

**OFAC Frequently Asked Questions Related to the "Snap-back" of Iranian sanctions in November, 2018**

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**630. Is the provision or delivery of goods or services to an Iranian counterparty after November 4, 2018 allowed?**

The wind-down period has ended and the United States intends to fully enforce the sanctions that have come back into effect. The provision or delivery of goods or services and/or the extension of additional loans or credits to an Iranian counterparty after November 4, 2018 — even pursuant to written contracts or written agreements entered into prior to May 8, 2018 — may result in the imposition of U.S. sanctions unless such activities are exempt from regulation, authorized by OFAC, or otherwise not sanctionable.

The United States maintains authorizations and exceptions under U.S. sanctions that allow for the sale of agricultural commodities, food, medicine, and medical devices to Iran by U.S. persons and non-U.S. persons. However, these authorizations and exceptions do not apply to transactions involving persons on OFAC's List of Specially Designated Nationals and Blocked Persons (SDN List) that have been designated in connection with Iran's support for international terrorism or proliferation of weapons of mass destruction, including designated Iranian financial institutions or the Islamic Revolutionary Guard Corps (IRGC), or activity that is subject to other sanctions (see [FAQ 637](#)). [11-05-2018]

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**631. I was not able to receive payment for goods or services fully provided or delivered prior to the end of the wind-down period. How should I proceed?**

In the event that a non-U.S., non-Iranian person is owed payment after the conclusion of the wind-down period on August 6, 2018, or November 4, 2018, as applicable, for goods or services fully provided or delivered to an Iranian counterparty prior to August 6, 2018, or November 4, 2018, as applicable, pursuant to a written contract or written agreement entered into prior to May 8, 2018, and such activities were consistent with U.S. sanctions in effect at the time of delivery or provision, the U.S. government would allow the non-U.S., non-Iranian person to receive payment for those goods or services according to the terms of the written contract or written agreement. Similarly, if a non-U.S., non-Iranian person is owed repayment after August 6, 2018, or November 4, 2018, as applicable, for loans or credits extended to an Iranian counterparty prior to the end of the 90-day or 180-day wind-down period, as applicable, provided that such loans or credits were extended pursuant to a written contract or written agreement entered into prior to May 8, 2018, and such activities were consistent with U.S. sanctions in effect at the time the loans or credits were extended, the U.S. government would allow the non-U.S., non-Iranian person to receive repayment of the related debt or obligation according to the terms of the written contract or written agreement. This allowance is designed for non-U.S., non-Iranian parties to be made whole for debts and obligations owed or due to them for goods or services fully provided or delivered or loans or credit extended to an Iranian party prior to the end of the 90-day or 180-day wind-down period, as applicable. Any payments would need to be consistent with U.S. sanctions, including that payments could not involve U.S. persons or the U.S. financial system, unless the transactions are exempt from regulation or authorized by OFAC (see [FAQ 634](#) and [FAQ 636](#)).

The U.S. government would evaluate matters falling outside the above parameters on a case-by-case basis. [11-05-2018]

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**632. Will the U.S. government provide assurances beyond the guidance described in 631 and 634 that receipt of payment by non-U.S., non-Iranian persons is not sanctionable?**

OFAC encourages non-U.S., non-Iranian persons to rely on the guidance provided in FAQs 631 and 634. Non-U.S., non-Iranian persons can seek guidance from OFAC or the State Department, as appropriate, prior to the receipt of payment, if they would like to confirm that the payments would meet the criteria set forth in [FAQ 631](#) and [FAQ 634](#) and would not be subject to U.S. sanctions. [11-05-2018]

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**633. Under what circumstances are goods or services considered “fully provided or delivered” prior to the expiration of the relevant wind-down period, as referenced in FAQ 631 above?**

OFAC looks to the industry standard to determine whether particular goods or services are considered fully provided or delivered prior to the expiration of the relevant wind-down period. As a general matter, goods or services will be considered fully provided or delivered when the party providing or delivering the goods or services has performed all the actions and satisfied all the obligations necessary to be eligible for payment or other agreed-to compensation. With respect to goods exported to or from Iran, at a minimum, title to the goods must have transferred to the relevant party. [08-06-2018]

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**634. Can I, as a non-U.S., non-Iranian person, receive payments after the relevant wind-down period ends for goods or services that were fully provided or delivered during the relevant wind-down period pursuant to contracts entered into prior to May 8, 2018?**

Yes, subject to the conditions set out below and in FAQ 631 above, non-U.S., non-Iranian persons may receive payment after the end of the relevant wind-down period for goods or services fully provided or delivered to an Iranian counterparty prior to expiration of the relevant wind-down period (see FAQ 633 above). In particular, the goods or services must have been fully provided or delivered prior to the end of the applicable wind-down period pursuant to a written contract or written agreement entered into prior to May 8, 2018; the relevant activities must have been consistent with U.S. sanctions in effect at the time of delivery or provision, including that the activities did not involve persons on the SDN List at the time of the transaction; and any payments must be consistent with U.S. sanctions, including that payments can not involve U.S. persons or the U.S. financial system, unless the transactions are exempt from regulation or authorized by OFAC (see [FAQ 631](#) and [FAQ 636](#)). [11-05-2018]

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**635. Can I, as a U.S. person or U.S.-owned or -controlled foreign entity, receive payments after the relevant wind-down period ends for goods or services that were fully provided or delivered during the relevant wind-down period under an OFAC wind-down authorization and pursuant to a contract entered into prior to May 8, 2018?**

The wind-down authorizations allow U.S. persons and U.S.-owned or -controlled foreign entities to receive payments for activities conducted pursuant to such wind-down authorizations only during their validity periods. For example, a U.S.-owned or -controlled foreign entity may receive payment through 11:59 p.m. eastern standard time on November 4, 2018 for Iran-related activities undertaken pursuant to section 560.537 of the Iranian Transactions and Sanctions Regulations (ITSR) (winding down of transactions relating to U.S.-owned or -controlled foreign entities).

Any payment following the end of the relevant wind-down period for activities undertaken pursuant to a wind-down authorization, including from an Iranian counterparty, would require specific authorization from OFAC. OFAC will evaluate such requests for specific licenses on a case-by-case basis.

Any request for a specific license should provide sufficient details for OFAC to evaluate the application, including: whether the relevant transactions complied with U.S. sanctions as in effect at

the time of the transactions; whether the activities were performed under a written contract or written agreement entered into prior to May 8, 2018; and why the applicant was unable to receive the payment for which authorization is sought prior to the end of the relevant wind-down period. OFAC will generally deny requests to receive payment for activities that were not authorized under the relevant wind-down authorizations or that were not undertaken pursuant to a written contract or written agreement entered into prior to May 8, 2018.

As required by 31 C.F.R. section 501.801(b), applicants should identify the names of all parties who are concerned with or interested in the proposed transaction. To facilitate OFAC's review, the request should also include a description of the efforts that were undertaken to collect the payment during the relevant wind-down period and be accompanied by supporting documentation, including relevant contracts, invoices, and shipping documents. OFAC encourages applicants to submit applications online (link available [here](#)). [11-05-2018]

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**636. Can I receive payment for activities undertaken during the wind-down period if the payment involves a person that has been added to the SDN List, including a person that was previously on the List of Persons Blocked Solely Pursuant to E.O. 13599 (the “E.O. 13599 List”) but is now designated under another authority?**

The United States intends to fully enforce the sanctions that apply to persons that were previously on the E.O. 13599 List but that are now designated under another authority.

U.S. persons and U.S.-owned or -controlled foreign entities generally would require an OFAC authorization to receive any payment involving an SDN, regardless of whether they were previously on the E.O.13599 List. OFAC will evaluate requests for such authorization on a case-by-case basis, including whether payments are for goods or services fully provided or delivered during the wind-down period pursuant to an OFAC wind-down authorization (see [FAQ 635](#)).

Non-U.S. persons, including foreign financial institutions, could be subject to sanctions for knowingly engaging in certain significant transactions involving an Iranian person on the SDN List – other than a non-designated Iranian financial institution – or a person designated in connection with Iran's support for international terrorism or proliferation of weapons of mass destruction, including a person that was previously on the E.O. 13599 List but is now designated under another authority. Such persons will have a notation of “Additional Sanctions Information – Subject to Secondary Sanctions” in their SDN List entry in addition to the tag for the other sanctions program(s) (e.g., the “[SDGT]” tag, the “[IRAN-HR]” tag, or the “[NPWMD]” tag for persons designated under E.O. 13224, E.O. 13553, or E.O. 13382).

Non-U.S., non-Iranian persons seeking to receive payment for activities undertaken during the wind-down period that involves a person added to the SDN List should seek guidance from OFAC or the State Department, as appropriate (see [FAQ 634](#)). [11-05-2018]

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**637. Is it sanctionable for non-U.S., non-Iranian persons to engage in transactions related to the provision of humanitarian and consumer goods to Iran?**

The United States maintains broad authorizations and exceptions under U.S. sanctions that allow for the sale of agricultural commodities, food, medicine, and medical devices to Iran from the United States or by U.S. persons or U.S.-owned or -controlled foreign entities. U.S. sanctions laws provide similar allowances for sales of food, agricultural commodities, medicine, and medical devices to Iran by non-U.S. persons. Broadly speaking, transactions for the sale of agricultural commodities, food, medicine, or medical devices to Iran are not sanctionable unless they involve persons on the SDN List that have been designated in connection with Iran's support for international terrorism or proliferation

of weapons of mass destruction, including designated Iranian financial institutions or the Islamic Revolutionary Guard Corps (IRGC), or activity that is subject to other sanctions. Additional guidance relating to these authorizations and exceptions can be found on the OFAC website [here](#) and [here](#).

Transactions by non-U.S. persons related to the export to Iran of consumer goods that do not fall within these exceptions, but are not expressly targeted by U.S. sanctions, should not involve certain persons on the SDN List, including the Central Bank of Iran or a designated Iranian financial institution, unless an exception under Section 1245(d)(4)(D) of the National Defense Authorization Act of Fiscal Year 2012 (NDAA 2012) applies, or the IRGC. In addition, such transactions should not involve U.S. persons or transit the U.S. financial system, unless the activities and/or transactions are exempt from regulation or authorized by OFAC. [11-05-2018]

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### **638. What happened to the E.O. 13599 List?**

The E.O. 13599 List was created to clarify that, regardless of their removal from the SDN List on January 16, 2016, persons that OFAC had previously identified as meeting the definition of the terms “Government of Iran” or “Iranian financial institution” still met those definitions and continued to be persons whose property and interests in property were blocked pursuant to E.O. 13599 and section 560.211 of the ITSR. On November 5, 2018, OFAC moved persons identified on the E.O. 13599 List to the SDN List and removed the E.O. 13599 List from its website.

Beginning on November 5, 2018, significant transactions with persons moved from the E.O. 13599 List to the SDN List, other than non-designated Iranian financial institutions, could be subject to secondary sanctions, unless an exception applies, such as the exception relating to transactions for the sale of agricultural commodities, food, medicine, or medical devices to Iran; or the significant reduction exception under Section 1245(d)(4)(D) of the NDAA 2012. Persons subject to secondary sanctions will have a notation of “Additional Sanctions Information – Subject to Secondary Sanctions” in the SDN List entry. In addition, effective November 5, 2018, OFAC has amended the ITSR to replace references to the E.O. 13599 List with references to the SDN List.

Some persons moved to the SDN List from the E.O. 13599 List also have been designated under additional authorities and, therefore, have received new unique identification numbers (UIDs) when added to the SDN List. Users of OFAC’s sanctions list data may wish to reference the [following mapping table](#) to see how these specific records were added back onto the SDN list. [11-05-2018]

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### **639. Why are some persons that had been blocked solely pursuant to E.O. 13599 now designated pursuant to other authorities, such as E.O. 13224 and E.O. 13382?**

OFAC designated multiple Iranian financial institutions and other persons previously blocked solely pursuant to E.O. 13599 under E.O. 13224 (relating to counterterrorism), E.O. 13382 (relating to WMD proliferation), and E.O. 13553 (relating to serious human rights abuses by the Government of Iran) on October 16, 2018, and November 5, 2018. These included persons that had been removed from the SDN List on January 16, 2016. As new information became available, OFAC determined that these persons met one or more of the criteria for designation under OFAC’s other designation authorities. Relatedly, a number of persons that were previously designated pursuant to E.O. 13382 and were removed from the SDN List on January 16, 2016 were relisted on the SDN List on November 5, 2018 as persons identified as meeting the definitions of the “Government of Iran” or an “Iranian financial institution” pursuant to E.O. 13599. [11-05-2018]

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### **640. What does the November 5, 2018 amendment to the ITSR do?**

This regulatory amendment does two things. First, it amends the ITSR to reflect the re-imposition of ITSR-related sanctions lifted under the JCPOA, including sanctions pursuant to certain sections of

E.O. 13846 and the relisting on the SDN List of persons included on the E.O. 13599 List. More specifically, this rule reinstates the regulatory provisions implementing the blocking authorities that were previously in sections 5 and 6 of E.O. 13622 and now are in sections 1 and 10 of E.O. 13846. Section 560.211(c) of the ITSR will now implement blocking of the property and interests in property of any person determined by the Secretary of the Treasury, in consultation with the Secretary of State, to have (i) on or after August 7, 2018, materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the purchase or acquisition of U.S. bank notes or precious metals by the Government of Iran, or (ii) on or after November 5, 2018, materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the National Iranian Oil Company (NIOC), the Naftiran Intertrade Company (NICO), or the Central Bank of Iran. Additionally, this rule removes references to the E.O. 13599 List to reflect OFAC's separate action removing the E.O. 13599 List from its website and relisting on the SDN List the persons that were previously listed on the E.O. 13599 List.

Second, the rule amends an existing general license in the ITSR to allow individual U.S. persons to engage in transactions necessary to sell certain personal property in Iran (which was acquired before becoming a U.S. person or which was inherited from persons in Iran) and to transfer the proceeds of those sales to the United States. Section 560.543 of the ITSR currently authorizes individual U.S. persons to engage in transactions necessary for the sale of real property in Iran and the transfer of related proceeds to the United States, subject to a number of conditions and limitations. Authorized transactions include engaging the services of any persons in Iran necessary for the sale, such as an attorney, funds agent, or real estate broker, provided such person is not a person whose property and interests in property are blocked pursuant to any part of 31 CFR chapter V, other than persons whose property and interests in property are blocked solely pursuant to Executive Order 13599 as the Government of Iran. OFAC is amending section 560.543 of the ITSR to authorize the sale of personal property in Iran and the transfer of related proceeds to the United States, subject to the same conditions and limitations applicable to sales of real property.

Section 560.543 of the ITSR, as amended, does not authorize transactions that would be prohibited by a different sanctions program administered by OFAC, such as transactions with SDNs designated under E.O. 13224 or E.O. 13382 (OFAC's counterterrorism or counterproliferation authorities). [11-05-2018]

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**641. If a country with primary jurisdiction over a foreign financial institution did not receive a significant reduction exception (SRE) under section 1245(d)(4)(D) of the NDAA 2012, can funds currently held at the foreign financial institution in that country on behalf of the Central Bank of Iran be used to facilitate humanitarian trade with Iran?**

Yes. Transactions for the sale of agricultural commodities, food, medicine, or medical devices to Iran involving the Central Bank of Iran are excepted from the relevant sanctions under section 1245(d)(2) of the NDAA 2012 and sections 561.203 and 561.204 of the Iranian Financial Sanctions Regulations (31 C.F.R. Part 561) (IFSR), regardless of whether the country has received an SRE. In addition, funds held on behalf of a non-designated Iranian financial institution at a foreign financial institution generally would not be subject to U.S. secondary sanctions and could be used to facilitate humanitarian trade. [11-05-2018]

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**642. Is the provision of certain associated services relating to the purchase of petroleum or petroleum products from Iran by persons in a country that has been granted a SRE sanctionable?**

Many U.S. sanctions related to Iran include an exception for countries that have received a SRE under section 1245(d)(4)(D) of the NDAA 2012 (see <https://www.treasury.gov/resource->

[center/faqs/Sanctions/Pages/faq\\_iran.aspx#tra\\_504](https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq_iran.aspx#tra_504) for additional information regarding the implementation of the SRE and sanctionable transactions). To the extent the purchase of petroleum or petroleum products from Iran and the processing of the related financial transactions meet the requirements set out in section 1245(d)(4)(D) of the NDAA 2012, the services used to import the petroleum from Iran including services provided by the shipping sector of Iran and Iranian port operators would not be sanctionable pursuant to the Iran Freedom and Counter-Proliferation Act of 2012 (IFCA), provided that Iranian entities that are involved in such transactions are not designated in connection with Iran's support for international terrorism, or its proliferation of weapons of mass destruction or their means of delivery. (see [https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq\\_iran.aspx#ifca](https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq_iran.aspx#ifca) for additional information). [11-05-2018]

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**643. Is payment of Iran-related insurance or reinsurance claims made on or after November 5, 2018 sanctionable if the claim arises from an incident that occurred prior to November 5, 2018?**

Payment of Iran-related insurance or reinsurance claims arising from incidents that occurred prior to November 5, 2018 could create sanctions exposure for non-U.S. persons to the extent such payment involves a person designated in connection with Iran's proliferation of WMD or support for international terrorism, or an Iranian person on the SDN List, other than a non-designated Iranian financial institution, or if the underlying activity involved such persons or was otherwise sanctionable at the time it occurred.

U.S. persons continue to be generally prohibited under the ITSR from exporting goods, services, or technology directly or indirectly to Iran, including participating in the payment of claims to or for the benefit of Iran or any persons blocked under the ITSR, or for the transportation of Iranian-origin oil, unless exempt or specifically authorized by OFAC. In addition, after November 4, 2018, to the extent a claim payment involves a U.S.-owned or -controlled foreign entity, the payment of such claim would be prohibited and would require an authorization from OFAC prior to payment.

See [FAQ 102](#) and [FAQ 103](#) for additional information relating to U.S. person involvement in global insurance policies and [FAQ 303](#) and [FAQ 304](#) for additional information on secondary sanctions, and exceptions to these sanctions, such as the humanitarian exception, relating to insurance, reinsurance, or underwriting activities relating to Iran. [11-05-2018]

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**644. Is an entity that is owned or controlled by a U.S. person and established or maintained outside the United States (a "U.S.-owned or -controlled foreign entity") required to apply restrictions akin to blocking on the property or interests in property of persons subject to section 560.211 of the ITSR?**

Yes. Under section 560.215 of the ITSR, U.S.-owned or -controlled foreign entities are prohibited from knowingly engaging in any transaction, directly or indirectly, with the Government of Iran or any person subject to the jurisdiction of the Government of Iran that would be prohibited by the ITSR if engaged in by a U.S. person or in the United States. Section 560.211 of the ITSR separately prohibits transferring, paying, exporting, withdrawing, and dealing in any property and interests in property of the Government of Iran, any Iranian financial institution, and any other persons whose property and interests in property are blocked pursuant to the ITSR, unless exempt or authorized by OFAC.

In light of these prohibitions, U.S.-owned or -controlled foreign entities are required to apply restrictions akin to blocking on any property or interests in property of persons subject to section 560.211 of the ITSR to ensure that such property and interests in property are not transferred, paid, exported, withdrawn, or otherwise dealt in. This requirement applies both with respect to a person whose property and interests in property are blocked solely pursuant to the ITSR and a person whose property and interests in property are blocked pursuant to the ITSR and another authority (e.g., when a person is included on the List of Specially Designated Nationals and Blocked Persons with the

“[IRAN]” tag, as well as a tag for another sanctions program, such as the terrorism tag (“[SDGT]”), nuclear proliferation tag (“[NPWMD]”), or human rights tag (“[IRAN-TRA]” or “[IRAN-HR]”).

Section 560.215(b)(1) of the ITSR deems an entity to be “owned or controlled” by a U.S. person if the U.S. person holds a 50 percent or greater equity interest by vote or value in the entity; holds a majority of seats on the board of directors of the entity; or otherwise controls the actions, policies, or personnel decisions of the entity. [11-05-2018]

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#### **645. How will the re-imposition of sanctions on November 5, 2018 impact the provision of specialized financial messaging services to Iranian financial institutions?**

Following the re-imposition of U.S. sanctions on November 5, 2018, sanctions that had previously been lifted or waived as part of U.S. commitments under the Joint Comprehensive Plan of Action (JCPOA) will come back into effect in their entirety, including sanctions on the provision of specialized financial messaging services to certain Iranian financial institutions.

As of November 5, 2018, sanctions on the provision of specialized financial messaging services set forth in section 220 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (TRA) snap back in full. This authority provides for sanctions on specialized financial messaging services to the Central Bank of Iran or Iranian financial institutions designated in connection with Iran’s support for terrorism or its proliferation of weapons of mass destruction (WMD) and WMD delivery systems, as set out in subsection 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA) (see section 220 of the TRA). Such Iranian financial institutions are listed on the SDN List and carry the “[IFSR]” tag.

Furthermore, knowingly providing significant financial, material, technological, or other support to Iranian persons on the SDN List, other than Iranian financial institutions blocked solely pursuant to E.O. 13599 and listed on the SDN List with only the “[IRAN]” tag, is sanctionable for persons in countries that have not received a significant reduction exception (see subsection 1244(c)(1) of IFCA).

To avoid potential sanctions exposure, providers of specialized financial messaging services should discontinue the provision of such services to the Central Bank of Iran and any Iranian financial institutions designated in connection with Iran’s WMD proliferation, support for terrorism, or human rights abuses. The Central Bank of Iran and such designated Iranian financial institutions will have “Subject to Secondary Sanctions” listed in the “Identifications” feature in their entry on the SDN List.

Given that the U.S. government will continue to apply maximum financial pressure on the Iranian regime, including potential additional designations of Iranian financial institutions, the SDN List should be consulted regularly to determine which Iranian financial institutions have been designated. [11-05-2018]