

President Trump waives Iran sanctions as part of JCPOA

President Trump has agreed to waive sanctions lifted by the United States (US), as part of the JCPOA ('the deal'). These sanctions must be waived every 120 days to keep them from coming back into force under the deal. However, the President said it would be the last time he issues such a waiver unless there is an agreement with *"the Europeans"* to *"fix the deal's disastrous flaws... This is a last chance... if at any time I judge that such an agreement is not within reach, I will withdraw from the deal immediately"*. His statement can be accessed via the [White House website](#).

The US Treasury Department has also imposed new sanctions on 14 Iranian people and entities said to have committed human rights abuses or supported Iran's ballistic missile programmes (outside the scope of the JCPOA). These include Sadeq Larijani, head of Iran's judiciary.

It remains the position that trading to Iran does not in itself prejudice Club cover, subject always to the Rules and terms of entry. However, we are now in a period of heightened uncertainty and there is an increased risk that sanctions will be reimposed by the US. Therefore, if considering trade to Iran, Members should exercise caution and keep in mind that there is potential for the situation to change significantly over the coming months.

On 16 January 2016, in line with the JCPOA agreement between the EU, the P5+1 countries and Iran ('the deal'), there was a partial lifting of EU and US nuclear related economic sanctions that had been in place against Iran since 2009. The lifting of sanctions was in return for Iran's (continued compliance) with its nuclear related commitments. This 'opening up' of Iran, last year, presented a wealth of opportunities for many to take advantage of opportunities in Iran's oil, gas, and shipping sectors.

Under the terms of the deal, the US President must reaffirm every 120 days that Iran is complying with its terms. In exchange, sanctions are waived. If the White House does not certify compliance, sanctions may ultimately be reimposed.

On 13 October 2017, President Trump outlined his strategy for Iran and stated that he would *not* certify Iran's compliance with the deal. This did not constitute the 'end' of the deal and an immediate reimposition of sanctions. However, the President's decision not to certify the deal meant that Congress was given the opportunity to decide whether to re-impose sanctions and, potentially, to present a proposed bill reimposing sanctions which President Trump could approve or veto. A joint statement by EU leaders May, Macron, and Merkel expressed concern about President Trump's decision.

On 12 January 2018 President Trump once again agreed to waive sanctions lifted by the US, as

part of the deal, but he has given Congress and European allies a *'last chance...to fix the deal's disastrous flaws'*.

As set out above, the position with respect to Club cover has not changed. However, Iran related trade has not been straightforward since the deal in 2016. There are practical banking difficulties and some entities remain on US and EU lists. Risks remain and Members should carry out and rely upon their own checks. As a result of this latest US development, the sanctions landscape is subject to greater risk of possible change over the coming months. We recommend Members revert back to our website for regular updates.

In the meantime, as always, our dedicated [Sanctions team](#) is happy to answer any queries in relation to Iran and Club cover.