

Iran Sanctions – United States Exits JCPOA

9th May 2018

President Trump announced on 8 May 2018 that the United States will terminate its participation in the Joint Comprehensive Plan of Action (JCPOA) that was agreed with Iran in July 2015 and will re-impose the sanctions that were lifted in January 2016 under the agreement. Parties which had been on the SDN list but were removed as part of the JCPOA will again become SDNs.

The reaction of the other partners to the agreement – France, Germany, the UK, China and Russia – is awaited and efforts may be made to maintain the agreement without the participation of the United States, but the re-imposition of U.S. secondary sanctions will in all likelihood deal a fatal blow to the JCPOA and have severe ramifications on the ability of non-US entities to continue trading with Iran.

A set of initial FAQs were issued by OFAC in the immediate aftermath of President Trump's announcement and a copy of which can be found [here](#). It seems clear from these that sanctions will not be re-imposed immediately but there will instead be a period of either 90 or 180 days depending on the type of sanctions concerned to allow parties to wind down their activities with Iran.

Of particular interest to the maritime community, sanctions on the carriage to or from Iran of graphite, raw, or semi-finished metals such as aluminium and steel, and coal will be re-imposed by 6 August 2018, whilst those on Iran's ports and shipping operations and - crucially - on all petroleum-related transactions will be re-imposed by 4 November 2018. However, if an entity is re-added to the SDN list then activities would have to cease immediately with that entity.

Exactly what these provisions mean in practice and when and in what form sanctions will be re-imposed requires detailed analysis by the Club's U.S. attorneys Freehill Hogan & Mahar of the materials released by the U.S. administration following the President's announcement and others which are expected to be published over the coming days. Whilst it is appreciated that Members will wish to know how their trades with Iran will be affected, the full picture will take some time to emerge and the Club will keep Members closely advised. Those with specific questions concerning these measures and any other sanctions matters should contact the Managers but it is again emphasised that at this stage little firm comment can be made.

The West of England Ship Owners Mutual Insurance Association (Luxembourg)
R.C.S. Luxembourg B 8963

Managers: West of England Insurance Services (Luxembourg) S.A.
Registered Office: 31 Grand-Rue, L-1661 Luxembourg, G.D. Luxembourg
T +(352) 4700671 **F** +(352) 225253

UK Branch: Tower Bridge Court, 226 Tower Bridge Road, London SE1 2UP
T +(44) (0)20 7716 6000 **F** +(44) (0)20 7716 6100
E mail@westpandi.com **W** www.westpandi.com
