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Frequently Asked Questions Relating to the Extension of Temporary Sanctions Relief through June 30, 2015, to Implement the Joint Plan of Action between the P5 + 1 and the Islamic Republic of Iran

Pursuant to the [Joint Plan of Action \(JPOA\)](#), reached on November 24, 2013, between the P5 + 1 (China, France, Germany, Russia, the United Kingdom and the United States, coordinated by the European Union's High Representative) and the Islamic Republic of Iran, the U.S. government (USG) 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 included 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 included a commitment to license certain transactions related to the safety of Iran's civil aviation industry. Finally, the USG 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 was renewed on July 19, 2014, and November 24, 2014, by mutual consent of the P5 + 1 and Iran, extending the temporary sanctions relief provided under the JPOA to allow the P5 + 1 and Iran to continue to negotiate a long-term comprehensive solution to ensure that Iran's nuclear program will be exclusively peaceful. During the period beginning on January 20, 2014, and ending on June 30, 2015 (JPOA Relief Period), the sanctions relief the USG committed to during the JPOA will be implemented 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.

1. Q: What types of sanctions relief will be provided to Iran pursuant to the JPOA during the JPOA Relief Period?

The 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 services regarding each of the foregoing. The USG will also coordinate with Iran regarding the use of financial channels established in furtherance of the JPOA 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. The USG will

¹The 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.

²The 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 Questions 6 and 8 for a more detailed discussion of Restricted Funds.

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issue a favorable licensing policy in furtherance of the JPOA in connection with transactions related to the safety of Iran's civil aviation industry. Finally, during the JPOA Relief Period, the USG will pause efforts to further reduce Iran's crude oil exports and will enable Iran to access an agreed amount of Restricted Funds in installments. 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 do the JPOA and the extension of relief 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 Relief Period, and, with limited 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 implement the temporary sanctions relief with respect to Iran pursuant to the JPOA, see the [November 25, 2014 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

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>].

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U.S.-owned or -controlled foreign entities may continue to engage in generally or specifically licensed humanitarian-related transactions.

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

For the JPOA Relief Period, the USG will suspend 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 below 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 JPOA Relief Period without exposure to U.S. sanctions, subject to certain conditions explained in the [November 25, 2014, version of 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 on June 30, 2015, and any transactions, payments, deliveries, or associated services provided in connection with such exports that occur after June 30, 2015, could expose the relevant parties to potential U.S. sanctions. For additional information regarding associated insurance services, see Question 14.

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, chloracetyl 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

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).

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].

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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.

For additional information regarding associated insurance services, see Question 14.

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

As noted above, the USG will temporarily suspend during the JPOA Relief Period 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 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.

For additional information regarding associated insurance services, see Question 14.

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.

6. Q: The JPOA provided that U.S. sanctions related to gold and other precious metals would be suspended. What does the suspension entail?

For the JPOA Relief Period, the USG will suspend 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).

For additional information regarding associated insurance services, see Question 14.

7. Q: The JPOA provided that U.S. sanctions related to Iran's automotive industry would be suspended. What does the suspension entail?

For the JPOA Relief Period, the USG will suspend 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.

For additional information regarding associated insurance services, see Question 14.

8. Q: The JPOA provided that the P5 + 1 would enable the repatriation of Iranian revenue held abroad. What does this entail?

The P5 + 1 fulfilled their commitments to facilitate the release of \$4.2 billion of Iran's Restricted Funds during the initial period of JPOA relief and to facilitate the release of a further \$2.8 billion of Iran's Restricted Funds through November 24, 2014.

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.

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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The P5 + 1 will facilitate the release in installments of an additional \$4.9 billion of Iran's Restricted Funds during the period beginning on November 25, 2014, and ending on June 30, 2015. 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 a release is not sanctionable, any release or receipt of Iran's Restricted Funds would expose an FFI to U.S. sanctions.

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 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 established 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. The mechanism will remain in place during the JPOA Relief Period. FFIs whose involvement was sought by Iran in hosting this new mechanism have been contacted directly by the USG and provided specific guidance. Companies interested in using this financial mechanism should coordinate with their Iranian counterparties. 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 provided that the U.S. would 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 [Second Amended Statement of Licensing Policy on Activities Related to the Safety of Iran's Civil Aviation Industry \(Second Amended SLP\)](#) that extends the previously-issued statements of licensing policy through the end of the JPOA Relief Period. The Second Amended SLP explains how OFAC 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 Second Amended 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 Second Amended SLP by non-U.S. persons not otherwise subject to the ITSR have been temporarily suspended.

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Applicants for specific licenses pursuant to the Second Amended 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 Second Amended SLP, and payments relating thereto, must be provided within the JPOA Relief 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: The JPOA provided for a pause in the reduction of imports of Iranian crude oil. What does this entail?

The core architecture for oil sanctions on Iran remains in place under all statutes and Executive orders. For the JPOA Relief 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 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 were entered into during the JPOA Relief Period, and such contracts terminate after the period ends, will transactions or other activities undertaken pursuant to those contracts after the end of the JPOA Relief Period be sanctionable?

Yes. The temporary suspension of sanctions applies only to activities that are initiated and completed entirely within the JPOA Relief Period, and not to activities undertaken before or after JPOA Relief Period, even if they are undertaken pursuant to contracts entered into during the JPOA Relief Period, with the limited exception of claims payments for activities insured pursuant to the JPOA with respect to incidents that occurred during the JPOA Relief Period. For additional information regarding insurance claims payments, see Question 14. Any conduct for which sanctions have been suspended pursuant to the JPOA that occurs after the end of the JPOA Relief Period 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 August 1, 2015, the delivery of such CKDs after June 30, 2015, could be sanctionable because it falls outside of the relief period. Similarly, any payments relating to such CKDs received after the JPOA Relief Period could be sanctionable.

13. Q: Will payment received during the JPOA Relief Period for activity covered by the JPOA that took place prior to January 20, 2014, 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 by a non-U.S. person not otherwise subject to the ITSR of that insurance or reinsurance during the JPOA Relief Period would not be sanctionable. Otherwise, sanctions on the provision of insurance or reinsurance for certain types of activities involving Iran remain in place.

In addition, insurance payments for claims arising from incidents that occur during the JPOA Relief Period may be paid after June 30, 2015, so long as the underlying transactions and activities conform to all others aspects of the sanctions remaining in place and the terms of the sanctions relief provided by the JPOA. Insurance and reinsurance companies should contact the USG directly with any inquiries. U.S. persons and U.S.-owned or -controlled foreign entities remain prohibited from participating in the provision of insurance or reinsurance services to or for the benefit of Iran or sanctioned entities, including with respect to all elements of the sanctions relief provided pursuant to the JPOA, unless specifically authorized by OFAC.

For example, the payment of a cargo insurance claim on August 1, 2015, by a non-U.S. person not otherwise subject to the ITSR for a loss associated with a shipment of CKDs delivered to Iran on June 15, 2015, pursuant to a contract signed on January 25, 2014, would not be sanctioned by the USG, so long as the underlying transactions and activities conform to all others aspects of the sanctions remaining in place and the terms of the sanctions relief provided by the JPOA.

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>).