. The United States will not impose correspondent or payable-through account sanctions with respect to foreign financial institutions that conduct or facilitate transactions exclusively during the JPOA Period by non-US persons not otherwise subject to the primary US sanctions against Iran for exports of petroleum and petroleum products from Iran to China, India, Japan, the Republic of Korea, Taiwan, or Turkey, and associated insurance and transportation services, that are initiated and completed entirely within the JPOA Period, including transactions involving the National Iranian Oil Company (NIOC) or the National Iranian Tanker Company (NITC), provided that the transactions do not involve persons on the SDN List other than NIOC, NITC, or certain Iranian depository institutions.

2. The United States will not impose blocking sanctions with respect to non-US persons not otherwise subject to the primary US sanctions against Iran that, exclusively during the JPOA Period, materially assist, sponsor, or provide financial, material, or technological support for, or goods or services in support of, exports of petroleum and petroleum products from Iran to China, India, Japan, the Republic of Korea, Taiwan, or Turkey, and associated insurance and transportation services, including for activities involving NIOC or NITC, provided such activities are initiated and completed entirely within the JPOA Period, and further provided that the activities do not involve persons on the SDN List other than NIOC, NITC, or certain Iranian depository institutions.
3. The United States will not impose sanctions on non-US persons not otherwise subject to the primary US sanctions against Iran who engage in transactions exclusively during the JPOA Period for exports of petroleum and petroleum products from Iran to China, India, Japan, the Republic of Korea, Taiwan, or Turkey, and associated insurance and transportation services, including transactions involving NIOC or NITC, provided such activities are initiated and completed entirely within the JPOA Period, and further provided that the activities do not involve persons on the SDN List other than NIOC, NITC, or certain Iranian depository institutions.

Facilitation of humanitarian and certain other transactions

Mechanisms will be established to further facilitate the purchase of, and payment for, the export of food, agricultural commodities, medicine, and medical devices to Iran, as well as to facilitate Iran's payments of UN obligations, Iran's payments for medical expenses incurred abroad by Iranian citizens, and Iran's payments of an agreed amount of governmental tuition assistance for Iranian students studying abroad. Foreign financial institutions whose involvement in hosting these new mechanisms is sought by Iran will be contacted directly by the US Department of the Treasury and provided specific guidance.

The new mechanism for humanitarian trade transactions is not the exclusive way to finance or facilitate the sale of food, agricultural commodities, medicine, and medical devices to Iran by non-US persons not otherwise subject to the primary US sanctions against Iran, which is not generally sanctionable so long as the transaction does not involve persons designated in connection with Iran's support for international terrorism or Iran's proliferation of weapons of mass destruction (WMD) or WMD delivery systems. Therefore, transactions for the export of food, agricultural commodities, medicine, and medical devices to Iran generally may be processed pursuant to pre-existing exceptions and are not required to be processed through the new mechanism.

Waivers

To enable the implementation of the sanctions relief outlined in the JPOA and described above, the United States has issued limited waivers of sanctions in connection with exports of crude oil from Iran to China, India, Japan, the Republic of Korea, Taiwan, and Turkey and for transactions related to the release in installments of an agreed amount of revenues to Iran for receipt at participating foreign financial institutions in selected jurisdictions and the establishment of the financial channel provided for in the JPOA.



The Annex Entities:

These are as follows:

1. Bandar Imam Petrochemical Company;
2. Bou Ali Sina Petrochemical Company;
3. Ghaed Bassir Petrochemical Products Company;
4. Iran Petrochemical Commercial Company;
5. Jam Petrochemical Company;
6. Marjan Petrochemical Company;
7. Mobin Petrochemical Company;
8. National Petrochemical Company;
9. Nouri Petrochemical Company;
10. Pars Petrochemical Company;
11. Sadaf Petrochemical Assaluyeh Company;
12. Shahid Tondgooyan Petrochemical Company;
13. Shazand Petrochemical Company; and
14. Tabriz Petrochemical Company.

Questions and guidance

For any questions regarding any aspect of the foregoing or with respect to Iran and other sanctions in general and for confirmations as to the availability of cover for voyages to and/or from Iran, please contact: Charles J. Cuccia, Senior Vice President – Compliance & Enterprise Risk Management, ph +1 212 847 4539, mob +1 917 215 2883, charles.cuccia@american-club.com.

Yours faithfully,


Joseph E. M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB

January 20, 2014

U.S. DEPARTMENT OF THE TREASURY

U.S. DEPARTMENT OF STATE

**GUIDANCE RELATING TO THE PROVISION OF CERTAIN TEMPORARY
SANCTIONS RELIEF IN ORDER TO IMPLEMENT THE JOINT PLAN OF ACTION
REACHED ON NOVEMBER 24, 2013, BETWEEN THE P5+1 AND THE ISLAMIC
REPUBLIC OF IRAN**

On November 24, 2013, the United States and its partners in the P5+1 reached an initial understanding with Iran, outlined in a Joint Plan of Action (JPOA), that halts progress on Iran's nuclear program and rolls it back in key respects. In return for Iran's commitment to place meaningful limits on its nuclear program, the P5+1 committed to provide Iran with limited, targeted, and reversible sanctions relief for a six-month period. In furtherance of the U.S. Government's (USG) commitments under the JPOA, the U.S. Department of State and the U.S. Department of the Treasury will implement sanctions relief relating to certain activities and associated services taking place exclusively during the six-month period beginning on January 20, 2014, and ending July 20, 2014 (the "JPOA Period"), as set out below. The USG retains the authority to revoke this limited sanctions relief at any time if Iran fails to meet its commitments under the JPOA.

For purposes of the JPOA sanctions relief, the USG interprets the term "associated service" to mean any necessary service – including any insurance, transportation, or financial service – ordinarily incident to the underlying activity covered by the JPOA, provided, however, that unless otherwise noted, such services may not involve persons identified on the Department of the Treasury's Office of Foreign Assets Control's (OFAC) List of Specially Designated Nationals and Blocked Persons (SDN List).

The USG retains the authority to continue imposing sanctions under the authorities identified below during the JPOA Period for activities that occurred prior to January 20, 2014. Moreover, the USG retains the authority to impose sanctions under the authorities outlined below for activities occurring during the JPOA Period to the extent such activities are materially inconsistent with sanctions relief described in the JPOA and outlined in this guidance. The USG also retains the authority to continue imposing sanctions during the JPOA Period for activities occurring before and during the JPOA Period under other authorities, such as those used to combat terrorism and the proliferation of weapons of mass destruction. During the JPOA Period, the USG will continue to vigorously enforce our sanctions against Iran, including by taking action against those who seek to evade or circumvent our sanctions.

Please note that, with the exception of civil aviation activities described in section IV and the humanitarian channel described in section VI below, none of the sanctions relief outlined in this

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guidance may involve a U.S. person, or, as applicable, a foreign entity owned or controlled by a U.S. person,¹ if otherwise prohibited under any sanctions program administered by the USG.

I. Sanctions Related to Iran’s Export of Petrochemical Products

The JPOA provides for the temporary suspension of U.S. sanctions on “*Iran’s petrochemical exports, as well as sanctions on any associated services.*” To implement this provision of the JPOA, the USG will take the following steps to allow for the export of petrochemical products from Iran, as well as associated services, by non-U.S. persons not otherwise subject to section 560.215 of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR), (hereinafter “non-U.S. persons not otherwise subject to the ITSR”):

1. ***Correspondent or Payable-Through Account Sanctions***: The USG will not impose correspondent or payable-through account sanctions under section 1(a)(iii) of Executive Order (E.O.) 13622 (as amended by section 16(b) of E.O. 13645); section 3(a)(i) of E.O. 13645; and sections 561.204(a) and 561.204(b)(3) of the Iranian Financial Sanctions Regulations, 31 C.F.R. part 561 (IFSR), on foreign financial institutions that conduct or facilitate transactions that are initiated and completed entirely within the JPOA Period by non-U.S. persons not otherwise subject to the ITSR for exports of petrochemical products² from Iran that are initiated and completed entirely within the JPOA Period, including transactions involving the petrochemical companies listed in the Annex to this guidance, provided that the transactions do not involve persons on the SDN List other than the petrochemical companies listed in the Annex to this guidance or any Iranian depository institutions³ listed solely pursuant to E.O. 13599.
2. ***Blocking Sanctions***: The USG will not impose blocking sanctions under section 2(a)(i)-(ii) of E.O. 13645 with respect to persons that, exclusively during the JPOA Period, materially assist, sponsor, or provide financial, material, or technological support for, or goods or services to or in support of, the petrochemical companies listed in the Annex to this guidance for exports of petrochemical products from Iran that are initiated and completed entirely within the JPOA Period, provided that the activities do not involve

¹ Consistent with section 218 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (TRA) and with section 560.215 of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR), foreign entities that are owned or controlled by U.S. persons (“U.S.-owned or -controlled foreign entities”) are subject to the ITSR.

² For purposes of this guidance, the USG is interpreting the term “petrochemicals,” as used in the JPOA, as having the meaning given to the term “petrochemical products” in, *inter alia*, section 10(m) of E.O. 13622; therefore, the term includes any aromatic, olefin, and synthesis gas, and any of their derivatives, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea. For further information on what products are considered to fall within this definition of “petrochemical products” see the November 13, 2012 State Department Sanctions Information and Guidance, 77 Fed. Reg. 67726-67731.

³ For purposes of this guidance, as defined in section 14(g) of E.O. 13645, the term “Iranian depository institution” means any entity (including foreign branches), wherever located, organized under the laws of Iran or any jurisdiction within Iran, or owned or controlled by the Government of Iran, or in Iran, or owned or controlled by any of the foregoing, that is engaged primarily in the business of banking (for example, banks, savings banks, savings associations, credit unions, trust companies, and bank holding companies).

persons on the SDN List other than the petrochemical companies listed in the Annex to this guidance or any Iranian depository institutions listed solely pursuant to E.O. 13599.

3. **Menu-based Sanctions:**⁴ The USG will not impose sanctions under section 2(a)(ii) of E.O. 13622 (as amended by section 16(d) of E.O. 13645) on non-U.S. persons not otherwise subject to the ITSR who engage in transactions exclusively during the JPOA Period for exports of petrochemical products from Iran that are initiated and completed entirely within the JPOA Period, including transactions involving the petrochemical companies listed in the Annex to this guidance, provided that the activities do not involve persons on the SDN List other than the petrochemical companies listed in the Annex to this guidance or any Iranian depository institutions listed solely pursuant to E.O. 13599.

In addition, please see section VII below, which describes the exercise of certain waiver authorities relevant to the activities and transactions described in this section.

II. Sanctions Related to Iran's Auto Industry

The JPOA provides for the temporary suspension of U.S. sanctions on “*Iran's auto industry, as well as sanctions on associated services.*” To implement this provision, the USG will take the following steps to allow for the sale, supply, or transfer to Iran of significant goods or services used in connection with the automotive sector of Iran, as well as the provision of associated services by non-U.S. persons not otherwise subject to the ITSR:

1. **Correspondent or Payable-through Account Sanctions:** The USG will not impose correspondent or payable-through account sanctions under section 3(a)(ii) of E.O. 13645 with respect to foreign financial institutions that, exclusively during the JPOA Period, knowingly conduct or facilitate financial transactions for the sale, supply, or transfer to Iran of significant goods or services used in connection with the automotive sector of Iran that are initiated and completed entirely within the JPOA Period, provided that the transactions do not involve persons on the SDN List other than any Iranian depository institutions listed solely pursuant to E.O. 13599.
2. **Menu-based Sanctions:** The USG will not impose sanctions described in section 6 of E.O. 13645 with respect to persons that, as described in section 5(a) of E.O. 13645, knowingly engage in transactions for the sale, supply, or transfer to Iran of significant goods or services used in connection with the automotive sector of Iran that are initiated and completed entirely within the JPOA Period, provided that the transactions do not involve persons on the SDN List other than any Iranian depository institutions listed solely pursuant to E.O. 13599.

In addition, please see section VII below, which describes the exercise of certain waiver authorities relevant to the activities and transactions described in this section.

⁴ E.O. 13622 and 13645, among others, describe menus of sanctions that the USG may impose in response to certain conduct specified within other sections of the relevant E.O. For the purposes of this guidance, such sanctions are termed “Menu-based Sanctions.”

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III. Sanctions Related to Gold and Other Precious Metals

The JPOA provides for the temporary suspension of U.S. sanctions on “*gold and precious metals, as well as sanctions on associated services.*” To implement this provision of the JPOA, the USG will take the following steps to allow for the sale of gold and other precious metals to or from Iran, as well as the provision of associated services, by non-U.S. persons not otherwise subject to the ITSR:

1. ***Correspondent or Payable-through Account Sanctions:*** The USG will not impose correspondent or payable-through account sanctions under section 3(a)(i) of E.O. 13645 with respect to foreign financial institutions that, exclusively during the JPOA Period, conduct or facilitate transactions by non-U.S. persons not otherwise subject to the ITSR for the purchase or acquisition of precious metals to or from Iran that are initiated and completed entirely within the JPOA Period, provided that the funds for these purchases of gold and other precious metals may not be drawn from Restricted Funds,⁵ and further provided that the transactions do not involve persons on the SDN List other than any political subdivision, agency, or instrumentality of the Government of Iran listed solely pursuant to E.O. 13599 or any Iranian depository institutions listed solely pursuant to E.O. 13599.
2. ***Blocking Sanctions:*** The USG will not impose blocking sanctions under section 5(a) of E.O. 13622; sections 2(a)(i)-(ii) of E.O. 13645; and section 560.211(c)(2) of the ITSR, with respect to persons that, exclusively during the JPOA Period, materially assist, sponsor, or provide financial, material, or technological support for, or goods or services in support of, the purchase or acquisition of precious metals to or from Iran or by the Government of Iran if such activities are initiated and completed entirely within the JPOA Period, provided that the funds for these purchases of gold and other precious metals are not drawn from Restricted Funds, and further provided that the transactions do not involve persons on the SDN List other than any political subdivision, agency, or instrumentality of the Government of Iran listed solely pursuant to E.O. 13599 or any Iranian depository institutions listed solely pursuant to E.O. 13599.

In addition, please see section VII below, which describes the exercise of certain waiver authorities relevant to the activities and transactions described in this section.

IV. Sanctions Related to Civil Aviation

The JPOA provides for the temporary licensing of “*the supply and installation in Iran of spare parts for safety of flight for Iranian civil aviation and associated services. License safety related inspections and repairs in Iran as well as associated services.*” To implement this provision, the USG will take the following steps:

⁵ For the purposes of this guidance, the term “Restricted Funds” refers to: (i) any existing and future revenues from the sale of Iranian petroleum or petroleum products, wherever they may be held, and (ii) any Central Bank of Iran (CBI) funds, with certain exceptions for non-petroleum CBI funds held at a foreign country’s central bank.

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1. **Statement of Licensing Policy:** OFAC will issue a new Statement of Licensing Policy (SLP) that covers certain activities related to the safety of Iran's civil aviation industry. The SLP will establish, during the JPOA Period, a favorable licensing policy regime under which U.S. persons, U.S.-owned or -controlled foreign entities, and non-U.S. persons involved in the export of U.S.-origin goods can request specific authorization from OFAC to engage in transactions that are initiated and completed entirely within the JPOA Period to ensure the safe operation of Iranian commercial passenger aircraft, including transactions involving Iran Air.
2. **Correspondent or Payable-through Account Sanctions:** The USG will not impose correspondent or payable-through account sanctions under section 3(a)(i) of E.O. 13645 and section 561.201(a)(5)(ii) of the IFSR on foreign financial institutions that, exclusively during the JPOA Period, conduct or facilitate financial transactions relating to the type of activities covered by the SLP that are conducted on behalf of non-U.S. persons not otherwise subject to the ITSR, provided such activities are initiated and completed entirely within the JPOA Period, and further provided that the transactions do not involve persons on the SDN List other than Iran Air or any Iranian depository institutions listed solely pursuant to E.O. 13599.
3. **Blocking Sanctions:** The USG will not impose blocking sanctions under section 1(a)(iii) of E.O.13382; sections 2(a)(i)-(ii) of E.O. 13645; and section 544.201(a)(3) of the Weapons of the Mass Destruction Proliferators Sanctions Regulations, 31 C.F.R. part 544 (WMDPSR), with respect to persons that, exclusively during the JPOA Period, materially assist, sponsor, or provide financial, material, or technological support for, or goods or services to or in support of, Iran Air in connection with activities intended to ensure the safe operation of Iranian commercial passenger aircraft, provided such activities are outlined in the JPOA and are initiated and completed entirely within the JPOA Period and do not involve persons on the SDN List other than Iran Air or any Iranian depository institutions listed solely pursuant to E.O. 13599.

In addition, please see Section VII below, which describes the exercise of certain waiver authorities relevant to the activities and transactions described in this section.

V. Sanctions Related to Iran's Export of Crude Oil

The JPOA provides for certain sanctions relief related to Iran's crude oil sales. Under the JPOA, the USG will “*pause efforts to further reduce Iran's crude oil sales, enabling Iran's current customers to purchase their current average amounts of crude oil. Enable the repatriation of an agreed amount of revenue held abroad. For such oil sales, suspend U.S. sanctions on associated insurance and transportation services.*” To implement this provision of the JPOA, the USG will take the following steps to allow for China, India, Japan, the Republic of Korea, Taiwan, and Turkey to maintain their current average level of imports from Iran during the JPOA Period and to render non-sanctionable a limited number of transactions for the release in installments of an agreed amount of revenue to Iran for receipt at participating foreign financial institutions in selected jurisdictions:

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1. **Correspondent or Payable-through Account Sanctions:** The USG will not impose correspondent or payable-through account sanctions under sections 1(a)(i)-(ii) of E.O. 13622 (as amended by section 16(a) of E.O. 13645); section 3(a)(i) of E.O. 13645; sections 561.201(a)(5), 561.204(a), and 561.204(b)(1)-(2) of the IFSR with respect to foreign financial institutions that conduct or facilitate transactions exclusively during the JPOA Period by non-U.S. persons not otherwise subject to the ITSR for exports of petroleum and petroleum products from Iran to China, India, Japan, the Republic of Korea, Taiwan, or Turkey, and associated insurance and transportation services, that are initiated and completed entirely within the JPOA Period, including transactions involving the National Iranian Oil Company (NIOC) or the National Iranian Tanker Company (NITC), provided that the transactions do not involve persons on the SDN List other than NIOC, NITC, or any Iranian depository institutions listed solely pursuant to E.O. 13599.⁶
2. **Blocking Sanctions:** The USG will not impose blocking sanctions under section 1(a)(iii) of E.O. 13382; section 5(a) of E.O. 13622; sections 2(a)(i)-(ii) of E.O. 13645; section 544.201(a)(3) of the WMDPSR; and section 560.211(c)(2) of the ITSR with respect to non-U.S. persons not otherwise subject to the ITSR that, exclusively during the JPOA Period, materially assist, sponsor, or provide financial, material, or technological support for, or goods or services in support of, exports of petroleum and petroleum products from Iran to China, India, Japan, the Republic of Korea, Taiwan, or Turkey, and associated insurance and transportation services, including for activities involving NIOC or NITC, provided such activities are initiated and completed entirely within the JPOA Period, and further provided that the activities do not involve persons on the SDN List other than NIOC, NITC, or any Iranian depository institutions listed solely pursuant to E.O. 13599.
3. **Menu-based Sanctions:** The USG will not impose sanctions under section 2(a)(i) of E.O. 13622 (as amended by section 16(c) of E.O. 13645) on non-U.S. persons not otherwise subject to the ITSR who engage in transactions exclusively during the JPOA Period for exports of petroleum and petroleum products from Iran to China, India, Japan, the Republic of Korea, Taiwan, or Turkey, and associated insurance and transportation services, including transactions involving NIOC or NITC, provided such activities are initiated and completed entirely within the JPOA Period, and further provided that the activities do not involve persons on the SDN List other than NIOC, NITC, or any Iranian depository institutions listed solely pursuant to E.O. 13599.

In addition, please see Section VII below, which describes the exercise of certain waiver authorities relevant to the activities and transactions described in this section.

VI. Facilitation of Humanitarian and Certain Other Transactions

The JPOA provides for the establishment of “*a financial channel to facilitate humanitarian trade for Iran’s domestic needs using Iranian oil revenues held abroad. Humanitarian trade [is]*”

⁶ For the purposes of the sanctions relief with respect to Iran’s exports of crude oil described in this section, the term “associated insurance and transportation services” means insurance and transportation services ordinarily incident to the underlying activity covered by the JPOA, provided, however, such services may not involve persons on the SDN List other than NIOC, NITC, or any Iranian depository institutions listed solely pursuant to E.O. 13599.

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defined as transactions involving food and agricultural products, medicine, medical devices, and medical expenses incurred abroad. This channel could also enable transactions required to pay Iran's UN obligations...and direct tuition payments to universities and colleges for Iranian students studying abroad." In furtherance of the JPOA, the P5 + 1 and Iran are establishing mechanisms to further facilitate the purchase of, and payment for, the export of food, agricultural commodities, medicine, and medical devices to Iran, as well as to facilitate Iran's payments of UN obligations, Iran's payments for medical expenses incurred abroad by Iranian citizens, and Iran's payments of an agreed amount of governmental tuition assistance for Iranian students studying abroad. Foreign financial institutions whose involvement in hosting these new mechanisms is sought by Iran will be contacted directly by the U.S. Department of the Treasury and provided specific guidance.

Please note that the new mechanism for humanitarian trade transactions is not the exclusive way to finance or facilitate the sale of food, agricultural commodities, medicine, and medical devices to Iran by non-U.S. persons not otherwise subject to the ITSR, which is not generally sanctionable so long as the transaction does not involve persons designated in connection with Iran's support for international terrorism or Iran's proliferation of weapons of mass destruction (WMD) or WMD delivery systems. Therefore, transactions for the export of food, agricultural commodities, medicine, and medical devices to Iran generally may be processed pursuant to pre-existing exceptions and are not required to be processed through the new mechanism.

In addition, please see Section VII below, which describes the exercise of certain waiver authorities relevant to the activities and transactions described in this section.

VII. Waivers

To enable the implementation of the sanctions relief outlined in the JPOA and described in detail in sections I through VI of this guidance, the USG has issued limited waivers of sanctions under: section 1245(d)(1) of the National Defense Authorization Act for Fiscal Year 2012 (NDAA) in connection with exports of crude oil from Iran to China, India, Japan, the Republic of Korea, Taiwan, and Turkey and for transactions related to the release in installments of an agreed amount of revenues to Iran for receipt at participating foreign financial institutions in selected jurisdictions and the establishment of the financial channel provided for in the JPOA; section 302(a) of the TRA with respect to certain transactions involving NIOC; section 5(A)(7) of ISA with respect to certain transactions involving NIOC and NITC; and the following sub-sections of IFCA:

1. 1244(c)(1) – to the extent required for transactions by non-U.S. persons (and, in the case of the civil aviation activities described in section IV, U.S. persons): (i) for Iran's export of crude oil to China, India, Japan, the Republic of Korea, Taiwan, and Turkey, excluding any transactions involving persons on the SDN List other than NIOC and NITC; (ii) for the export from Iran of petrochemical products, excluding any transactions involving persons on the SDN List other than the petrochemical companies listed in the Annex to this guidance; (iii) for the sale of precious metals to or from Iran, excluding any transactions involving persons on the SDN List other than any political subdivision, agency, or instrumentality of the Government of Iran listed solely pursuant to E.O. 13599; and (iv) for the supply and installation of spare parts necessary for the safety of

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Iranian civil aviation flights and for safety-related inspections and repairs in Iran, excluding any transactions involving persons on the SDN List other than Iran Air.

2. 1244(d) – to the extent required for transactions by non-U.S. persons related to Iran’s export of crude oil to China, India, Japan, the Republic of Korea, Taiwan, and Turkey, excluding any transactions involving persons on the SDN List other than NIOC and NITC.
3. 1245(a)(1)(A) and 1245(c) – to the extent required for transactions by non-U.S. persons for the sale, supply, or transfer of precious metals to or from Iran, provided that such transactions do not involve persons on the SDN List other than any political subdivision, agency, or instrumentality of the Government of Iran listed solely pursuant to E.O. 13599 or any Iranian depository institutions listed solely pursuant to E.O. 13599, and further provided that such transactions do not involve funds credited to an account located outside Iran pursuant to section 1245(d)(4)(D)(ii)(II) of NDAA.
4. 1246(a) – to the extent required for transactions by non-U.S. persons (and, in the case of the civil aviation activities described in section IV, U.S. persons) for: (i) Iran’s exports of crude oil to China, India, Japan, the Republic of Korea, Taiwan, and Turkey, excluding any transactions involving persons on the SDN List other than NIOC and NITC; (ii) the export from Iran of petrochemical products, excluding any transactions involving persons on the SDN List other than the petrochemical companies listed in the Annex to this guidance; (iii) the sale of precious metals to or from Iran, excluding any transactions involving persons on the SDN List other than any political subdivision, agency, or instrumentality of the Government of Iran listed solely pursuant to E.O. 13599; (iv) the sale, supply, or transfer to Iran of goods and services used in connection with the automotive sector of Iran, excluding any transactions involving persons on the SDN List; and (v) the supply and installation of spare parts necessary for the safety of Iranian civil aviation flights and for safety-related inspections and repairs in Iran, excluding any transactions involving persons on the SDN List other than Iran Air.
5. 1247(a) – to the extent required for transactions by foreign financial institutions on behalf of: (i) NIOC and NITC related to Iran’s exports of crude oil to China, India, Japan, the Republic of Korea, Taiwan, and Turkey; (ii) the entities listed in the Annex to this guidance for the export of petrochemical products from Iran; (iii) any political subdivision, agency, or instrumentality of the Government of Iran on the SDN List solely pursuant to E.O. 13599 for the sale of precious metals to or from Iran; and (iv) Iran Air for the supply and installation of spare parts necessary for the safety of Iranian civil aviation flights and for safety-related inspections and repairs in Iran.

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ANNEX

1. Bandar Imam Petrochemical Company;
2. Bou Ali Sina Petrochemical Company;
3. Ghaed Bassir Petrochemical Products Company;
4. Iran Petrochemical Commercial Company;
5. Jam Petrochemical Company;
6. Marjan Petrochemical Company;
7. Mobin Petrochemical Company;
8. National Petrochemical Company;
9. Nouri Petrochemical Company;
10. Pars Petrochemical Company;
11. Sadaf Petrochemical Assaluyeh Company;
12. Shahid Tondgooyan Petrochemical Company;
13. Shazand Petrochemical Company; and
14. Tabriz Petrochemical Company.

OFFICE OF FOREIGN ASSETS CONTROL

Iranian Transactions and Sanctions Regulations
31 C.F.R. Part 560

Weapons of Mass Destruction Proliferators Sanctions Regulations
31 C.F.R. Part 544

**STATEMENT OF LICENSING POLICY ON ACTIVITIES RELATED TO THE
SAFETY OF IRAN'S CIVIL AVIATION INDUSTRY**

Consistent with current U.S. foreign policy, the following Statement of Licensing Policy establishes a favorable licensing policy regime through which persons can request specific authorization from OFAC to engage in transactions to ensure the safe operation of Iranian commercial passenger aircraft, including transactions involving Iran Air, but excluding all other Iranian airlines listed on OFAC's Specially Designated Nationals and Blocked Persons List.

Specific licenses may be issued on a case-by-case basis to authorize persons to engage in transactions intended to ensure the safe operation of Iranian commercial passenger aircraft that are otherwise prohibited by the Iranian Transactions and Sanctions Regulations, 31 C.F.R. Part 560, and the Weapons of Mass Destruction Proliferators Sanctions Regulations, 31 C.F.R. Part 544. The activities that may be licensed include, but are not limited to, the exportation and reexportation of: services related to the inspection of commercial aircraft and parts in Iran or a third country; services related to the repair or servicing of commercial aircraft in Iran or a third country; and goods or technology, including spare parts, to Iran or a third country.

Applications for specific licenses pursuant to this Statement of Licensing Policy may be submitted online at: <http://www.treasury.gov/resource-center/sanctions/Pages/licensing.aspx>, or alternatively by mail or courier pursuant to section 501.801 of the Reporting, Procedures and Penalties Regulations, 31 C.F.R. Part 501, to the Office of Foreign Assets Control, U.S. Department of the Treasury, Treasury Annex, 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220, Attn: Iran Civil Aviation. Please provide complete details of all transactions for which authorization is sought, including U.S. Department of Commerce Export Control Classification Numbers for all U.S.-origin goods and technology to be exported to Iran and information demonstrating that proposed transactions are for safety of flight.

Note 1: Specific licenses issued pursuant to this Statement of Licensing Policy will expire on July 20, 2014, and all activities undertaken pursuant to specific licenses issued pursuant to this Statement of Licensing Policy must be completed by July 20, 2014.

Note 2: Specific license applications will also be evaluated in light of the Iran-Iraq Arms Non-Proliferation Act and any other relevant statutes, as appropriate.

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Frequently Asked Questions Relating to the Temporary Sanctions Relief to Implement the Joint Plan of Action between the P5 + 1 and the Islamic Republic of Iran

1. Q: What types of sanctions relief are provided to Iran pursuant to the Joint Plan of Action (JPOA), reached on November 24, 2013, between the P5 + 1 and the Islamic Republic of Iran?

In the [JPOA](#) the U.S. government (USG) has committed to suspend temporarily certain sanctions involving Iran's purchase and sale of gold and other precious metals, Iran's export of petrochemical products, Iran's automotive industry, and certain associated services¹ regarding each of the foregoing. The JPOA also includes a commitment to establish financial channels to facilitate Iran's import of certain humanitarian goods to Iran, payment of medical expenses incurred by Iranians abroad, payments of Iran's UN obligations, and payments of \$400 million in governmental tuition assistance for Iranian students studying abroad. In addition, the JPOA includes a commitment to license certain transactions related to the safety of Iran's civil aviation industry. Finally, in the JPOA the USG has committed to pause efforts to further reduce Iran's crude oil exports and to enable Iran to access \$4.2 billion in Restricted Funds² in installments over the course of the six-month period beginning January 20, 2014, and ending July 20, 2014 (the JPOA Period). Unless otherwise noted, these relief measures do not include transactions with persons on the U.S. Treasury Department's Office of Foreign Assets Control's (OFAC) List of Specially Designated Nationals and Blocked Persons (the SDN List) (<http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>).

The USG will continue to vigorously enforce our sanctions against Iran that are not subject to the limited relief provided pursuant to the JPOA, including by taking action against those who seek to evade or circumvent our sanctions. The USG also retains the authority to revoke this limited sanctions relief at any time if Iran fails to meet its commitments under the JPOA.

2. Q: How does the JPOA impact U.S. sanctions on Iran?

Except for the limited, temporary, and reversible relief provided pursuant to the JPOA, all U.S. sanctions with respect to Iran, including financial sanctions, sanctions pertaining to the purchase of Iranian crude oil, and sanctions on investment in Iran's energy and petrochemical sectors, remain in effect with respect to U.S. and non-U.S. persons. The relief provided in the JPOA only pertains to conduct and transactions fully completed during the JPOA Period, and, with limited

¹ The term "associated service" means any necessary service – including any insurance, transportation or financial service – ordinarily incident to the underlying activity for which sanctions relief has been provided pursuant to the JPOA, except in the case of Iran's exports of crude oil, for which the JPOA only references associated insurance and transportation services. Unless otherwise noted, such services may not involve persons identified on the U.S. Treasury Department's Office of Foreign Assets Control's List of Specially Designated Nationals and Blocked Persons.

² The term "Restricted Funds" refers to: (i) any existing and future revenues from the sale of Iranian petroleum or petroleum products, wherever they may be held, and (ii) any Central Bank of Iran (CBI) funds, with certain exceptions for non-petroleum CBI funds held at a foreign country's central bank. See Question 6 for a more detailed discussion of Restricted Funds.

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exceptions, involves only certain sanctions on non-U.S. persons not otherwise subject to section 560.215 of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR) (hereinafter “non-U.S. persons not otherwise subject to the ITSR”), as described in more detail in these FAQs.³ U.S. persons and U.S.-owned or -controlled foreign entities continue to be generally prohibited from conducting transactions with Iran, including any transactions of the types permitted pursuant to the JPOA, unless licensed to do so by OFAC.

For additional details regarding the steps taken by the USG to temporarily relieve sanctions with respect to Iran pursuant to the JPOA, see [Guidance Relating to the Provision of Certain Temporary Sanctions Relief](#).

3. Q: Are U.S. persons able to engage in any of the transactions with Iran outlined in the JPOA?

U.S. persons and U.S.-owned or -controlled foreign entities continue to be generally prohibited from conducting transactions with Iran, including any transactions of the types permitted pursuant to the JPOA, unless licensed to do so by OFAC. This prohibition includes any associated services undertaken in conjunction with activities outlined in the JPOA. Except under limited circumstances such as for humanitarian transactions, the USG has a policy of not authorizing business with Iran. For additional information regarding the licensing of transactions related to the safety of flight for Iranian civil aviation see Question #10 below. U.S. persons and U.S.-owned or -controlled foreign entities may continue to engage in generally or specifically licensed humanitarian-related transactions.

4. Q: The JPOA stipulates that U.S. sanctions on Iran’s petrochemical exports, as well as sanctions on associated services, will be suspended for six months. What does the suspension entail and which petrochemicals are covered?

For the JPOA Period, the USG is suspending certain sanctions on purchases by non-U.S. persons not otherwise subject to the ITSR of petrochemical products exported from Iran as well as associated services that are required to facilitate such transactions. As part of this relief, such transactions exclusively for the export of Iran’s petrochemicals may involve Iranian depository institutions⁴ listed solely pursuant to E.O. 13599 and certain other specified Iranian entities on the SDN List (see Question #5 for a list of these petrochemical companies). Non-U.S. persons not otherwise subject to the ITSR may undertake these specific activities only during the six-month sanctions relief period without exposure to U.S. sanctions, subject to certain conditions explained in the [Guidance Relating to the Provision of Certain Temporary Sanctions Relief](#). The relief provided in the JPOA with respect to Iran’s exports of petrochemical products will expire

³ Consistent with section 218 of the Iran Threat Reduction and Syria Human Rights Act of 2012 and with 31 C.F.R. section 560.215, foreign entities that are owned or controlled by U.S. persons (“U.S.-owned or -controlled foreign entities”) are subject to the ITSR [<http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/answer.aspx#238>].

⁴ For purposes of these FAQs, as defined in section 14(g) of Executive Order 13645, the term “Iranian depository institution” means any entity (including foreign branches), wherever located, organized under the laws of Iran or any jurisdiction within Iran, or owned or controlled by the Government of Iran, or in Iran, or owned or controlled by any of the foregoing, that is engaged primarily in the business of banking (for example, banks, savings banks, savings associations, credit unions, trust companies, and bank holding companies).

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on July 20, 2014, and any transactions, payments, deliveries, or associated services provided in connection with such exports that occur after July 20, 2014, could expose the relevant parties to potential U.S. sanctions.

Petrochemical products from Iran are defined in E.O. 13622 to include any aromatic, olefin, and synthesis gas, and any of their derivatives, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea. Examples of such products include: butene, ethylhexanol, acetic acid, acrylonitrile butadiene styrene, alachlor, ammonium nitrate, ammonium sulfate, anhydrous ammonia, argon, butachlor, C2+, C3+, C4 cut, chlorinated paraffin, chlorine, chloroacetyl chloride, citric acid, diammonium phosphate, diethanolamine, ethylene glycol, diethylene glycol, dioctyl phthalate, dodecyl benzene, ethane, ethoxylates, ethylbenzene, ethylene dichloride, ethylene glycol, ethylene oxide, heavy alkyl benzene, high density polyethylene, hydrochloric acid, isoprene, linear alkyl benzene, linear low density polyethylene, low density polyethylene, melamine, methyl tertiary butyl ether, methylene diphenyl diisocyanate, mid density polyethylene, monoethanolamine, monoethylene glycol, nitric acid, nitrogen, orthoxylene, paraxylene, pentene, perchlorine, phosphoric acid, phthalic anhydride, polybutadiene, polyethylene terephthalate, polypropylene, polystyrene, polyvinyl chloride, propylene, purified terephthalic acid, pyrolysis gasoline, raffinate, soda ash, sodium bicarbonate, sodium carbonate, sodium chloride, sodium hydroxide, sodium hypochlorite, styrene, styrene acrylonitrile copolymer, sulfur, sulfuric acid, styrene butadiene, toluene diisocyanate, triethanolamine, triethylene glycol, and vinyl chloride monomer.⁵

This list, however, is not exhaustive. The term “petrochemical products” does not include finished products derived from these substances, such as pipes, plastic bags, tires, and solvents; it also does not include bitumen, condensates, and other substances considered “petroleum products” under E.O. 13622.⁶

All other sanctions on transactions with respect to Iran's petrochemical industry, including the provision of certain goods and services described in E.O. 13590, remain in place.

5. Q: Does the petrochemical sanctions relief in the JPOA extend to dealings with any SDNs?

As noted above, the USG is temporarily suspending certain sanctions on Iran's exports of petrochemical products as well as associated services that are required to facilitate such transactions. Such transactions may not involve persons on the SDN List, other than Iranian depository institutions listed solely pursuant to E.O. 13599 and the fourteen specified Iranian

⁵ See the Department of State's November 13, 2012, publication in the Federal Register providing an illustrative list of petrochemical products [77 FR 67726, November 13, 2012].

⁶ E.O. 13622 defines “petroleum products” to include unfinished oils, liquefied petroleum gases, pentanes plus, aviation gasoline, motor gasoline, naphtha-type jet fuel, kerosene-type jet fuel, kerosene, distillate fuel oil, residual fuel oil, petrochemical feedstocks, special naphthas, lubricants, waxes, petroleum coke, asphalt, road oil, still gas, and miscellaneous products obtained from the processing of: crude oil (including lease condensate), natural gas, and other hydrocarbon compounds. The term does not include natural gas, liquefied natural gas, biofuels, methanol, and other non-petroleum fuels.

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entities listed below. These fourteen entities may only participate in transactions that are exclusively for the export of petrochemical products from Iran.

- Bandar Imam Petrochemical Company
- Bou Ali Sina Petrochemical Company
- Ghaed Bassir Petrochemical Products Company
- Iran Petrochemical Commercial Company
- Jam Petrochemical Company
- Marjan Petrochemical Company
- Mobin Petrochemical Company
- National Petrochemical Company
- Nouri Petrochemical Company
- Pars Petrochemical Company
- Sadaf Petrochemical Assaluyeh Company
- Shahid Tondgooyan Petrochemical Company
- Shazand Petrochemical Company
- Tabriz Petrochemical Company

Any transaction with these SDNs not for the export of petrochemical products from Iran or associated services that are required to facilitate such transactions will remain sanctionable.

6. Q: The JPOA stipulates that U.S. sanctions related to gold and other precious metals will be suspended for six months. What does the suspension entail?

For the JPOA Period, the USG is suspending sanctions on the sale to and purchase from Iran of gold and other precious metals⁷ by non-U.S. persons not otherwise subject to the ITSR, as well as associated services that are required to facilitate such transactions. Such transactions may not involve persons on the SDN List, other than Iranian depository institutions listed solely pursuant to E.O. 13599 or any political subdivision, agency, or instrumentality of the Government of Iran listed solely pursuant to E.O. 13599.

Notwithstanding the foregoing, Restricted Funds may not be used to purchase gold or other precious metals, even if the transaction would otherwise be considered qualifying bilateral trade (see <http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/answer.aspx#258> for additional information regarding qualifying bilateral trade).

⁷ For purposes of this sanctions relief, “precious metals” includes silver (including silver plated with gold or platinum, unwrought or in semi-manufactured forms, or in powder form); gold (including gold plated with platinum, unwrought or in semi-manufactured forms, or in powder form); base metals or silver, clad with gold, not further worked than semi-manufactured; platinum, unwrought or in semi-manufactured forms, or in powder form; iridium; osmium; palladium; rhodium; ruthenium; base metals, silver or gold, clad with platinum, not further worked than semi-manufactured; waste and scrap of precious metal or of metal clad with precious metals, other waste and scrap containing precious metal or precious-metal compounds, of a kind used principally for the recovery of precious metal.

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7. Q: The JPOA stipulates that U.S. sanctions related to Iran’s automotive industry will be suspended for six months. What does the suspension entail?

For the JPOA Period, the USG is suspending sanctions on the sale, supply, or transfer to Iran of goods (including complete knock-down kits, or CKDs) and services (including shipping, warranty, insurance, and maintenance services) used in connection with the automotive sector⁸ by non-U.S. persons not otherwise subject to the ITSR, as well as associated services that are required to facilitate such transactions. Such transactions may not involve any person on the SDN List, other than Iranian depository institutions listed solely pursuant to E.O. 13599.

8. Q: The JPOA provides that the P5+1 will enable the repatriation of \$4.2 billion of Iranian revenue held abroad. How will this provision be implemented?

The P5 + 1 and Iran have agreed on a process to authorize or facilitate the release in installments over the JPOA Period the specified \$4.2 billion of Iran’s Restricted Funds, and the USG is working with our partners and relevant foreign financial institutions (FFIs) to implement this provision. Unless an FFI is notified directly in writing by the USG that an installment release is not sanctionable, any release or receipt of these installments would expose an FFI to U.S. sanctions.

The installments will be authorized for release on the schedule below, contingent on Iran fulfilling its commitments in the JPOA.

- February 1st - \$550 million
- March 1st - \$450 million (contingent on the IAEA confirming that Iran has completed dilution of half of the stockpile of near-20% enriched uranium it is required to dilute)
- March 7th - \$550 million
- April 10th - \$550 million
- April 15th - \$450 million (contingent on the IAEA confirming that Iran has completed dilution of its entire stockpile of near-20% enriched uranium it is required to dilute)
- May 14th - \$550 million
- June 17th - \$550 million
- July 20th - \$550 million (contingent on the IAEA confirming that Iran has fulfilled all of its commitments)

9. Q: What does the channel to facilitate humanitarian-related transactions do?

Transactions for the sale of food, agricultural commodities, medicine, and medical devices to Iran by non-U.S. persons not otherwise subject to the ITSR are not generally sanctionable, so long as such transactions do not involve persons designated in connection with Iran’s proliferation of weapons of mass destruction (WMD) or WMD delivery systems, or Iran’s

⁸ E.O. 13645 defines the term “automotive sector of Iran” to mean the manufacturing or assembling in Iran of light and heavy vehicles including passenger cars, trucks, buses, minibuses, pick-up trucks, and motorcycles, as well as original equipment manufacturing and after-market parts manufacturing relating to such vehicles.

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support for international terrorism. For prior OFAC guidance on the sale of certain humanitarian-related goods to Iran, see http://www.treasury.gov/resource-center/sanctions/Programs/Documents/hum_exp_iran.pdf and http://www.treasury.gov/resource-center/sanctions/Programs/Documents/iran_guidance_med.pdf.

In furtherance of the JPOA, the P5 + 1 and Iran are establishing a mechanism to further facilitate the purchase of, and payment for, the export of food, agricultural commodities, medicine, and medical devices to Iran, as well as medical expenses incurred abroad by Iranians. FFIs whose involvement is sought by Iran in hosting this new mechanism will be contacted directly by the USG and provided specific guidance. Please note that transactions for the export of food, agricultural commodities, medicine, and medical devices to Iran are not required to be processed through this new mechanism.

10. Q: The JPOA provides that the U.S. will license (i) the supply and installation in Iran of spare parts for safety of flight for Iranian civil aviation and associated services and (ii) safety related inspections and repairs in Iran as well as associated services. What does this entail?

OFAC is issuing a new [Statement of Licensing Policy on Activities Related to the Safety of Iran's Civil Aviation Industry \(SLP\)](#) explaining how it intends to license the supply and installation of spare parts to ensure the safe operation of Iranian commercial passenger aircraft (including transactions with Iran Air) and associated services and safety related inspections and repairs. U.S. persons, U.S.-owned or -controlled foreign entities, and persons involved in the export of U.S.-origin goods that are interested in providing such parts and services should review the SLP to determine if their contemplated transaction is consistent with its provisions and, if so, apply for a specific license from OFAC. In addition, sanctions on the conduct of activities of a type covered by the SLP by non-U.S. persons not otherwise subject to the ITSR have been temporarily suspended.

Applicants for specific licenses pursuant to the SLP will be required to provide complete details of all transactions for which authorization is sought, including U.S. Department of Commerce Export Control Classification Numbers for all U.S.-origin goods and technology to be exported or re-exported to Iran. Any parts or services provided to Iran pursuant to licenses issued consistent with the SLP, and payments relating thereto, must be provided within the JPOA Period. Applications for specific licenses may be submitted online at: <http://www.treasury.gov/resource-center/sanctions/Pages/licensing.aspx>, or alternatively by mail or courier pursuant to section 501.801 of the Reporting, Procedures and Penalties Regulations, 31 C.F.R. Part 501, to the Office of Foreign Assets Control, U.S. Department of the Treasury, Treasury Annex, 1500 Pennsylvania Avenue, N.W. Washington, D.C. 20220.

11. Q: What does the pause in the reduction of imports in Iranian crude oil mean?

The core architecture for oil sanctions on Iran remains in place under all statutes and Executive orders. For the JPOA Period, however, the USG will not seek further reductions from the current purchasers of Iranian crude oil – China, India, Japan, the Republic of Korea, Taiwan, and Turkey – so that they can maintain their current average level of imports from Iran, but they may

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not increase their average quantities of Iranian crude oil imports during that period. All other U.S. sanctions on Iran's energy sector – including sanctions on providing goods and services to, or investment in, the energy sector – remain fully in force.

12. Q: If contracts related to activities for which sanctions relief has been provided pursuant to the JPOA are entered into during the six-month period, and such contracts terminate after the period ends, will transactions or other activities undertaken pursuant to those contracts after the end of the six months be sanctionable?

Yes. The temporary suspension of sanctions applies only to activities that are initiated and completed entirely within the JPOA Period, and not to activities undertaken before or after that period, even if they are undertaken pursuant to contracts entered into during the JPOA Period. Any conduct for which sanctions have been suspended pursuant to the JPOA that occurs after July 20, 2014, will not qualify for relief pursuant to the JPOA.

For example, if a contract is entered into on January 25, 2014, for the sale of CKDs to be delivered to Iran on July 25, 2014, the delivery of such CKDs after July 20, 2014, could be sanctionable because it falls outside of the six-month relief period. Similarly, any payments relating to such CKDs received outside of the six-month relief period could be sanctionable.

13. Q: Will payment received during the six-month period of the JPOA for activity covered by the JPOA that took place prior to start of the suspension of sanctions benefit from the sanctions relief?

Transactions related to sanctionable conduct that began prior to January 20, 2014, and for which a temporary suspension of sanctions has been provided pursuant to the JPOA, would still have exposure to U.S. sanctions.

14. Q: How does the temporary relief provided by the JPOA affect the provision of insurance for transactions involving Iran?

To the extent that the provision of insurance or reinsurance is an associated service of an activity for which the JPOA provides temporary relief, the provision of that insurance or reinsurance during the JPOA Period would not be sanctionable. Otherwise, sanctions on the provision of insurance or reinsurance for certain types of activities involving Iran remain in place.

15. Q. Are transactions with Tidewater Middle East Co. still sanctionable?

Yes. Transactions with Tidewater Middle East Co. remain sanctionable, even if they are related to activities for which a temporary suspension of sanctions has otherwise been provided pursuant to the JPOA (for additional information see <http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/answer.aspx#315>).