

## NEWSLETTER 2/2016 (12 April 2016)

### “Iran - Sanctions Regime”

„Iran sanctions lifted” and similar headlines could be read in newspapers around the world lately. Is it possible to do business with Iran now without being limited by legal constraints? Were really all sanctions lifted?

The European Community (as foreseen in the so-called Vienna Treaty “Joint Comprehensive Plan of Action” – “JCPOA”) took back all nuclear-related business and finance sanctions on 16 January 2016 (so-called “Implementation Day”). However, the remaining sanctions will only be withdrawn in a second phase (“Transition Day”), which could take up to eight years. This mainly concerns the listing of certain individuals and organizations (as described below), export bans and export authorizations requirements as well as the military goods embargo.

The following sanctions were lifted:

- Cancellation of the listing of over 300 natural and juridical persons with whom it was forbidden to entertain business relationships;
- Export of equipment for the oil / gas / and petrochemical industry;
- Shipping equipment, financing and technical support in the shipping industry;
- Import, purchase and transport of crude oil, oil products as well as natural and other hydrocarbons as well as financing and insuring of such activities;
- Import, purchase and transport of petrochemical products (pertaining sanctions have been lifted before already);
- Insurance business, opening of bank accounts, establishment of correspondent bank relations, etc.

“Snap back mechanism”: The JCPO provides – for the case of contractual breaches – a mechanism for dispute resolution, which could ultimately lead to the re-introduction of the sanctions. Should such scenario really ever materialize, the European Community promised special protection for already concluded contracts. However one should not forget to include pertaining clauses in all contracts with Iranian parties.

Since the lifting of the sanctions (Implementation Day, 16. January 2016) following sanctions remains in place:

- Listing of individuals
- Import of certain metals to Iran

- Authorization requirements for certain formerly banned goods
- Dual use goods
- Military goods embargo
- Software of industrial processes
- Goods for internal repression, eavesdropping equipment

*This article only constitutes a simplified and shortened presentation of some aspects of the sanction regime and can in no way replace legal consultation. The team of SCHLÜTER GRAF will gladly support you regarding your business endeavors in the Islamic Republic of Iran.*

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