

*IN THE NAME OF GOD*

**INTERNATIONAL COURT OF JUSTICE**

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**CASE CONCERNING  
ALLEGED VIOLATIONS OF THE 1955 TREATY OF AMITY,  
ECONOMIC RELATIONS, AND CONSULAR RIGHTS**

**(ISLAMIC REPUBLIC OF IRAN v. UNITED STATES OF AMERICA)**

**ANNEXES TO THE MEMORIAL  
OF THE ISLAMIC REPUBLIC OF IRAN**

**VOLUME I**

**24 May 2019**





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**Annex 1**

**Treaty of Amity, Economic Relations, and Consular Rights of 1955 between  
the United States of America and Iran, 284 U.N.T.S. 93**

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## *Treaty Series*

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VOLUME 284

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## *Recueil des Traités*

*Traités et accords internationaux  
enregistrés  
ou classés et inscrits au répertoire  
au Secrétariat de l'Organisation des Nations Unies*

No. 4132. TREATY<sup>1</sup> OF AMITY, ECONOMIC RELATIONS,  
AND CONSULAR RIGHTS BETWEEN THE UNITED  
STATES OF AMERICA AND IRAN. SIGNED AT TEH-  
RAN, ON 15 AUGUST 1955

The United States of America and Iran, desirous of emphasizing the friendly relations which have long prevailed between their peoples, of reaffirming the high principles in the regulation of human affairs to which they are committed, of encouraging mutually beneficial trade and investments and closer economic intercourse generally between their peoples, and of regulating consular relations, have resolved to conclude, on the basis of reciprocal equality of treatment, a Treaty of Amity, Economic Relations, and Consular Rights, and have appointed as their Plenipotentiaries :

The President of the United States of America :

Mr. Selden Chapin, Ambassador Extraordinary and Plenipotentiary of the United States of America at Tehran; and

His Imperial Majesty, the Shah of Iran :

His Excellency Mr. Mostafa Samiy, Under Secretary of the Ministry of Foreign Affairs;

Who, having communicated to each other their full powers found to be in due form, have agreed upon the following articles :

*Article I*

There shall be firm and enduring peace and sincere friendship between the United States of America and Iran.

*Article II*

I. Nationals of either High Contracting Party shall be permitted, upon terms no less favorable than those accorded to nationals of any third country, to enter and remain in the territories of the other High Contracting Party for the purpose of carrying on trade between their own country and the territories of such other High Contracting Party and engaging in related commercial activities, and for the purpose of developing and directing the operations of an enterprise in which they have invested, or in which they are actively in the process of investing, a substantial amount of capital.

<sup>1</sup> Came into force on 16 June 1957, one month after the day of exchange of the instruments of ratification at Tehran on 16 May 1957, in accordance with article XXIII.

[TRADUCTION — TRANSLATION]

N° 4132. TRAITÉ<sup>1</sup> D'AMITIÉ, DE COMMERCE ET DE DROITS CONSULAIRES ENTRE LES ÉTATS-UNIS D'AMÉRIQUE ET L'IRAN. SIGNÉ À TÉHÉRAN, LE 15 AOÛT 1955

Les États-Unis d'Amérique et l'Iran, animés du désir de développer les relations amicales qui unissent depuis longtemps leurs deux peuples, de réaffirmer dans la direction des affaires humaines les principes supérieurs auxquels ils sont attachés, d'encourager les échanges et les investissements mutuellement profitables et l'établissement de relations économiques plus étroites entre leurs peuples et de régler leurs relations consulaires, ont décidé de conclure, sur la base de l'égalité réciproque de traitement, un Traité d'amitié, de commerce et de droits consulaires et ont, à cet effet, désigné pour leurs plénipotentiaires :

Le Président des États-Unis d'Amérique :

Monsieur Selden Chapin, Ambassadeur extraordinaire et plénipotentiaire des États-Unis d'Amérique à Téhéran;

Sa Majesté impériale le Shah d'Iran :

Son Excellence Monsieur Mostapha Samiy, Sous-Secrétaire d'État aux affaires étrangères;

Lesquels, après s'être communiqué leurs pleins pouvoirs respectifs, trouvés en bonne et due forme, sont convenus des articles suivants :

*Article premier*

Il y aura paix stable et durable et amitié sincère entre les États-Unis d'Amérique et l'Iran.

*Article II*

1. Les ressortissants de chacune des Hautes Parties contractantes seront admis dans les territoires de l'autre Haute Partie contractante et autorisés à y demeurer, dans des conditions non moins favorables que celles dont bénéficient les ressortissants de tout pays tiers, en vue de se livrer au commerce entre les territoires des deux Hautes Parties contractantes ou de se consacrer à des activités commerciales connexes, ou en vue de développer et de diriger les opérations d'une entreprise dans laquelle ils ont investi ou sont sur le point d'investir des capitaux importants.

<sup>1</sup> Entré en vigueur le 16 juin 1957, conformément à l'article XXIII, un mois après l'échange des instruments de ratification qui a eu lieu à Téhéran le 16 mai 1957.

2. Nationals of either High Contracting Party within the territories of the other High Contracting Party shall, either individually or through associations, and so long as their activities are not contrary to public order, safety or morals : (a) be permitted to travel therein freely and reside at places of their choice ; (b) enjoy freedom of conscience and the right to hold religious services; (c) be permitted to engage in philanthropic, educational and scientific activities; and (d) have the right to gather and transmit information for dissemination to the public abroad, and otherwise to communicate with other persons inside and outside such territories. They shall also be permitted to engage in the practice of professions for which they have qualified under the applicable legal provisions governing admission to professions.

3. The provisions of paragraphs 1 and 2 of the present Article shall be subject to the right of either High Contracting Party to apply measures which are necessary to maintain public order, and to protect public health, morals and safety, including the right to expel, to exclude or to limit the movement of aliens on the said grounds.

4. Nationals of either High Contracting Party shall receive the most constant protection and security within the territories of the other High Contracting Party. When any such national is in custody, he shall in every respect receive reasonable and humane treatment; and, on his demand, the diplomatic or consular representative of his country shall without unnecessary delay be notified and accorded full opportunity to safeguard his interests. He shall be promptly informed of the accusations against him, allowed all facilities reasonably necessary to his defense and given a prompt and impartial disposition of his case.

### *Article III*

1. Companies constituted under the applicable laws and regulations of either High Contracting Party shall have their juridical status recognized within the territories of the other High Contracting Party. It is understood, however, that recognition of juridical status does not of itself confer rights upon companies to engage in the activities for which they are organized. As used in the present Treaty, "companies" means corporations, partnerships, companies and other associations, whether or not with limited liability and whether or not for pecuniary profit.

2. Nationals and companies of either High Contracting Party shall have freedom of access to the courts of justice and administrative agencies within the territories of the other High Contracting Party, in all degrees of jurisdiction, both in defense and pursuit of their rights, to the end that prompt and impartial justice be done. Such access shall be allowed, in any event, upon terms no



2. Les ressortissants de chacune des Hautes Parties contractantes pourront, dans les territoires de l'autre Haute Partie contractante, à titre individuel ou par l'intermédiaire d'associations et aussi longtemps que leurs activités ne sont pas contraires à l'ordre, à la sécurité ou à la moralité publiques : a) circuler librement et résider en tout lieu de leur choix; b) jouir de la liberté de conscience et célébrer des services religieux; c) se consacrer à une activité philanthropique, éducative ou scientifique; d) recueillir et communiquer des informations destinées à être diffusées à l'étranger et communiquer de toute autre façon avec d'autres personnes se trouvant à l'intérieur ou à l'extérieur desdits territoires. Ils seront aussi admis à pratiquer toutes professions pour lesquelles ils auront satisfait aux conditions légales d'accès.

3. L'application des dispositions des paragraphes 1 et 2 du présent article est subordonnée au droit pour chacune des Hautes Parties contractantes de prendre les mesures nécessaires au maintien de l'ordre public et à la protection de la santé, de la moralité et de la sécurité publiques, y compris le droit d'expulser les étrangers, de leur interdire l'accès du territoire ou de limiter leurs déplacements aux fins susmentionnées.

4. Les ressortissants de chacune des Hautes Parties contractantes bénéficieront de la manière la plus constante de la protection et de la sécurité dans les territoires de l'autre Haute Partie contractante. Si un ressortissant de l'une des deux Parties est mis en état d'arrestation, il devra être traité, à tous égards, d'une manière équitable et humaine et, dès lors qu'il en fera la demande, le représentant diplomatique ou consulaire de son pays devra être avisé sans retard injustifié; toute latitude sera laissée à ce représentant pour sauvegarder les intérêts dudit ressortissant. Celui-ci devra être informé sans délai des accusations portées contre lui, bénéficier dans la mesure du raisonnable de toutes facilités pour assurer sa défense et son affaire sera réglée avec célérité et impartialité.

### Article III

1. Le statut juridique des sociétés constituées sous le régime des lois et règlements de l'une des Hautes Parties contractantes applicables en la matière sera reconnu dans les territoires de l'autre Haute Partie contractante. Il est entendu toutefois qu'en elle-même la reconnaissance de ce statut juridique ne donnera pas aux sociétés le droit de se livrer à l'activité en vue de laquelle elles sont organisées. Au sens du présent Traité, le terme « sociétés » doit s'entendre des sociétés de capitaux ou de personnes, des compagnies et de toutes associations, qu'elles soient ou non à responsabilité limitée et à but lucratif.

2. En vue d'assurer une administration rapide et impartiale de la justice, chacune des Hautes Parties contractantes accordera, dans ses territoires, aux ressortissants et aux sociétés de l'autre Haute Partie contractante, libre accès aux tribunaux judiciaires et aux organismes administratifs, à tous les degrés de la juridiction, tant pour faire valoir que pour défendre leurs droits. En toute

less favorable than those applicable to nationals and companies of such other High Contracting Party or of any third country. It is understood that companies not engaged in activities within the country shall enjoy the right of such access without any requirement of registration or domestication.

3. The private settlement of disputes of a civil nature, involving nationals and companies of either High Contracting Party, shall not be discouraged within the territories of the other High Contracting Party; and, in cases of such settlement by arbitration, neither the alienage of the arbitrators nor the foreign situs of the arbitration proceedings shall of themselves be a bar to the enforceability of awards duly resulting therefrom.

*Article IV*

1. Each High Contracting Party shall at all times accord fair and equitable treatment to nationals and companies of the other High Contracting Party, and to their property and enterprises; shall refrain from applying unreasonably or discriminatory measures that would impair their legally acquired rights and interests; and shall assure that their lawful contractual rights are afforded effective means of enforcement, in conformity with the applicable laws.

2. Property of nationals and companies of either High Contracting Party, including interests in property, shall receive the most constant protection and security within the territories of the other High Contracting Party, in no case less than that required by international law. Such property shall not be taken except for a public purpose, nor shall it be taken without the prompt payment of just compensation. Such compensation shall be in an effectively realizable form and shall represent the full equivalent of the property taken; and adequate provision shall have been made at or prior to the time of taking for the determination and payment thereof.

3. The dwellings, offices, warehouses, factories and other premises of nationals and companies of either High Contracting Party located within the territories of the other High Contracting Party shall not be subject to entry or molestation without just cause. Official searches and examinations of such premises and their contents, shall be made only according to law and with careful regard for the convenience of the occupants and the conduct of business.

4. Enterprises which nationals and companies of either High Contracting Party are permitted to establish or acquire, within the territories of the other

circonstance, elle leur assurera cet accès dans des conditions non moins favorables que celles qui sont applicables à ses propres ressortissants et sociétés ou à ceux de tout pays tiers. Il est entendu que la même latitude sera donnée aux sociétés n'exerçant aucune activité dans le pays, sans qu'elles aient à se faire immatriculer ou à accomplir des formalités ayant pour objet de les assimiler aux sociétés nationales.

3. Rien ne sera fait pour décourager dans les territoires de l'une des Hautes Parties contractantes le règlement privé des litiges de caractère civil auxquels seront parties des ressortissants ou des sociétés de l'autre Haute Partie contractante; dans le cas de règlement du litige par voie d'arbitrage, ni la nationalité étrangère des arbitres ni le fait que la procédure d'arbitrage se déroule à l'étranger ne seront en soi un empêchement à l'exécution d'une sentence arbitrale régulière.

#### *Article IV*

1. Chacune des Hautes Parties contractantes accordera en tout temps un traitement juste et équitable aux ressortissants et aux sociétés de l'autre Haute Partie contractante, ainsi qu'à leurs biens et à leurs entreprises; elle ne prendra aucune mesure arbitraire ou discriminatoire pouvant porter atteinte à leurs droits ou à leurs intérêts légalement acquis et, en conformité des lois applicables en la matière, elle assurera des voies d'exécution efficaces à leurs droits contractuels légitimement nés.

2. La protection et la sécurité des biens appartenant aux ressortissants et aux sociétés de l'une des Hautes Parties contractantes, y compris les participations dans des biens, seront assurées de la manière la plus constante dans les territoires de l'autre Haute Partie contractante, et ne seront inférieures en aucun cas aux normes fixées par le droit international. Lesdits biens ne pourront être expropriés que pour cause d'utilité publique et moyennant le paiement rapide d'une juste indemnité. Cette indemnité devra être fournie sous une forme aisément convertible en espèces et correspondre à la valeur intégrale des biens expropriés. Des dispositions adéquates devront être prises, au moment de la dépossession ou avant cette date, en vue de la fixation et du règlement de l'indemnité.

3. Les habitations, bureaux, entrepôts, usines et autres locaux utilisés par des ressortissants ou des sociétés de l'une des Hautes Parties contractantes et situés dans les territoires de l'autre Haute Partie contractante seront à l'abri de toute violation ou trouble de jouissance sans motif valable. Lesdits locaux et leur contenu ne pourront faire l'objet, le cas échéant, de perquisitions et d'inspections officielles que dans les conditions prévues par la loi, compte dûment tenu de la convenance des occupants et avec le souci de ne pas gêner la marche normale des affaires.

4. Les entreprises que les ressortissants ou les sociétés de l'une des Hautes Parties contractantes sont autorisés à créer ou à acquérir dans les territoires de

High Contracting Party, shall be permitted freely to conduct their activities therein, upon terms no less favorable than other enterprises of whatever nationality engaged in similar activities. Such nationals and companies shall enjoy the right to continued control and management of such enterprises; to engage attorneys, agents, accountants and other technical experts, executive personnel, interpreters and other specialized employees of their choice; and to do all other things necessary or incidental to the effective conduct of their affairs.

#### *Article V*

1. Nationals and companies of either High Contracting Party shall be permitted, within the territories of the other High Contracting Party: (a) to lease, for suitable periods of time, real property needed for their residence or for the conduct of activities pursuant to the present Treaty; (b) to purchase or otherwise acquire personal property of all kinds; and (c) to dispose of property of all kinds by sale, testament or otherwise. The treatment accorded in these respects shall in no event be less favorable than that accorded nationals and companies of any third country.

2. Upon compliance with the applicable laws and regulations respecting registration and other formalities, nationals and companies of either High Contracting Party shall be accorded within the territories of the other High Contracting Party effective protection in the exclusive use of inventions, trade marks and trade names.

#### *Article VI*

1. Nationals and companies of either High Contracting Party shall not be subject to the payment of taxes, fees or charges within the territories of the other High Contracting Party, or to requirements with respect to the levy and collection thereof, more burdensome than those borne by nationals, residents and companies of any third country. In the case of nationals of either High Contracting Party residing within the territories of the other High Contracting Party, and of nationals and companies of either High Contracting Party engaged in trade or other gainful pursuit or in non-profit activities therein, such payments and requirements shall not be more burdensome than those borne by nationals and companies of such other High Contracting Party.

2. Each High Contracting Party, however, reserves the right to: (a) extend specific tax advantages only on the basis of reciprocity, or pursuant to agreements for the avoidance of double taxation or the mutual protection of revenue; and (b) apply special requirements as to the exemptions of a personal

l'autre Haute Partie contractante pourront y exercer leur activité dans des conditions non moins favorables que les autres entreprises, de n'importe quelle nationalité, qui se livrent à une activité du même genre. Les ressortissants ou sociétés qui auront créé lesdites entreprises auront le droit d'en conserver le contrôle ou la gestion; ils pourront engager des hommes de loi, des agents, des comptables et d'autres techniciens, du personnel de direction, des interprètes et d'autres spécialistes de leur choix; et d'une manière générale, ils pourront faire tout ce qui est nécessaire ou utile à la bonne marche de leurs affaires.

#### Article V

1. Les ressortissants et les sociétés de l'une des Hautes Parties contractantes pourront, dans les territoires de l'autre Haute Partie contractante : a) prendre à bail, pour des durées appropriées, les biens immeubles dont ils ont besoin à des fins de résidence ou qui sont nécessaires à la bonne marche des activités prévues par le présent Traité; b) acquérir, par voie d'achat ou par tout autre moyen, des biens mobiliers de toute nature et c) aliéner des biens de toute nature par voie de vente, de testament ou par tout autre moyen. Le traitement dont ils bénéficient en ces matières ne sera, en aucun cas, moins favorable que celui qui est accordé aux ressortissants et aux sociétés de tout pays tiers.

2. Les ressortissants et les sociétés de l'une des Hautes Parties contractantes bénéficieront, dans les territoires de l'autre Haute Partie contractante, d'une protection efficace en ce qui concerne l'usage exclusif de brevets d'invention, de marques de fabrique et de noms commerciaux, à condition de se conformer aux lois et règlements applicables à l'enregistrement et aux autres formalités.

#### Article VI

1. Les ressortissants et les sociétés de l'une des Hautes Parties contractantes ne seront, dans les territoires de l'autre Haute Partie contractante, ni astreints au paiement d'impôts, de taxes ou de droits, ni assujettis à des obligations relatives à leur application ou à leur recouvrement, qui seraient plus onéreux que les charges et obligations imposées aux ressortissants, résidents et sociétés d'un pays tiers. Dans le cas de ressortissants de l'une des Hautes Parties contractantes qui résident dans les territoires de l'autre Haute Partie contractante et dans le cas de ressortissants ou de sociétés de l'une des Hautes Parties contractantes qui se livrent, dans lesdits territoires, au commerce ou à toute autre activité à but lucratif ou non lucratif, lesdites charges et obligations ne seront pas plus onéreuses que celles qui sont imposées aux ressortissants et aux sociétés de cette autre Haute Partie contractante.

2. Chacune des Hautes Parties contractantes se réserve toutefois le droit: a) d'octroyer des avantages fiscaux déterminés, soit sur la base de la réciprocité, soit en vertu d'accords visant à éviter la double imposition ou à assurer la protection mutuelle des recettes fiscales; et b) d'imposer des conditions particulières,

nature allowed to non-residents in connection with income and inheritance taxes.

3. Companies of either High Contracting Party shall not be subject, within the territories of the other High Contracting Party, to taxes upon any income, transactions or capital not attributable to the operations and investment thereof within such territories.

#### *Article VII*

1. Neither High Contracting Party shall apply restrictions on the making of payments, remittances, and other transfers of funds to or from the territories of the other High Contracting Party, except (a) to the extent necessary to assure the availability of foreign exchange for payments for goods and services essential to the health and welfare of its people, or (b) in the case of a member of the International Monetary Fund, restrictions specifically approved by the Fund.

2. If either High Contracting Party applies exchange restrictions, it shall promptly make reasonable provision for the withdrawal, in foreign exchange in the currency of the other High Contracting Party, of: (a) the compensation referred to in Article IV, paragraph 2, of the present Treaty, (b) earnings, whether in the form of salaries, interest, dividends, commissions, royalties, payments for technical services, or otherwise, and (c) amounts for amortization of loans, depreciation of direct investments and capital transfers, giving consideration to special needs for other transactions. If more than one rate of exchange is in force, the rate applicable to such withdrawals shall be a rate which is specifically approved by the International Monetary Fund for such transactions or, in the absence of a rate so approved, an effective rate which, inclusive of any taxes or surcharges on exchange transfers, is just and reasonable.

3. Either High Contracting Party applying exchange restrictions shall in general administer them in a manner not to influence disadvantageously the competitive position of the commerce, transport or investment of capital of the other High Contracting Party in comparison with the commerce, transport or investment of capital of any third country; and shall afford such other High Contracting Party adequate opportunity for consultation at any time regarding the application of the present Article.

#### *Article VIII*

1. Each High Contracting Party shall accord to products of the other High Contracting Party, from whatever place and by whatever type of carrier

en ce qui concerne les exonérations, à titre personnel, accordées en matière d'impôt sur le revenu et sur les successions, aux personnes qui n'ont pas leur résidence dans ses territoires.

3. Les sociétés de l'une des Hautes Parties contractantes ne seront pas soumises, dans les territoires de l'autre Haute Partie contractante, à des impôts sur les revenus, les opérations ou les capitaux, lorsque lesdits revenus, opérations ou capitaux n'interviennent pas dans le fonctionnement et les investissements desdites sociétés dans ces territoires.

#### *Article VII*

1. Aucune des Hautes Parties contractantes n'imposera de restrictions en matière de paiements, remises et transferts de fonds à destination ou en provenance des territoires de l'autre Haute Partie contractante sauf: a) dans la mesure nécessaire afin que les ressources en devises étrangères soient suffisantes pour régler le prix des marchandises et des services indispensables à la santé et au bien-être de sa population; et b) dans le cas d'un membre du Fonds monétaire international, s'il s'agit de restrictions expressément approuvées par le Fonds.

2. Si l'une ou l'autre des Hautes Parties contractantes impose des restrictions en matière de change, elle devra réserver sans délai des sommes suffisantes pour faire face aux retraits normalement prévisibles, dans la monnaie de l'autre Haute Partie contractante : a) des indemnités dont il est question au paragraphe 2 de l'article IV du présent Traité; b) des gains, qu'ils prennent la forme de traitements, d'intérêts, de dividendes, de commissions, de redevances, de rétributions de services ou toute autre forme; et c) des sommes afférentes à l'amortissement d'emprunts, à la dépréciation d'investissements directs et au transfert de capitaux, compte tenu des besoins particuliers en vue d'autres opérations. Si plus d'un taux de change est en vigueur, le taux applicable à ces retraits sera celui qui aura été expressément approuvé par le Fonds monétaire international pour les opérations de cette nature ou, à défaut d'un taux ainsi approuvé, un taux effectif qui, compte tenu de toute taxe ou surtaxe imposée sur les transferts de devises, sera juste et raisonnable.

3. En règle générale, la Haute Partie contractante qui imposera des restrictions en matière de change devra les appliquer de manière à ne pas porter préjudice au commerce, aux transports et aux investissements de l'autre Haute Partie contractante sur le marché par rapport au commerce, aux transports ou aux investissements d'un pays tiers; elle devra donner à l'autre Haute Partie contractante la possibilité de discuter avec elle, à tout moment, l'application des dispositions du présent article.

#### *Article VIII*

1. Chacune des Hautes Parties contractantes accordera aux produits de l'autre Haute Partie contractante, quelle qu'en soit la provenance et indépen-

arriving, and to products destined for exportation to the territories of such other High Contracting Party, by whatever route and by whatever type of carrier, treatment no less favorable than that accorded like products of or destined for exportation to any third country, in all matters relating to : (a) duties, other charges, regulations and formalities, on or in connection with importation and exportation; and (b) internal taxation, sale, distribution, storage and use. The same rule shall apply with respect to the international transfer of payments for imports and exports.

2. Neither High Contracting Party shall impose restrictions or prohibitions on the importation of any product of the other High Contracting Party or on the exportation of any product to the territories of the other High Contracting Party, unless the importation of the like product of, or the exportation of the like product to, all third countries is similarly restricted or prohibited.

3. If either High Contracting Party imposes quantitative restrictions on the importation or exportation of any product in which the other High Contracting Party has an important interest :

- (a) It shall as a general rule give prior public notice of the total amount of the product, by quantity or value, that may be imported or exported during a specified period, and of any change in such amount or period; and
- (b) If it makes allotments to any third country, it shall afford such other High Contracting Party a share proportionate to the amount of the product, by quantity or value, supplied by or to it during a previous representative period, due consideration being given to any special factors affecting the trade in such product.

4. Either High Contracting Party may impose prohibitions or restrictions on sanitary or other customary grounds of a non-commercial nature, or in the interest of preventing deceptive or unfair practices, provided such prohibitions or restrictions do not arbitrarily discriminate against the commerce of the other High Contracting Party.

5. Either High Contracting Party may adopt measures necessary to assure the utilization of accumulated inconvertible currencies or to deal with a stringency of foreign exchange. However, such measures shall deviate no more than necessary from a policy designed to promote the maximum development of non-discriminatory multilateral trade and to expedite the attainment of a balance-of-payments position which will obviate the necessity of such measures.



damment du mode de transport utilisé, ainsi qu'aux produits destinés à l'exportation vers les territoires de cette autre Haute Partie contractante, quels que soient l'itinéraire et le mode de transport utilisés, un traitement non moins favorable que celui qui est accordé aux produits similaires provenant de tout pays tiers ou destinés à l'exportation vers tout pays tiers, pour toutes les questions qui ont trait: a) aux droits de douane et autres taxes ainsi qu'aux règles et formalités applicables en matière d'importation et d'exportation; et b) à la fiscalité, la vente, la distribution, l'entreposage et l'utilisation desdits produits sur le plan national. La même règle s'appliquera au transfert international des sommes versées en paiement des importations ou des exportations.

2. Aucune des Hautes Parties contractantes ne restreindra ou n'interdira l'importation d'un produit de l'autre Haute Partie contractante ou l'exportation d'un produit destiné aux territoires de l'autre Haute Partie contractante, à moins que l'importation d'un produit similaire provenant de tout pays tiers, ou l'exportation d'un produit similaire à destination de tous les pays tiers ne soient, de la même manière, interdites ou restreintes.

3. Si l'une des Hautes Parties contractantes impose des restrictions quantitatives à l'importation ou à l'exportation d'un produit qui présente un intérêt important pour l'autre Haute Partie contractante:

- a) Elle devra, en règle générale, faire connaître publiquement à l'avance le contingent de ce produit, en quantité ou en valeur, dont l'importation ou l'exportation sera autorisée pendant une période déterminée, ainsi que toute modification de ce contingent ou de cette période;
- b) Elle devra, si elle attribue des contingents à un pays tiers, réserver à l'autre Haute Partie contractante une quote-part proportionnelle au contingent de ce produit, en quantité ou en valeur, fourni par cette Haute Partie contractante ou à cette Haute Partie contractante pendant une période représentative, compte dûment tenu de facteurs spéciaux qui peuvent influencer sur le commerce du produit en question.

4. Chacune des Hautes Parties contractantes pourra imposer des interdictions ou des restrictions pour des motifs d'ordre sanitaire ou pour d'autres raisons de caractère non commercial généralement admises, ou en vue d'empêcher des pratiques dolosives ou déloyales, à condition que ces interdictions ou restrictions ne constituent pas des mesures discriminatoires arbitraires envers le commerce de l'autre Haute Partie contractante.

5. Chacune des Hautes Parties contractantes pourra prendre les mesures nécessaires pour assurer l'utilisation des devises inconvertibles accumulées ou pour faire face à une pénurie de devises étrangères. Toutefois, lesdites mesures ne pourront déroger que dans les limites requises à une politique générale visant à favoriser le développement maximum des échanges multilatéraux sur la base de la non-discrimination et à créer le plus rapidement possible une situation telle, en ce qui concerne la balance des paiements, qu'il ne soit plus nécessaire de recourir à de telles mesures.

6. Each High Contracting Party reserves the right to accord special advantages : (a) to products of its national fisheries, (b) to adjacent countries in order to facilitate frontier traffic, or (c) by virtue of a customs union or free trade area of which either High Contracting Party, after consultation with the other High Contracting Party, may become a member. Each High Contracting Party, moreover, reserves rights and obligations it may have under the General Agreement on Tariffs and Trade,<sup>1</sup> and special advantages it may accord pursuant thereto.

#### *Article IX*

1. In the administration of its customs regulations and procedures, each High Contracting Party shall : (a) promptly publish all requirements of general application affecting importation and exportation; (b) apply such requirements in a uniform, impartial and reasonable manner; (c) refrain, as a general practice, from enforcing new or more burdensome requirements until after public notice thereof; (d) provide an appeals procedure by which prompt and impartial review of administrative action in customs matters can be obtained; and (e) not impose greater than nominal penalties for infractions resulting from clerical errors or from mistakes made in good faith.

2. Nationals and companies of either High Contracting Party shall be accorded treatment no less favorable than that accorded nationals and companies of the other High Contracting Party, or of any third country, with respect to all matters relating to importation and exportation.

3. Neither High Contracting Party shall impose any measure of a discriminatory nature that hinders or prevents the importer or exporter of products of either country from obtaining marine insurance on such products in companies of either High Contracting Party.

#### *Article X*

1. Between the territories of the two High Contracting Parties there shall be freedom of commerce and navigation.

2. Vessels under the flag of either High Contracting Party, and carrying the papers required by its law in proof of nationality, shall be deemed to be vessels of that High Contracting Party both on the high seas and within the ports, places and waters of the other High Contracting Party.

<sup>1</sup> See footnote 2, p. 76 of this volume.

6. Chacune des Hautes Parties contractantes se réserve le droit d'accorder des avantages particuliers : a) aux produits de ses pêcheries nationales; b) aux pays voisins en vue de faciliter le trafic frontalier, ou c) en vertu d'une union douanière ou d'une zone de libre-échange dont l'une des Hautes Parties contractantes serait devenue membre après avoir consulté l'autre Haute Partie contractante. En outre, chacune des Hautes Parties contractantes se réserve le droit d'exercer les prérogatives et de remplir les obligations qui pourraient lui être conférées par l'Accord général sur les tarifs douaniers et le commerce<sup>1</sup> et de consentir des avantages particuliers en application dudit Accord.

#### Article IX

1. Dans le cadre de l'application de ses règlements douaniers et de ses procédures douanières, chacune des Hautes Parties contractantes: a) publiera rapidement toutes les dispositions d'application générale concernant les importations ou les exportations; b) appliquera lesdites dispositions d'une manière uniforme, impartiale et raisonnable; c) s'abstiendra, en règle générale, de mettre en vigueur des dispositions nouvelles ou plus rigoureuses avant de les avoir fait connaître publiquement à l'avance d) établira une procédure d'appel permettant d'obtenir la révision rapide et impartiale des mesures administratives ayant trait à des questions douanières; et e) n'infligera pas de sanctions supérieures à des amendes purement nominales lorsque l'infraction résulte d'une erreur matérielle ou d'une faute commise de bonne foi.

2. Les ressortissants et les sociétés de l'une des Hautes Parties contractantes bénéficieront, pour toutes les questions qui ont trait aux importations et aux exportations, d'un traitement non moins favorable que celui qui est accordé aux ressortissants et aux sociétés de l'autre Haute Partie contractante ou de tout pays tiers.

3. Aucune des Hautes Parties contractantes n'imposera de mesures de caractère discriminatoire ayant pour effet d'empêcher, directement ou indirectement, les importateurs ou les exportateurs de produits originaires de l'un ou l'autre pays, d'assurer lesdits produits contre les risques maritimes auprès de compagnies de l'une ou l'autre des Hautes Parties contractantes.

#### Article X

1. Il y aura liberté de commerce et de navigation entre les territoires des deux Hautes Parties contractantes.

2. Les navires battant pavillon de l'une des Hautes Parties contractantes et munis des documents que leur législation exige comme preuve de leur nationalité, seront considérés comme étant des navires de cette Haute Partie contractante, en haute mer aussi bien que dans les ports, les mouillages et les eaux de l'autre Haute Partie contractante.

<sup>1</sup> Voir note 2, p. 77 de ce volume.

3. Vessels of either High Contracting Party shall have liberty, on equal terms with vessels of the other High Contracting Party and on equal terms with vessels of any third country, to come with their cargoes to all ports, places and waters of such other High Contracting Party open to foreign commerce and navigation. Such vessels and cargoes shall in all respects be accorded national treatment and most-favored-nation treatment within the ports, places and waters of such other High Contracting Party; but each High Contracting Party may reserve exclusive rights and privileges to its own vessels with respect to the coasting trade, inland navigation and national fisheries.

4. Vessels of either High Contracting Party shall be accorded national treatment and most-favored-nation treatment by the other High Contracting Party with respect to the right to carry all products that may be carried by vessel to or from the territories of such other High Contracting Party; and such products shall be accorded treatment no less favorable than that accorded like products carried in vessels of such other High Contracting Party, with respect to: (a) duties and charges of all kinds, (b) the administration of the customs, and (c) bounties, drawbacks and other privileges of this nature.

5. Vessels of either High Contracting Party that are in distress shall be permitted to take refuge in the nearest port or haven of the other High Contracting Party, and shall receive friendly treatment and assistance.

6. The term "vessels", as used herein, means all types of vessels, whether privately owned or operated, or publicly owned or operated; but this term does not, except with reference to paragraphs 2 and 5 of the present Article, include fishing vessels or vessels of war.

#### *Article XI*

1. Each High Contracting Party undertakes (a) that enterprises owned or controlled by its Government, and that monopolies or agencies granted exclusive or special privileges within its territories, shall make their purchases and sales involving either imports or exports affecting the commerce of the other High Contracting Party solely in accordance with commercial considerations, including price, quality, availability, marketability, transportation and other conditions of purchase or sale; and (b) that the nationals, companies and commerce of such other High Contracting Party shall be afforded adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases and sales.

3. Les navires de l'une des deux Hautes Parties contractantes pourront librement, dans les mêmes conditions que les navires de l'autre Haute Partie contractante et les navires de tout pays tiers, se rendre avec leur cargaison dans tous les ports, mouillages et eaux de cette autre Haute Partie contractante, qui sont ouverts au commerce international et à la navigation internationale. Lesdits navires, ainsi que leur cargaison bénéficieront à tous égards, dans les ports, les mouillages et les eaux de cette autre Haute Partie contractante, du traitement national et du traitement de la nation la plus favorisée; mais chacune des Hautes Parties contractantes pourra réserver à ses propres navires des droits et des privilèges exclusifs en ce qui concerne le cabotage, la navigation fluviale et les pêcheries nationales.

4. Chacune des Hautes Parties contractantes accordera aux navires de l'autre Haute Partie contractante le traitement national et le traitement de la nation la plus favorisée en ce qui concerne le droit de transporter, à destination ou en provenance de ses territoires, tous les produits qui peuvent être acheminés par bateau; lesdits produits bénéficieront d'un traitement non moins favorable que celui qui est accordé aux produits similaires transportés à bord de navires de la première Haute Partie contractante en ce qui concerne : a) les droits et taxes de toutes natures, b) les formalités douanières; et c) les primes, drawbacks et autres avantages de même ordre.

5. Les navires en détresse de l'une des Hautes Parties contractantes pourront chercher refuge dans le port ou havre le plus proche de l'autre Haute Partie contractante; ils y bénéficieront d'un traitement amical et recevront assistance.

6. Au sens du présent Traité, le terme « navires » doit s'entendre des navires de tous genres, qu'ils soient propriété privée ou publique ou que leur exploitation soit privée ou publique; ce terme ne vise cependant pas, sauf en ce qui concerne l'application des paragraphes 2 et 5 du présent article, les bateaux de pêche ou les bâtiments de guerre.

#### *Article XI*

1. Chacune des Hautes Parties contractantes garantit : a) que les entreprises appartenant à l'État ou contrôlées par lui, ainsi que les monopoles ou organismes auxquels des privilèges exclusifs ou particuliers ont été concédés dans ses territoires, ne prendront en considération, lorsqu'ils effectueront des achats ou des ventes donnant lieu à des importations ou à des exportations intéressant le commerce de l'autre Haute Partie contractante, que des facteurs commerciaux, tels que le prix, la qualité, la situation de l'offre, les possibilités d'écoulement, le transport et d'autres conditions d'achat ou de vente; et b) que les ressortissants et les sociétés de cette autre Haute Partie contractante, ainsi que son commerce, auront des possibilités adéquates, conformément aux pratiques commerciales ordinaires, pour faire, sur la base de la concurrence, des offres d'achat ou de vente,

2. Each High Contracting Party shall accord to the nationals, companies and commerce of the other High Contracting Party fair and equitable treatment, as compared with that accorded to the nationals, companies and commerce of any third country, with respect to: (a) the governmental purchase of supplies, (b) the awarding of government contracts, and (c) the sale of any service sold by the Government or by any monopoly or agency granted exclusive or special privileges.

3. The High Contracting Parties recognize that conditions of competitive equality should be maintained in situations in which publicly owned or controlled trading or manufacturing enterprises of either High Contracting Party engage in competition, within the territories thereof, with privately owned and controlled enterprises of nationals and companies of the other High Contracting Party. Accordingly, such private enterprises shall, in such situations, be entitled to the benefit of any special advantages of an economic nature accorded such public enterprises, whether in the nature of subsidies, tax exemptions or otherwise. The foregoing rule shall not apply, however, to special advantages given in connection with: (a) manufacturing goods for government use, or supplying goods and services to the Government for government use; or (b) supplying at prices substantially below competitive prices, the needs of particular population groups for essential goods and services not otherwise practically obtainable by such groups.

4. No enterprise of either High Contracting Party, including corporations, associations, and government agencies and instrumentalities, which is publicly owned or controlled shall, if it engages in commercial, industrial, shipping or other business activities within the territories of the other High Contracting Party, claim or enjoy, either for itself or for its property, immunity therein from taxation, suit, execution of judgment or other liability to which privately owned and controlled enterprises are subject therein.

#### *Article XII*

Each High Contracting Party shall have the right to send to the other High Contracting Party consular representatives, who, having presented their credentials and having been recognized in a consular capacity, shall be provided, free of charge, with exequaturs or other authorization.

#### *Article XIII*

1. Consular representatives of each High Contracting Party shall be permitted to reside in the territory of the other High Contracting Party at the places where consular officers of any third country are permitted to reside and

2. Chacune des Hautes Parties contractantes accordera aux ressortissants et aux sociétés de l'autre Haute Partie contractante, ainsi qu'à son commerce, un traitement juste et équitable par rapport au traitement qui est accordé aux ressortissants, aux sociétés et au commerce de tout pays tiers en ce qui concerne : a) l'achat de fournitures pour l'État; b) la passation de marchés publics; et c) la vente de tout service assuré par l'État ou par un monopole ou un organisme doté de privilèges exclusifs ou particuliers.

3. Les Hautes Parties contractantes reconnaissent qu'il faut dans les territoires de chacune d'elles maintenir des conditions égales de concurrence entre les entreprises commerciales ou les manufactures d'État qui sont possédées ou exploitées par l'une d'elles et les entreprises possédées ou exploitées par des ressortissants ou des sociétés de l'autre Haute Partie contractante qui leur font concurrence. En conséquence, ces entreprises privées auront droit à tout avantage particulier de nature économique qui serait accordé auxdites entreprises d'État, que ces avantages aient le caractère de subventions ou d'exemptions fiscales ou qu'ils prennent toute autre forme. Toutefois, la règle précédente ne s'applique pas aux avantages particuliers accordés en ce qui concerne : a) la fabrication d'articles destinés à être utilisés par l'État; ou b) la fourniture à des prix notablement inférieurs aux prix de marché, d'articles et de services destinés à satisfaire les besoins de certains éléments de la population, lorsqu'il s'agit de biens et de services essentiels que ces éléments ne pourraient pas obtenir pratiquement par d'autres moyens.

4. Aucune entreprise de l'une ou l'autre des Hautes Parties contractantes, qu'il s'agisse de sociétés, d'associations, d'administrations et d'agences publiques qui est propriété publique ou sous contrôle public, ne pourra, si elle exerce dans les territoires de l'autre Haute Partie contractante une activité commerciale ou industrielle de quelque nature que ce soit, y compris le transport des marchandises, bénéficier ni prétendre bénéficier, dans lesdits territoires, pour elle-même ou pour ses biens, d'une exemption en matière d'impôts, de poursuites judiciaires, d'exécution des jugements ou d'obligations d'un autre ordre applicables aux entreprises qui sont propriété privée ou sous contrôle privé.

#### *Article XII*

Chacune des Hautes Parties contractantes aura le droit d'envoyer auprès de l'autre Haute Partie contractante des représentants consulaires qui, après avoir présenté leurs lettres de provision et avoir fait connaître leur qualité, devront être gratuitement munis d'exequaturs ou de toute autre autorisation qui serait nécessaire.

#### *Article XIII*

1. Les représentants consulaires de chacune des Hautes Parties contractantes pourront résider dans le territoire de l'autre Haute Partie contractante en tout lieu où les fonctionnaires consulaires de tout pays tiers sont autorisés



at other places by consent of the other High Contracting Party. Consular officers and employees shall enjoy the privileges and immunities accorded to officers and employees of their rank or status by general international usage and shall be permitted to exercise all functions which are in accordance with such usage; in any event they shall be treated, subject to reciprocity, in a manner no less favorable than similar officers and employees of any third country.

2. The consular offices shall not be entered by the police or other local authorities without the consent of the consular officer, except that in the case of fire or other disaster, or if the local authorities have probable cause to believe that a crime of violence has been or is about to be committed in the consular office, consent to entry shall be presumed. In no case shall they examine or seize the papers there deposited.

#### *Article XIV*

1. All furniture, equipment and supplies consigned to or withdrawn from customs custody for a consular or diplomatic office of either High Contracting Party for official use shall be exempt within the territories of the other High Contracting Party from all customs duties and internal revenue or other taxes imposed upon or by reason of importation.

2. The baggage, effects and other articles imported exclusively for the personal use of consular officers and diplomatic and consular employees and members of their families residing with them, who are nationals of the sending state and are not engaged in any private occupation for gain in the territories of the receiving state, shall be exempt from all customs duties and internal revenue or other taxes imposed upon or by reason of importation. Such exemptions shall be granted with respect to the property accompanying the person entitled thereto on first arrival and on subsequent arrivals, and to that consigned to such officers and employees during the period in which they continue in status.

3. It is understood, however, that: (a) paragraph 2 of the present Article shall apply as to consular officers and diplomatic and consular employees only when their names have been communicated to the appropriate authorities of the receiving state and they have been duly recognized in their official capacity; (b) in the case of consignments, either High Contracting Party may, as a condition to the granting of exemption, require that a notification of any such consignment be given, in a prescribed manner; and (c) nothing herein authorizes importations specifically prohibited by law.



à résider ainsi qu'en tout autre lieu qui aura l'agrément de l'autre Haute Partie contractante. Les fonctionnaires et employés consulaires jouiront des privilèges et immunités qui sont accordés aux fonctionnaires et employés de même rang ou de même statut conformément à la pratique générale internationale et seront autorisés à exercer toutes les fonctions admises par ladite pratique; ils bénéficieront, en toute circonstance, sur la base de la réciprocité, d'un traitement non moins favorable que celui qui est appliqué aux fonctionnaires et employés de même catégorie de tout pays tiers.

2. La police ou les autres autorités locales ne pourront pénétrer dans les bureaux consulaires qu'avec la permission du fonctionnaire consulaire; toutefois, ce dernier sera présumé avoir donné ladite permission en cas d'incendie ou d'autres sinistres, ou lorsque les autorités locales auront des raisons sérieuses de croire qu'un délit avec violence a été ou est sur le point d'être commis dans les bureaux consulaires. Lesdites autorités ne pourront en aucun cas examiner ou saisir les documents qui s'y trouvent déposés.

#### *Article XIV*

1. Le mobilier, le matériel et les fournitures destinés aux besoins officiels d'un bureau consulaire ou d'une mission diplomatique de l'une des Hautes Parties contractantes seront exonérés, dans les territoires de l'autre Haute Partie contractante, qu'ils se trouvent dans les entrepôts douaniers ou qu'ils en soient déjà sortis, de tout droit de douane et de tous impôts ou taxes intérieurs perçus en raison ou à l'occasion de l'importation.

2. Les bagages, les effets et tous autres articles importés exclusivement pour l'usage personnel des fonctionnaires consulaires et des employés diplomatiques ou consulaires et des membres de leurs familles qui résident avec eux, qui sont ressortissants de l'État d'origine et qui ne se livrent à aucune activité lucrative dans le territoire de l'État d'admission, seront exempts de tous droits de douane et de tous impôts ou taxes intérieurs perçus en raison ou à l'occasion de l'importation. Lesdites exemptions seront accordées aussi bien dans le cas où les biens accompagnent l'intéressé lors de sa première entrée dans le pays ou de toute entrée subséquente, que dans le cas où les biens seront expédiés auxdits fonctionnaires ou employés au cours de la période pendant laquelle ils demeureront affectés à leurs postes.

3. Il est entendu toutefois : a) que les dispositions du paragraphe 2 du présent article ne s'appliqueront aux fonctionnaires consulaires et aux employés diplomatiques ou consulaires que quand leurs noms auront été communiqués aux autorités compétentes de l'État d'admission et que leur qualité officielle aura été dûment reconnue; b) que, dans le cas d'articles expédiés, chacune des Hautes Parties contractantes pourra subordonner l'octroi de l'exemption à une notification de l'expédition qui devra être donnée sous la forme qu'elle prescrira; c) qu'aucune des présentes dispositions n'autorise l'entrée dans le territoire d'articles dont l'importation est expressément interdite par la loi.

*Article XV*

1. The Government of either High Contracting Party may, in the territory of the other, acquire, own, lease for any period of time, or otherwise hold and occupy, such lands, buildings, and appurtenances as may be necessary and appropriate for governmental, other than military, purposes. If under the local law the permission of the local authorities must be obtained as a prerequisite to any such acquiring or holding, such permission shall be given on request.

2. Lands and buildings situated in the territories of either High Contracting Party, of which the other High Contracting Party is the legal or equitable owner and which are used exclusively for governmental purposes by that owner, shall be exempt from taxation of every kind, national, state, provincial and municipal, other than assessments levied for services or local public improvements by which the premises are benefited.

*Article XVI*

1. No tax or other similar charge of any kind, whether of a national, state, provincial, or municipal nature, shall be levied or collected within the territories of the receiving state in respect of the official emoluments, salaries, wages or allowances received (a) by a consular officer of the sending state as compensation for his consular services, or (b) by a consular employee thereof as compensation for his services at a consulate. Likewise, consular officers and employees, who are permanent employees of the sending state and are not engaged in private occupation for gain within the territories of the receiving state, shall be exempt from all taxes or other similar charges, the legal incidence of which would otherwise fall upon such officers or employees.

2. The preceding paragraph shall not apply in respect of taxes and other similar charges upon: (a) the ownership or occupation of immovable property situated within the territories of the receiving state; (b) income derived from sources within such territories (except the compensation mentioned in the preceding paragraph); or (c) the passing of property at death.

3. The provisions of the present Article shall have like application to diplomatic officers and employees, who shall in addition be accorded all exemptions allowed them under general international usage.

*Article XVII*

The exemptions provided for in Articles XIV and XVI shall not apply to nationals of the sending state who are also nationals of the receiving state, or to any other person who is a national of the receiving state, nor to persons having immigrant status who have been lawfully admitted for permanent residence in the receiving state.

*Article XV*

1. Les pouvoirs publics de l'une des Hautes Parties contractantes pourront dans le territoire de l'autre acquérir, posséder, louer pour une durée quelconque ou détenir et occuper à toute autre titre les terrains, bâtiments et dépendances qui pourront leur être nécessaires ou utiles à toute fin officielle autre que militaire. Si le droit local subordonne l'acquisition ou la possession susvisée à l'autorisation préalable des autorités locales, cette autorisation devra être accordée sur demande.

2. Les terrains et bâtiments situés sur le territoire de l'une des Hautes Parties contractantes et appartenant en droit ou en équité à l'autre Haute Partie contractante et utilisés exclusivement à des fins officielles seront exempts de tous impôts nationaux, d'état, provinciaux et municipaux à l'exception des taxes perçues pour des prestations de service ou à l'occasion de travaux publics locaux dont bénéficient les biens dont il s'agit.

*Article XVI*

1. Aucun impôt ou contribution similaire d'aucune sorte, qu'il soit national, d'état, provincial ou municipal ne sera levé ou perçu dans les territoires de l'État d'admission, sur les émoluments, traitements, salaires ou indemnités touchés: a) par un fonctionnaire consulaire de l'État d'origine en rétribution de ses services consulaires ou b) par un employé de consulat en rétribution de ses services dans un consulat dudit État. De même, les fonctionnaires consulaires et les employés de consulat qui sont fonctionnaires publics de l'État d'origine et qui n'exercent pas une activité privée de caractère lucratif dans les territoires de l'État d'admission, seront exonérés de tous impôts ou contributions similaires dont le paiement, en l'absence de l'exemption prévue par le présent article, incomberait légalement auxdits fonctionnaires consulaires ou employés de consulat.

2. Les dispositions du paragraphe précédent ne s'appliqueront pas aux impôts et contributions similaires perçus: a) du fait de la propriété ou de l'occupation de biens immeubles situés dans les territoires de l'État d'admission; b) sur les revenus provenant de sources dans lesdits territoires (à l'exception de la rétribution mentionnée au paragraphe précédent); ou c) à l'occasion d'une mutation de propriété pour cause de décès.

3. Les dispositions du présent article s'appliqueront dans les mêmes conditions aux fonctionnaires et employés diplomatiques qui bénéficieront en outre de toutes les exemptions qui leur sont accordées en vertu de la pratique générale internationale.

*Article XVII*

Les exemptions prévues aux articles XIV et XVI ne s'appliqueront pas aux ressortissants du pays d'origine qui sont en même temps ressortissants du pays d'admission, ni à toute autre personne qui est ressortissant du pays d'admission ni aux personnes ayant le statut d'immigrants qui ont été légalement reçues dans le pays d'admission pour y résider de façon permanente.

*Article XVIII*

Consular officers and employees are not subject to local jurisdiction for acts done in their official character and within the scope of their authority. No consular officer or employee shall be required to present his official files before the courts or to make declaration with respect to their contents.

*Article XIX*

A consular officer shall have the right within his district to : (a) interview, communicate with, assist and advise any national of the sending state; (b) inquire into any incidents which have occurred affecting the interests of any such national; and (c) assist any such national in proceedings before or in relations with the authorities of the receiving state and, where necessary, arrange for legal assistance to which he is entitled. A national of the sending state shall have the right at all times to communicate with a consular officer of his country and, unless subject to lawful detention, to visit him at the consular office.

*Article XX*

1. The present Treaty shall not preclude the application of measures :
  - (a) regulating the importation or exportation of gold or silver;
  - (b) relating to fissionable materials, the radio-active by-products thereof, or the sources thereof;
  - (c) regulating the production of or traffic in arms, ammunition and implements of war, or traffic in other materials carried on directly or indirectly for the purpose of supplying a military establishment; and
  - (d) necessary to fulfill the obligations of a High Contracting Party for the maintenance or restoration of international peace and security, or necessary to protect its essential security interests.
2. The present Treaty does not accord any rights to engage in political activities.
3. The stipulations of the present Treaty shall not extend to advantages accorded by the United States of America or its Territories and possessions, irrespective of any future change in their political status, to one another, to the Republic of Cuba, to the Republic of the Philippines, to the Trust Territory of the Pacific Islands or to the Panama Canal Zone.
4. The provisions of Article II, Paragraph I, shall be construed as extending to nationals of either High Contracting Party seeking to enter the territories of

*Article XVIII*

Les fonctionnaires consulaires et employés de consulat ne sont pas soumis à la juridiction locale pour les actes qu'ils ont accomplis en qualité et dans la limite de leur compétence. Aucun fonctionnaire consulaire ou employé de consulat ne sera requis de présenter ses dossiers officiels devant les tribunaux ou de faire une déclaration au sujet de leur contenu.

*Article XIX*

Un fonctionnaire consulaire aura le droit dans le ressort qui lui est imparti: a) de conférer et communiquer avec tout ressortissant du pays d'origine, de l'assister et de le conseiller; b) d'enquêter sur les incidents qui pourraient porter atteinte aux intérêts dudit ressortissant; c) d'assister ledit ressortissant dans toute action intentée devant les autorités du pays d'admission ou dans ses rapports avec lesdites autorités et, en cas de besoin, de prendre toutes dispositions pour lui procurer l'assistance judiciaire à laquelle il a droit. Tout ressortissant du pays d'origine aura le droit de communiquer à tout moment avec un fonctionnaire consulaire de son pays et, sauf s'il se trouve légalement en état de détention, d'aller le voir au consulat.

*Article XX*

1. Le présent Traité ne fera pas obstacle à l'application de mesures :

- a) Réglementant l'importation ou l'exportation de l'or ou de l'argent;
- b) Concernant les substances fissiles, les sous-produits radioactifs desdites substances et les matières qui sont la source de substances fissiles;
- c) Réglementant la production ou le commerce des armes, des munitions et du matériel de guerre, ou le commerce d'autres produits lorsqu'il a pour but direct ou indirect d'approvisionner des unités militaires;
- d) Ou nécessaires à l'exécution des obligations de l'une ou l'autre des Hautes Parties contractantes relatives au maintien ou au rétablissement de la paix et de la sécurité internationales ou à la protection des intérêts vitaux de cette Haute Partie contractante sur le plan de la sécurité.

2. Le présent Traité n'accorde aucun droit en vue de l'exercice d'une activité politique.

3. Les dispositions du présent Traité ne s'appliqueront pas aux avantages que s'accordent mutuellement les États-Unis d'Amérique, leurs territoires et leurs possessions, indépendamment de toute modification qui pourrait être apportée à leur statut politique, ou qui sont accordés par eux à la République de Cuba, à la République des Philippines, au Territoire sous tutelle des Îles du Pacifique ou à la zone du canal de Panama.

4. Les dispositions du paragraphe I de l'article II s'appliqueront au ressortissant de l'une ou l'autre des Hautes Parties contractantes cherchant à

the other High Contracting Party solely for the purpose of developing and directing the operations of an enterprise in the territories of such other High Contracting Party in which their employer has invested or is actively in the process of investing a substantial amount of capital : provided that such employer is a national or company of the same nationality as the applicant and that the applicant is employed by such national or company in a responsible capacity.

*Article XXI*

1. Each High Contracting Party shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, such representations as the other High Contracting Party may make with respect to any matter affecting the operation of the present Treaty.

2. Any dispute between the High Contracting Parties as to the interpretation or application of the present Treaty, not satisfactorily adjusted by diplomacy, shall be submitted to the International Court of Justice, unless the High Contracting Parties agree to settlement by some other pacific means.

*Article XXII*

1. The present Treaty shall replace the following agreements between the United States of America and Iran :

- (a) the provisional agreement relating to commercial and other relations, concluded at Tehran May 14, 1928,<sup>1</sup> and
- (b) the provisional agreement relating to personal status and family law, concluded at Tehran July 11, 1928.<sup>2</sup>

2. Nothing in the present Treaty shall be construed to supersede any provision of the trade agreement and the supplementary exchange of notes between the United States of America and Iran, concluded at Washington April 8, 1943.<sup>3</sup>

*Article XXIII*

1. The present Treaty shall be ratified, and the ratifications thereof shall be exchanged at Tehran as soon as possible.

2. The present Treaty shall enter into force one month after the day of exchange of ratifications. It shall remain in force for ten years and shall continue in force thereafter until terminated as provided herein.

<sup>1</sup> De Martens, *Nouveau Recueil général de Traités*, troisième série, tome XXX, p. 885.

<sup>2</sup> De Martens, *Nouveau Recueil général de Traités*, troisième série, tome XXV, p. 58.

<sup>3</sup> United Nations, *Treaty Series*, Vol. 106, p. 155.

entrer sur le territoire de l'autre Haute Partie contractante à seule fin de diriger et de développer les opérations d'une entreprise située sur le territoire de cette autre Haute Partie contractante dans laquelle son employeur a investi ou est sur le point d'investir des capitaux importants : à condition que ledit employeur soit un ressortissant ou une société de la même nationalité que le postulant et qu'il emploie ledit postulant dans un poste où il assumera des responsabilités.

#### Article XXI

1. Chacune des deux Hautes Parties contractantes examinera avec bienveillance les représentations que pourra faire l'autre Haute Partie contractante au sujet de toute question concernant l'application du présent Traité et prendra des mesures adéquates pour permettre des consultations à ce propos.

2. Tout différend qui pourrait s'élever entre les Hautes Parties contractantes quant à l'interprétation ou à l'application du présent Traité et qui ne pourrait pas être réglé d'une manière satisfaisante par la voie diplomatique sera porté devant la Cour internationale de Justice, à moins que les Hautes Parties contractantes ne conviennent de le régler par d'autres moyens pacifiques.

#### Article XXII

1. Le présent Traité remplace les accords suivants conclus entre les États-Unis d'Amérique et l'Iran:

- a) L'Accord provisoire relatif aux relations commerciales et autres conclu à Téhéran, le 14 mai 1928<sup>1</sup>,
- b) L'Accord provisoire relatif au statut personnel et au droit de la famille, conclu à Téhéran, le 11 juillet 1928<sup>2</sup>.

2. Aucune disposition du présent Traité ne sera interprétée comme se substituant à une disposition de l'Accord de commerce et de l'échange de notes y relatif conclu le 8 avril 1943<sup>3</sup> à Washington entre les États-Unis d'Amérique et l'Iran.

#### Article XXIII

1. Le présent Traité sera ratifié et les instruments de ratification seront échangés à Téhéran, dès que faire se pourra.

2. Le présent Traité entrera en vigueur un mois après la date de l'échange des instruments de ratification. Il demeurera en vigueur pendant dix ans et le restera par la suite jusqu'à ce qu'il soit abrogé conformément à la procédure prévue par ses dispositions.

<sup>1</sup> De Martens, *Nouveau Recueil général de Traités*, troisième série, tome XXX, p. 885.

<sup>2</sup> De Martens, *Nouveau Recueil général de Traités*, troisième série, tome XXV, p. 58.

<sup>3</sup> Nations Unies, *Recueil des Traités*, vol. 106, p. 155.

3. Either High Contracting Party may, by giving one year's written notice to the other High Contracting Party, terminate the present Treaty at the end of the initial ten-year period or at any time thereafter.

IN WITNESS WHEREOF the respective Plenipotentiaries have signed the present Treaty and have affixed hereunto their seals.

DONE in duplicate, in the English and Persian languages, both equally authentic, at Tehran this fifteenth day of August one thousand nine hundred fifty-five, corresponding with the twenty-third day of Mordad one thousand three hundred and thirty-four.

Selden CHAPIN  
[SEAL]

MOSTAFA SAMIY  
[SEAL]



3. Chacune des Hautes Parties contractantes pourra mettre fin au présent Traité à la fin de la période initiale de dix ans ou à tout moment après l'expiration de cette période, en donnant par écrit à l'autre Haute Partie contractante un préavis d'un an.

EN FOI DE QUOI les plénipotentiaires respectifs ont signé le présent Traité et y ont apposé leur sceau.

FAIT en double exemplaire, dans les langues anglaise et persane, les deux textes faisant également foi, à Téhéran, le quinze août mil neuf cent cinquante-cinq, correspondant au vingt-troisième jour du mois de Mordad mil trois cent trente-quatre.

Selden CHAPIN  
[SCEAU]

MOSTAFA SAMIY  
[SCEAU]



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**Annex 2**

**U.S. Department of State, Instruction to U.S. Embassy, 23 July 1954**

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DEPARTMENT OF STATE INSTRUCTION

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NO. A-18, July 23, 1954

SUBJECT: Draft Treaty of Amity and Economic Relations

TO: The American Embassy, TEHRAN

Pursuant to Embtel 105, July 15 and Embtel 119, July 16, Dept transmits herewith five copies of a draft treaty of amity and economic relations and five copies of a separate draft of articles dealing with consular affairs. Copies of these two documents may, at your discretion, be given to Iranian officials as a basis for treaty negotiations. There is also attached a memorandum showing the principal differences between the present drafts and the U. S. - Ethiopia treaty of 1951.

The Department considers it desirable, as in the case of Ethiopia, to have conventional arrangements with Iran governing the status, rights, and powers of consuls, and also dealing specifically with customs privileges and taxation of diplomatic and consular officers and employees. Because of the desirability of avoiding complexity in any treaty proposals to Iran, as indicated in Embtel 105, the consular provisions have not been combined with the provisions on establishment, commerce and navigation. It is thought that the Embassy may find it more convenient in dealing with the Iranians to handle the two groups of articles separately as proposals dealing with different fields, and then incorporate them in the same instrument after agreement shall have been reached. The consular articles may appropriately be inserted following Article XI of the Amity and Economic Relations treaty.

The draft on establishment, commerce and navigation is thought to be about as brief as it can be made and still deal meaningfully with essential matters. At any rate, any further revision should await the reactions of the Iranian officials to specific provisions. The following explanatory statements on certain provisions are submitted as of possible aid to Embassy officials in preparing for the initial stage of negotiations.

The normal privilege of treaty-trader status is set forth in Article II, paragraph 1(a). At the instance of the Dept., Congress, in the Immigration and Nationality Act of 1952, provided

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A-18, Tehran July 23, 1954

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for a new category of non-immigrants (treaty investors). This may be of significance to many alien businessmen desiring to enter the U. S. because it permits entry and indefinite sojourn for business purposes without the requirement that such business purposes be limited to international trade, as the case with treaty trader status. The treaty-investor provision, included here in paragraph 1(b) appears in only one treaty presently in force, the U.S.-Japan treaty of 1953.

The provision in Article II, paragraph 3(c), is derived from the U. S. policy of promoting freedom of information, and is of interest to the news associations and related groups. The concluding clause of the provision was added to provide a basic assurance of freedom of communication for citizens of one country in another's territories.

Article III, paragraph 3, is a simplified version of the longer commercial arbitration provision that has been included in U. S. proposals to other Governments for a number of years. It is of particular interest to officers of the American Arbitration Association. An important public interest could be served by encouraging private commercial arbitration in countries where administration of justice has not reached a high stage of development. The provision has the limited object of preventing discrimination in the enforcement of private arbitration agreements or awards because of the alienage of the arbitrators or the foreign situs of the arbitration proceedings. Considerations of Federal-State relations in this country make it inadvisable to attempt a more far-reaching provision.

The essential nucleus of the proposed treaty may be considered as resting in Article IV, particularly paragraphs 2 and 4 thereof. The provision on compensation in case of expropriation in paragraph 2 is basic in all U. S. treaty proposals of this type. This provision, together with the provision in Article XIII(2) regarding adjudication of disputes by the International Court of Justice, if accepted by Iran, should afford valuable assurances to the American oil companies and other American investors.

Paragraph 4

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A-18, Tehran, July 23, 1954

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SUBJECT:

Paragraph 4 of Article IV establishes the general standard of treatment applicable to American business enterprises in Iran. It is to be noted that it does not obligate Iran to admit any foreign enterprises. The draft formerly under consideration would have assured the right of Americans freely to establish enterprises within certain broad fields, and it is understood that this was one important reason for the unfavorable reaction of the Iranian Government to the Department's proposals. No valid agreement can now be made that the proposed treaty would subject Iran to demands from third countries that would threaten undesirable economic penetration. Paragraph 4 is, however, intended to assure non-discriminatory treatment of American enterprises already in Iran and any that may be admitted in the future. This constitutes a minimum standard which the Department would find it very difficult to modify in any significant way.

Article VII, relating to exchange restrictions, is considered by the Department to be of importance in relation to the general treaty objective of improving conditions for foreign investment. It provides rules of conduct which would not impose undue hardships on parties to the treaty, assuming a country accepts the principle that exchange controls should not be unnecessarily discriminatory or applied for protectionist reasons. A country would have latitude under the Article to do whatever may reasonably be required to meet balance-of-payments difficulties. Thus the article requires only that a party make "reasonable provision" for certain transfers related to investments. Opposition to this requirement might imply that a country expected to be "unreasonable" with respect to such transfers.

Foreign officials sometimes argue that it is undesirable to include provisions on exchange restrictions in a bilateral treaty, since to do so might appear to derogate from the Articles of Agreement of the IMF. However, the IMF was not intended to deal with the specific questions covered by the type of treaty here considered, and exchange control provisions adapted to the specific purposes of the bilateral treaty are in no sense a reflection on the IMF. A member of the Fund might be authorized by the IMF, for example, under the Fund's Article VIII, to impose exchange restrictions,

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A-18, Tehran, July 23, 1954

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and under this general authorization might allocate exchange generously for luxury imports but deny exchange for the service of capital. The treaty seeks to establish agreed principles with respect to the application of restrictions, both those authorized by the IMF, and those not coming under the jurisdiction of the IMF as in the case of restrictions on capital transfers. The proposed Article VIII in no sense overrides or is in conflict with the IMF.

Article IX, paragraph 3, has been included in recent treaty proposals because of the strong interest expressed with regard to its subject matter by spokesmen for marine insurance interests in the United States. The general problem is dealt with fully in the Department's CA-6292, May 3, 1954. Since it appears from Embdes 486, December 20, 1952, that Iranian law does prevent importers and exporters in Iran from placing marine insurance with underwriters in the U. S. difficulties will doubtless be encountered in persuading the Government of Iran to agree to this provision. The Embassy should, however, make an appropriate effort to obtain its acceptance.

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Enclosures:

1. Memorandum.
2. 5 copies of draft treaty of amity and economic relations.
3. 5 copies of proposed consular provisions.

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Enclosure No: 1

Instruction No: A-18, Tehran  
July 23, 1954

MEMORANDUM

Brief Comparison of Draft Treaty  
for Iran with Treaty of 1951 with Ethiopia

The draft treaty prepared as a basis for initial discussion with Iran is substantially the same as the Treaty of Amity and Economic Relations of 1951 with Ethiopia. The principal points of difference are: (1) the omission, on a tentative basis, of the provisions on consular rights; (2) the elimination of various minor provisions included in the latter Treaty at the instance of the Ethiopian negotiators, and (3) the addition of certain provisions from the standard draft treaty of friendship, commerce and navigation in order to afford more effective adjustment to economic and juridical conditions in Iran.

There follows a checklist of the difference between the draft for Iran and the Treaty with Ethiopia. (Underscored references are to the former.)

Article II, paragraph 1: This provision, an adaptation of the corresponding provisions of the standard FCN treaty, is substituted for Article VI(1) of the Ethiopia treaty in order to provide a more specific rule with reference to the entry of businessmen in carrying out the treaty objective of increased trade and investment.

Article II, paragraph 3: A number of minor changes have been made in light of conditions in Iran. The principal is the elimination of the provision appearing in Article VI(3) of the Ethiopian treaty, for most-favored-nation treatment with respect to engaging in religious activities.

Article III, paragraph 2: The provision relating to cautio judicatum solvi, appearing in Article VII(2) of the Ethiopian treaty, has been omitted. This was included in the latter as a concession to the Ethiopian point of view, as it is the Department's aim to obtain, if possible, assurances of national treatment

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as to security for costs and judgment.

Article III, paragraph 3: A provision on commercial arbitration has been added. This is an abridged version of the provision on this subject in the standard FCN treaty (see, for example, Article I of the Treaty with Ireland, Article IV(2) of the Treaty with Japan).

(Article VII(3) of Ethiopia treaty): This paragraph, which in the normal order would appear as Article III(3) of the draft for Iran has been dropped as no longer necessary in a treaty of this kind. Subparagraph (a) originally was included in such treaties for rather specialized reasons having to do with wartime security controls, while subparagraph (b) is regarded as in the nature of a clarification of intent.

Article IV, paragraph 2: This provision has been rounded out by the addition of a sentence, taken from the standard FCN treaty, which states in some detail the standards to be observed in making compensation in expropriation cases.

(Article VIII(h) of Ethiopia treaty): This provision has been subjected to some criticism in business circles on grounds that its broad terminology might leave the capital-exporting country subject to very burdensome commitments. As the treaty objectives appear adequately covered by the other provisions on the rights of business enterprises, it has been omitted from the draft for Iran.

Article IV, paragraph h: This is a revised and somewhat compressed version of Article VIII(5) of the Ethiopia treaty. The final sentence of the latter, which reflects certain special problems raised in the Ethiopian negotiations, has been omitted.

Article V, paragraph l: This is the same as Article IX(1) of the Ethiopia treaty except for the elimination of the last sentence of the latter, which merely makes explicit what is strongly implicit in this paragraph, and for the deletion of the words "that may be generally acquired", which represents a special qualification requested by the Ethiopian negotiators.

Article VI,

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Article VI, paragraph 1: The last sentence of the comparable provision of the Ethiopian treaty (Article X(1)), which represents a minor accommodation to the Ethiopians, has been omitted.

Article VII, paragraph 3: The addition to this paragraph of reference to transport (which does not appear in Article XI(3) of the Ethiopia treaty) is in line with the coverage provided in the comparable provision of the standard FCN treaty.

Article VIII, paragraph 2: The addition to this paragraph of the provision relating to the international transfer of payments follows the standard draft in this respect and is designed to round out the basic treaty rule of unconditional most-favored-nation treatment in matters affecting the goods trade.

Article VIII, paragraph 2: The exception clause appearing in Article XII(2), the comparable provision of the Ethiopia treaty, is in the nature of a clarification and has been omitted from this paragraph as superfluous.

Article VIII, paragraph 6: Subparagraph (c) relating to customs unions and free trade areas, which was not included in the corresponding provision (Article XII(6)) of the Ethiopia treaty, is taken over from the standard FCN treaty. This provision is a customary exception to the most-favored-nation rule in modern commercial treaties and trade agreements, and may be found in greater or less detail in the General Agreement on Tariffs and Trade and in most recent bilateral instruments.

Article IX, paragraph 2: As the opening clause of the corresponding provision (Article XIII(2)) of the Ethiopia treaty is in the nature of a general clarification, it has not been thought necessary to retain it in this paragraph.

Article I: In view of the present, and the presumably greater, future interests of Iran as a maritime state, it has been thought appropriate to propose the navigation provisions of the standard FCN treaty in place of Article XIV of the Ethiopia treaty. The latter is a version, expanded during negotiations, of a very limited provision originally proposed to Ethiopia at

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a time when that country was a landlocked state.

Article XI, paragraph 2: The final sentence of the comparable provision (Article XV(2)) of the Ethiopia treaty has not been included in this paragraph. It was incorporated in the Ethiopia treaty in recognition of a special situation in that country.

Article XI, paragraphs 3 and 4: These paragraphs are taken over without change from the standard draft. They were not included in the draft first used in connection with Ethiopia, as that basic abridged draft was designed generally to meet the needs of countries in less advanced stages of economic development, and it was not possible to introduce them later.

Article XIII, paragraph 1: This provision is taken over from the standard FCN treaty.

(Article XVIII of Ethiopia treaty): A comparable provision has not been included in the draft for Iran as it is thought that decisions as to the content of such a provision could best be developed during the course of the negotiations. It may be that Iranian dissatisfaction with the Agreement of 1928 on personal status, and a consequent desire to be rid of it, may have some useful effect in this regard. The Department of course will be prepared to suggest specific language for this provision at the appropriate time.

(Consular provisions): The provisions on consular privileges and immunities, prepared as a separate document, have been framed with special reference to countries in which the United States does not maintain large consular establishments. They are intended to provide in brief compass what are regarded as the minimum requirements for satisfactory consular relations with such countries.

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These provisions amplify and round out the coverage provided by Articles III-V of the Ethiopia treaty. Although lengthier and more detailed than the latter, they are derived from the Ethiopia provisions or from the provisions of other conventions on consular matters to which the United States is a party or which are now under negotiation with other foreign countries.

The principal differences between these provisions and the consular articles of the Ethiopia treaty are as follows:

(Article II of Ethiopia treaty): This article, which relates to the privileges of diplomatic officers, is not a customary part of United States consular conventions and has been omitted from these provisions for Iran. Presumably there would be no objection to including similar provisions in a treaty with Iran, if the Iranians so desire.

Article I: This article, which has no exact counterpart in the Ethiopia treaty, provides for the sending of consular representatives.

Article II, paragraph 1: This provision is generally comparable to Article III(1) of the Ethiopia treaty but has been restated and revised to provide coverage for consular employees.

Article IV, paragraph 1: This paragraph, which has no counterpart in the Ethiopia treaty, establishes a specific right of acquisition and ownership by the Government of either country of the real property it may need in the other country for non-military purposes.

Article VI: This article contains the substance of Article V(4) of the Ethiopia treaty and, in addition, a provision relating to the waiver requirements of Section 247 of the Immigration and Nationality Act.

Article VII: This article, which is not contained in the Ethiopia treaty, defines the relationship between consular officers and local governmental authorities with respect to official contacts and files.

Article VIII:

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Article VIII: This article, which is not contained in the Ethiopia treaty, specifies certain important rights which shall vest in consular officers in connection with the protection of nationals of their country when within the other country. Similar provisions may be found in recent consular conventions entered into by the United States (e.g., Article 15(1) and (3), consular convention of 1950 with Ireland).

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**Annex 3**

**U.S. Department of State, Proposed reviewed draft of the Iran-U.S. Treaty of Amity,  
2 January 1955**

Excerpts: p.1 & p. 12

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PROPOSED ORIGINAL TEXT

Title: Treaty of Amity and Economic Relations between the United States of America and Iran

PROPOSED REVISED TEXT

Treaty of Amity, Economic Relations, and Consular Rights a/ between the United States of America and Iran

REMARKS

January 2, 1955

Preamble:

The United States of America and Iran, desirous of emphasizing the friendly relations which have long prevailed between their peoples, of reaffirming the high principles in the regulation of human affairs to which they are committed, and of encouraging mutually beneficial trade and investments and closer economic intercourse generally between their peoples, have resolved to conclude a Treaty of Amity and Economic Relations, and have appointed as their Plenipotentiaries:

The United States of America and

Iran, desirous of emphasizing the friendly relations which have long prevailed between their peoples, of reaffirming the high principles in the regulation of human affairs to which they are committed, of encouraging mutually beneficial trade and investments and closer economic intercourse generally between their peoples, and of regulating consular relations, a/ have resolved to conclude on the basis of reciprocal equality of treatment, b/ a Treaty of Amity, Economic Relations, and Consular Rights, c/ and have appointed as their Plenipotentiaries:

a/ Dr. Abdoh suggested and the Department of State agreed that the title of the proposed treaty be extended to encompass consular provisions. When this proposed treaty becomes effective, the Department stated it would be prepared to terminate the 1928 agreement regarding personal status and family law. This proposed treaty when effective would also replace the 1928 provisions of agreement relating to commercial and other relations. The proposed treaty would not supersede any provision of the trade agreement and supplementary exchange of notes, concluded at Washington, April 8, 1943.

a/ Dr. Abdoh's suggestion with which the Department agreed. \*

b/ Dr. Abdoh requested that language be inserted in the preamble to acknowledge the application of the standard of reciprocity in negotiating and reaching agreement on the present Treaty. The present language is designed to meet the Iranian suggestion while avoiding difficulties in the future regarding the application of the treaty to specific situations. The Department believed that national treatment should be the important standard in the treaty which required merely that each

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January 2, 1955

PROPOSED ORIGINAL TEXT

PROPOSED REVISED TEXT

REMARKS

3. Companies of either High Contracting Party shall not be subject, within the territories of the other High Contracting Party, to taxes upon any income, transactions or capital not attributable to the operations and investment thereof within such territories.

3. Companies of either High Contracting Party shall not be subject, within the territories of the other High Contracting Party, to taxes upon any income, transactions or capital not attributable to the operations and investment thereof within such territories.

Article VII

Article VII

1. Neither High Contracting Party shall apply restrictions on the making of payments, remittances, and other transfers of funds to or from the territories of the other High Contracting Party, except (a) to the extent necessary to assure the availability of foreign exchange for payments for goods and services essential to the health and welfare of its people, or (b) in the case of a member of the International Monetary Fund, restrictions specifically approved by the Fund.

1. Neither High Contracting Party shall apply restrictions on the making of payments, remittances, and other transfers of funds to or from the territories of the other High Contracting Party, except (a) to the extent necessary to assure the availability of foreign exchange for payments for goods and services essential to the health and welfare of its people, a/ or (b) in the case of a member of the International Monetary Fund, restrictions specifically approved by the Fund.

a/ With regard to paragraph 1(a), the Department observed that the procedure applicable to the treaty as a whole would also apply here, namely that each party would be free to make its own judgment as to whether or not contemplated actions on its part were consistent with the provisions of the treaty. The other party would be free to question and consult if it considered such actions to be inconsistent with the treaty. This interpretation seems to conform with that which Dr. Abdoh made with regard to this treaty provision.

2. If either High Contracting Party applies exchange restrictions, it shall promptly make reasonable provision for the withdrawal, in foreign exchange in the currency of the other High Contracting Party, of (a) the compensation referred to in Article IV, paragraph 2, of the present treaty, (b) earnings, whether in the form of salaries, interest, b/ dividends, commissions,

2. If either High Contracting Party applies exchange restrictions, it shall promptly make reasonable provision for the withdrawal, in foreign exchange in the currency of the other High Contracting Party, of (a) the compensation referred to in Article IV, paragraph 2, of the present treaty, (b) earnings, whether in the form of salaries, interest, b/ dividends, commissions, c/

b/ The Department stated that the problem of interest rate control was an internal matter and was not intended to be brought within the scope of the treaty provisions so long as the measures which might be taken by either country to control interest rates were non-discriminatory in application. Either Party would retain discretion under the

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**Annex 4**

**C. H. Sullivan, *Standard draft Treaty of Friendship, Commerce and Navigation*,  
U.S. Department of State, 1962**

Excerpts: p. 1, pp. 22-24

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EX.53

U.S. Plmr. Obj  
Oil Platform Case

STANDARD DRAFT  
TREATY OF FRIENDSHIP, COMMERCE  
AND NAVIGATION

Article XII

1. Nationals and companies of either Party shall be accorded by the other Party national treatment and most-favored-nation treatment with respect to payments, remittances and transfers of funds or financial instruments between the territories of the two Parties as well as between the territories of such other Party and of any third country.

2. Neither Party shall impose exchange restrictions as defined in paragraph 5 of the present Article except to the extent necessary to prevent its monetary reserves from falling to a very low level or to effect a moderate increase in very low monetary reserves. It is understood that the provisions of the present Article do not alter the obligations either Party may have to the International Monetary Fund or preclude imposition of particular restrictions whenever the Fund specifically authorizes or requests a Party to impose such particular restrictions.

3. If either Party imposes exchange restrictions in accordance with paragraph 2 of the

present Article, it shall, after making whatever provision may be necessary to assure the availability of foreign exchange for goods and services essential to the health and welfare of its people, make reasonable provision for the withdrawal, in foreign exchange in the currency of the other Party, of:

(a) the compensation referred to in Article VI, paragraph 4, (b) earnings, whether in the form of salaries, interest, dividends, commissions, royalties, payments for technical services, or otherwise,

(c) amounts for amortization of loans, depreciation of direct investments, and capital transfers, giving consideration to special needs for other transactions.

If more than one rate of exchange is in force, the rate applicable to such withdrawal shall be a rate which is specifically approved by the International Monetary Fund for such transactions or, in the absence of a rate so approved, an effective rate which, inclusive of any taxes or surcharges on exchange transfers, is just and reasonable.

4. Exchange restrictions shall not be imposed by either Party in a manner unnecessarily

detrimental or arbitrarily discriminatory to the claims, investments, transport, trade, and other interests of the nationals and companies of the other Party, nor to the competitive position thereof.

5. The term "exchange restrictions" as used in the present Article includes all restrictions, regulations, charges, taxes, or other requirements imposed by either Party which burden or interfere with payments, remittances, or transfers of funds or of financial instruments between the territories of the two Parties.

6. Each Party shall afford the other Party adequate opportunity for consultation at any time regarding application of the present Article.



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**Annex 5**

**U.S. Department of State, *Memorandum of the U.S. Department of State Legal Adviser on the Application of the Treaty of Amity to Expropriations in Iran, 13 October 1983***

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UNITED STATES: MEMORANDUM OF THE DEPARTMENT OF STATE LEGAL ADVISER  
ON THE APPLICATION OF THE TREATY OF AMITY TO EXPROPRIATIONS IN IRAN\*  
[October 13, 1983]

CLAIMS AGAINST IRAN

Mr. PERCY. Mr. President, the work of the Iran-United States Claims Tribunal at The Hague in the Netherlands is continuing in an effort to provide compensation to the many American citizens and corporations who lost money and property as a result of actions by the Government and officials of Iran. One of the key issues in the Tribunal's deliberations is the question of appropriate standards for determining the level of compensation required for such losses. Iran has sought to argue that it is no longer bound by the 1955 treaty which established the general standard of prompt, adequate and effective compensation, which has become an important term of art in international law.

In view of the importance of this issue to many American businesses, I asked the Legal Adviser of the Department of State, Davis Robinson, to provide me with a memorandum discussing this issue. I ask that a copy of this memorandum be included in the RECORD at this point.

There being no objection, the memorandum ordered to be printed in the RECORD, as follows:

(Memorandum)

APPLICATION OF THE TREATY OF AMITY TO  
EXPROPRIATIONS IN IRAN

INTRODUCTION

The Iran-United States Claims Tribunal<sup>1</sup> in The Hague has heard or scheduled for hearing numerous claims seeking compensation for the expropriation of property of U.S. nationals by Iran. In each of these cases, as in numerous others which will follow, the Tribunal must ascertain the applicable standard of compensation for expropriated property. The United States maintains that the Treaty of Amity, Economic Relations and Consular Rights between the United States of America and Iran ("the Treaty of Amity" or "the Treaty") provides the standard of compensation which must be applied to the cases before the Tribunal.<sup>2</sup>

This memorandum discusses the applicability of the Treaty of Amity to the determination of compensation for the expropriation of property of U.S. nationals in Iran. Part I demonstrates that the Treaty is still in force. Part II shows that the Treaty requires the payment of prompt, adequate and effective compensation for the expropriation of such property in Iran. Part III

demonstrates that, for purposes of determining the amount of compensation, property must be appraised at its fair market value. Part IV shows that property must be valued as of the date of expropriation, disregarding the effects of any actions attributable to the Government of Iran that were unlawful or taken in anticipation of the expropriation.

I. The Treaty of Amity remains in force

A. The Treaty Remains In Force By Its Own Terms

The Treaty of Amity explicitly provides that it shall continue in effect until terminated by a party. Specifically, Article XXIII (2) states that the Treaty "shall remain in force for ten years and shall continue in force thereafter until terminated as provided herein." (Emphasis added.) The sole method of termination under the Treaty is described in Article XXIII, which provides that the Treaty may be terminated only upon one year's written notice by one party to the other.<sup>3</sup>

Neither the United States nor Iran has provided written notice to the other that the Treaty has been terminated.<sup>4</sup> In fact to the contrary, Iran on numerous occasions as recent as late 1980 has argued before U.S. domestic courts that the treaty remains in full force and effect.<sup>5</sup> Iran, moreover, has continued to enjoy the benefits of the Treaty.<sup>6</sup> Thus, it is abundantly clear that the Treaty of Amity has not been terminated in accordance with its terms and, therefore, remains in effect.

B. The International Court of Justice Has Ruled That the Treaty Is Still in Force

The continued validity of the Treaty of Amity has been confirmed conclusively by a judgment of the International Court of Justice. On November 29, 1979, the United States filed an application with the Court seeking a declaration, *inter alia*, that Iran's November 4, 1979, seizure of the U.S. Embassy in Tehran violated the Treaty. On May 24, 1980, the Court rendered its judgment, in which it held that the Treaty's provisions "remain part of the corpus of law applicable between the United States and Iran."<sup>7</sup> In so holding, the Court explained that the continued applicability of a treaty of this nature is especially important when the parties are in dispute:

"The very purpose of a treaty of amity, and indeed of a treaty of establishment, is to promote friendly relations between the two countries concerned, and between their two peoples, more especially by mutual undertakings to ensure the protection and security of their nationals in each other's territory. It is precisely when difficulties arise that the treaty assumes its greatest importance. . . ."

Under the principle of *res judicata*,<sup>8</sup> this decision by the International Court of Justice established conclusively the continued validity of the Treaty of Amity as of May 24, 1980.

The Court's rationale and holding are no less applicable now. Iran has not alleged any event since the issuance of the Court's decision which would affect the continued validity of the Treaty. Moreover, although the hostages have been released, Iran continues to hold U.S. diplomatic and consular properties in violation of international law and the two nations remain divided by serious disputes concerning, *inter alia*, the expropriation of U.S. nationals' investments in Iran. Given that the protection of foreign investment was a central purpose of the Treaty,<sup>9</sup> the present situation is precisely the moment when treaty provisions setting forth the standard of compensation for expropriated property, in the words of the ICJ, "assume (their) greatest importance."

C. The Treaty Has Not Been "Implicitly Terminated" As a Result of Alleged Breaches by the United States

Despite its repeated reliance upon the Treaty in recent years and despite the ICJ's decision, Iran now appears to have adopted before the Tribunal a new position which alleges that certain actions by the United States "implicitly terminated" the Treaty of Amity.<sup>10</sup> Specifically, Iran alleges that U.S. Executive Orders adopting certain countermeasures<sup>11</sup> in response to Iran's unlawful seizure of the U.S. Embassy in Tehran on November 4, 1979, violated, respectively, Articles VII<sup>12</sup> and VIII of the Treaty. Such an assertion, however, is entirely contrary to established principles of international law.

(1) *The United States has not breached the treaty.*—The measures adopted by the United States, in fact, did not violate the Treaty. Rather, under both the law of treaties and the law of nonforcible reprisals, they were a fully lawful response to Iran's flagrant and continuous violations of the Treaty of Amity.

(a) *Iran flagrantly and repeatedly violated the treaty.*—Throughout 1979 and 1980,<sup>13</sup>

Footnotes at end of article.

\*[Reproduced from the U.S. Congressional Record, Vol. 129, No. 157 (November 14, 1983), pp. S 16055-60.]

the Iranian government, its agencies, instrumentalities and other controlled entities engaged in a long series of actions directed against American lives and property in Iran. These actions included, *inter alia*, government-sponsored attempts to harass and intimidate U.S. nationals with the goal of driving Americans out of Iran,<sup>14</sup> the repudiation of numerous contracts with American firms without legal justification,<sup>15</sup> massive expropriation of American property in Iran without compensation,<sup>16</sup> the imposition of currency restrictions to prevent repatriation of American earnings,<sup>17</sup> and the announced intention (finally implemented) of ceasing all oil exports to the United States.<sup>18</sup> These actions by Iran repeatedly and flagrantly violated numerous provisions of the Treaty of Amity<sup>19</sup> resulting in the virtual repudiation of all personal, contract and property rights of Americans in Iran and the collapse of commercial relations between the two nations.

Iran's violations of the Treaty culminated on November 4, 1979, with its seizure of the U.S. Embassy and forcible detention of more than sixty U.S. nationals on the Embassy premises. On May 24, 1980, the International Court of Justice held explicitly that these actions by Iran constituted "successive and continuing breaches" of the Treaty of Amity and other applicable international law.<sup>20</sup>

(b) *The U.S. countermeasures were justified under the law of treaties and the law of nonforcible reprisals.*—Shortly after the seizure of its Embassy, the United States initiated a series of countermeasures in response to Iran's violations of the Treaty and other norms of international law. On November 12, 1979, the same day that Iran announced that it would no longer export oil to the United States, President Carter ordered a halt to the importation of Iranian oil.<sup>21</sup> On November 14, 1979, President Carter issued an order to block all official Iranian assets in the United States.<sup>22</sup> Further Executive Orders of April 7 and 17, 1980, prohibited most exports to and imports from Iran and restricted financial transactions related to travel by Americans to Iran.<sup>23</sup>

Each of these countermeasures was adopted in response to Iran's continuous violations of the Treaty.<sup>24</sup> As the International Court of Justice observed in its order of May 24, 1980:

"All measures in question were taken by the United States after the seizure of its Embassy by an armed group and subsequent detention of its diplomatic and consular staff as hostages. They were measures taken in response to what the United States believed to be grave and manifest violations of international law by Iran."<sup>25</sup>

Moreover, the countermeasures were reasonably related<sup>26</sup> and proportional<sup>27</sup> to Iran's prior breaches. They were limited in scope, relative to Iran's prior Treaty violations, and involved no harassment of Iranians in U.S. territory and no expropriation of Iranian property. The restrictions on trade with and travel to Iran formalized a situation which had existed in practice for many months as a direct result of Iran's illegal conduct.<sup>28</sup> Similarly, Iran's assets were blocked only after Iran announced that all its assets in the United States were to be withdrawn.<sup>29</sup> The blocking was intended in part to preserve a remedy for Americans whose rights already had been violated by Iran in the course of Iran's unlawful actions.<sup>30</sup>

International law long has recognized that, where a party to a bilateral Treaty has breached its obligations thereunder, the other party may withhold lawfully its performance of the Treaty in a manner reason-

ably related to the breach.<sup>31</sup> Such withholding of performance by the aggrieved party does not violate the Treaty but, on the contrary, is actually a means of enforcing it. As the foregoing discussion demonstrates, each of the U.S. countermeasures was a reasonable response to Iran's prior breaches of the Treaty and, therefore, was justified under the law of treaties.<sup>32</sup>

Similarly, under the law of nonforcible reprisals, a nation may lawfully take otherwise unlawful nonforcible actions if (1) the actions are in response to prior international delicts by another nation; (2) the aggrieved nation has sought redress unsuccessfully through other means; and (3) the actions are proportional to the prior delicts.<sup>33</sup> As demonstrated above, these requirements were satisfied and thus the U.S. countermeasures were equally justified under the law of nonforcible reprisals.

(2) *Even if the United States had breached the treaty, the treaty would not have been "implicitly" terminated.*—The preceding section makes clear that the actions taken by the United States in response to Iran's violations of the Treaty were fully justified under international law and, therefore, did not breach the Treaty of Amity. Even if those actions had been in breach of the Treaty, however, such violations could not have resulted in its "implicit" or automatic termination.

It is clear as a matter of international law that a treaty cannot be "implicitly" terminated, that is, a breach of a treaty by one party does not of itself terminate the treaty. Rather, a treaty may be terminated by a breach only if (1) the breach is material, going to the heart of the treaty<sup>34</sup>; (2) the aggrieved party sends formal notice of the treaty's termination to the other party;<sup>35</sup> and (3) the formal notice of termination is sent within a reasonable time after the breach.<sup>36</sup>

In this case, the actions taken by the United States in no way violated the Treaty—materially or otherwise. These actions were taken in an effort to restore full observance of the Treaty by Iran and were a limited, gradual and proportional response to Iran's prior violations.

Further, as already noted, Iran has not sent the United States the formal notice necessary to trigger termination of the Treaty, either before or after the alleged U.S. violations. Indeed, more than ten months after the alleged violations, Iran was continuing to plead in U.S. federal court that the Treaty was still in force.<sup>37</sup>

Finally, because a reasonable time after the alleged U.S. violations already has elapsed without a notice of termination, such alleged violations no longer may form the legal basis for termination of the Treaty.

#### D. Iran Is Estopped From Repudiating the Treaty of Amity

Repudiation of the Treaty of Amity by Iran is further barred because it would violate well-established principles of international law concerning estoppel and good faith. As Sir Hersch Lauterpacht has written:

"A State cannot be allowed to avail itself of the advantages of the treaty when it suits it to do so and repudiate it when its performance becomes onerous. It is of little importance whether that rule is based on what in English law is known as the principle of estoppel or the more generally conceived requirement of good faith."<sup>38</sup>

Prior to the signing of the Algiers Accords in 1981, Iran repeatedly relied upon the treaty as a defense against litigation in U.S. courts. Now that such litigation has been suspended pursuant to the Accords, Iran

simply cannot argue that the Treaty was implicitly terminated as early as November of 1979.

#### E. Even if the Treaty Had Been Terminated, Its Provisions Would Continue to Apply To All Acts of Expropriation Which Occurred Prior to the Termination Date

Even if the Iranian position were accepted in *total*, it would have only a minimal effect on the result of the proceedings before the Tribunal. The well-settled rule of international practice is that the termination of a treaty does not affect pre-existing rights created through execution of the treaty.<sup>39</sup> Thus even if the Treaty of Amity were held no longer to be in force, the standard of compensation set forth in the Treaty still would be applicable to any act of expropriation which occurred prior to the Treaty's termination.

#### II. The Treaty of Amity requires that U.S. claimants be paid prompt, adequate and effective compensation for all property expropriated by Iran.

The Treaty of Amity expressly requires Iran to pay compensation for the expropriation of property owned by U.S. nationals. Such compensation must represent the full equivalent of the expropriated property and must be paid within a reasonable time after expropriation in a readily convertible currency. More particularly, the Treaty requires Iran to pay "prompt, adequate and effective compensation" for expropriated property.<sup>40</sup>

Specifically, Article IV(2) of the Treaty provides that:

Property of nationals and companies of either High Contracting Party, including interests in property, shall receive the most constant protection and security within the territories of the other High Contracting Party, in no case less than that required by international law. Such property shall not be taken except for a public purpose, nor shall it be taken without the prompt payment of just compensation. Such compensation shall be in an effectively realizable form and shall represent the full equivalent of the property taken; and adequate provision shall have been made at or prior to the time of taking for the determination and payment thereof. (Emphasis added.)

Thus, Article IV(2) requires "prompt payment . . . in an effectively realizable form" of "just compensation" which represents "the full equivalent of the property taken." This explicit language leaves no doubt that, under the Treaty, Iran must pay prompt, adequate and effective compensation for the expropriation of U.S. property.<sup>41</sup>

The negotiating history of the Treaty clearly confirms this conclusion. Immediately following World War II, the United States negotiated a series of some 21 bilateral FCN treaties with other nations. One important purpose of these treaties, including the Treaty of Amity, was to protect investment abroad<sup>42</sup> and thus each of the treaties contained a section which required prompt, adequate and effective compensation for the expropriation of foreign investment.<sup>43</sup> Now to interpret those treaties as permitting payment of something less would defeat one central purpose of their execution.

Throughout the negotiation of the Treaty, moreover, Iran was fully aware of the United States' views and treaty practice with respect to the standard of compensation<sup>44</sup> and agreed to that practice in the Treaty of Amity.<sup>45</sup> The language of Article IV(2) was a standard text used by the United States in most of its post-war FCN treaties<sup>46</sup> and, during the negotiations, Iran made numerous references to the language of these other FCN treaties.<sup>47</sup> After negotia-

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tions. Article IV(2) was unchanged from the original draft except for the addition of the phrase "in no case less than that required by international law," a phrase which also appears in many other U.S. FCN treaties.<sup>60</sup> Thus, the negotiating history makes clear that the Treaty of Amity, as proposed and executed, requires the payment of prompt, adequate and effective compensation for expropriation.<sup>61</sup>

*III. The Treaty of Amity requires that, for purposes of compensation, expropriated property be appraised at fair market value*

The Treaty of Amity also requires that, for purposes of determining the amount of compensation, expropriated property be appraised at its fair market value,<sup>62</sup> which in the case of an operating enterprise is equivalent to "going concern" value. This conclusion is evident from both the language and the history of the Treaty.

Article IV(2) of the Treaty mandates the payment of "just compensation" for expropriated property. International law long has understood "just compensation" to require payment of fair market value.<sup>63</sup> The term "just compensation" also can be traced to the Fifth Amendment to the U.S. Constitution, which provides that no property may be taken by the government without just compensation. The U.S. Supreme Court repeatedly has held that the payment of "just compensation" requires the use of fair market value.<sup>64</sup>

Article IV(2) further provides that "compensation . . . shall represent the full equivalent of the property taken," i.e., the full value of the property. The term "full equivalent" indicates that compensation must be comprehensive and must take into account every valuable element of the expropriated property. The value of property, of course, depends upon its ability to generate future income,<sup>65</sup> a fact which has been repeatedly recognized in international law.<sup>66</sup> Measures of valuation such as "book value" and "replacement cost" do not consider the capacity of an asset to produce future income.<sup>67</sup> Thus, fair market value,<sup>68</sup> which does take account of the property's income-producing capacity, generally represents the truest measure of an asset's full equivalence.<sup>69</sup>

The history of the Treaty confirms that its language requires the use of fair market value for determining compensation. As already shown, Article IV(2) of the Treaty is standard treaty language proposed by the United States and accepted by Iran without substantial modification. Such language consistently has been understood to require that expropriated property be appraised at fair market value.<sup>70</sup>

*IV. The Treaty of Amity requires that property be valued as of the date of expropriation, disregarding the effects of any actions attributable to the expropriating government that were unlawful or were taken in anticipation of the expropriation*

The Treaty of Amity further requires that, for purposes of determining compensation, expropriated property must be valued as of the date of expropriation disregarding the effects of any actions attributable to the expropriating government (1) that were unlawful or (2) that were taken in anticipation of the expropriation.<sup>71</sup> These requirements concerning valuation are inherent in the principle of just compensation,<sup>72</sup> which is embodied in Article IV(2) of the Treaty. These requirements are also well-established in customary international law and were similarly incorporated into the Treaty of Amity by the further provision of Article IV(2), which states that compensation for expropriation must be "in no case less than that required by international law."<sup>73</sup> The

Treaty of Amity, moreover, has been consistently understood to incorporate these requirements.<sup>74</sup>

The authorities cited above make clear that in determining the value of expropriated property, the Tribunal should disregard the effects of actions attributable to the Government of Iran which were unlawful. As explained above,<sup>75</sup> throughout the course of the Islamic Revolution, the Iranian government, its agencies, instrumentalities and controlled entities engaged in a long series of unlawful actions directed against American property in Iran. These actions included, among others, harassment of Americans in Iran, the repudiation of contracts, massive expropriations without compensation, and the imposition of unlawful currency restrictions. As already shown, all of these actions violated the Treaty of Amity and, therefore, the effects of these actions and other Treaty violations must be disregarded in determining the value of expropriated property.<sup>76</sup>

Certain omissions of the Government of Iran were equally unlawful under the Treaty. Article IV(2) of the Treaty contains the solemn promise of the Government of Iran to guarantee to the property of U.S. nationals "the most constant protection and security" in Iran. This article imposed upon the Government of Iran an affirmative duty to protect the property of U.S. nationals against injury arising from unlawful activity, whether by public officials or individual private citizens.<sup>77</sup> The failure of the Government of Iran to extend this protection was itself a violation of the Treaty, and the effects of this failure also must be disregarded in valuing expropriated property.<sup>78</sup>

Actions by the Government of Iran which were arbitrary or discriminatory must also be disregarded in determining the fair market value of expropriated property. Government conduct which does not intrinsically violate international law is nevertheless unlawful if it is arbitrary<sup>79</sup> or it discriminates against aliens.<sup>80</sup> Thus, actions by the Government of Iran which otherwise might have been lawful were unlawful if the Government engaged in these actions arbitrarily or directed them against U.S. nationals. Any decrease in the value of expropriated property attributable to such actions must be disregarded in calculating the fair market value of such property.

The authorities cited above also require that, in determining the value of expropriated property, the Tribunal should disregard the effects of actions attributable to the Government of Iran that, while lawful, nevertheless were taken in anticipation of the expropriation. Any other rule would permit an expropriating government to avoid entirely the requirement of compensation by acting to ruin the value of a company before formally seizing control. Thus, actions by the Government of Iran that were taken in anticipation of the expropriation, including the threat of expropriation or the expropriation of other companies, even if lawful in themselves, must be disregarded in valuing expropriated property.

Furthermore, under settled international law, a government brought to power by revolution is legally accountable for the acts of the revolutionary forces from the revolution's inception.<sup>81</sup> Accordingly, the actions of the revolution which empowered the present Government of Iran are attributable to that Government. Any diminution in the value of expropriated property caused by the actions of revolutionary forces is equally attributable to present Government of Iran. If such actions were unlawful or were taken in anticipation of an expropriation, their effects on the value of expropriated property must be disregarded.

## CONCLUSION

Because it has not been terminated in accordance with its terms of the provisions of international law, the Treaty of Amity remains in force between the United States and Iran. Article IV(2) of that Treaty provides the standard of compensation which must be paid for the expropriation by Iran of property of U.S. nationals. Specifically, that Article requires payment of the fair market value of the expropriated property, calculated as of the date of expropriation without regard to actions attributable to the Government of Iran which were unlawful or taken in anticipation of the expropriation.

Under Article V of the Claims Settlement Declaration,<sup>82</sup> this is the appropriate standard of compensation for application by the Iran-United States Claims Tribunal to pending claims for expropriation.

## FOOTNOTES

<sup>60</sup> The Tribunal was established in 1981 pursuant to the Declarations of the Democratic and Popular Republic of Algeria concerning commitments and settlement of claims by the United States and Iran with respect to resolution of the crisis arising out of the detention of 52 United States nationals in Iran, reprinted in XX Int'l Leg. Mat. 223 (1981).

<sup>61</sup> Signed August 15, 1955, entered into force, June 16, 1957, T.I.A.S. 3853, 8 U.S.T. 899.

<sup>62</sup> "If a treaty requires a special standard of compensation, the compensation shall be paid in accordance with the treaty." Sohn and Baxter, "Convention on the International Responsibility of States for Injuries to Aliens," Final Draft, Art. 10(2), in Garcia-Amador, John and Baxter, Recent Codification of the Law of State Responsibility for Injuries to Aliens 133, 204 (1974). Because the Treaty of Amity sets forth the standard of compensation to be used for determining compensation for the expropriation of U.S. property by Iran, the Tribunal need not decide which standard would apply in the absence of the Treaty. The United States maintains, as it has for decades, that in the absence of a treaty customary international law requires the payment of prompt, adequate and effective compensation for property appraised at its fair market value. See note 42, *infra*.

<sup>63</sup> Where a treaty specifically establishes the method of its termination, the parties are obligated to adhere to that method. Vienna Convention on the Law of Treaties, Article 54(a), U.N. Doc. A/Conf. 39/27, May 23, 1969, reprinted in VIII Int'l Leg. Mat. 679 (1969). Although the United States has not ratified the Vienna Convention and, therefore, is not bound by it, the U.S. considers many provisions of the Convention, including Article 54(a), to be declaratory of customary international law. See *Legal Consequences for States of the Continued Presence of South Africa in Namibia (South West Africa) notwithstanding Security Council Resolution 276*, 1971 I.C.J. 16, 47; I. Brownlie, *Principles of Public International Law* 601 (3d ed. 1979).

<sup>64</sup> Furthermore, where treaties are terminable by notice, international law generally recognizes certain formal requirements for the notice. As the International Law Commission has noted, "a declaration of termination which is not officially communicated to the other party has no effect . . ." Special Rapporteur Fitzmaurice, Second Report on the Law of Treaties, 1957 II Y.B. Int'l Comm'n 68, quoted in 14 M. Whiteman, *Digest of International Law* 443 (1970). Moreover,

"It is essential that the notice should be in due form, emanate from an authority competent for the purpose, and be regularly communicated to the other interested States. . . . In general it is thought better in the interest of regularity and certainty in treaty relations, to require the legal basis of the notice to be stated in every case. Again, in the interest of regularity and certainty, it is thought desirable to require that the date of the notice and the date when it is considered to take effect should be specified in the instrument."

Special Rapporteur Waldock, Second Report on the Law of Treaties, 1963 III Y.B. Int'l Comm'n 88, quoted in 14 M. Whiteman, *Digest of International Law* 444 (1970).

<sup>65</sup> See, e.g., Memorandum of the Government of Iran in Opposition to Continuation of Attachments 16-17, 74-75, *Iranian Attachment Cases* (S.D.N.Y.) (filed April 21, 1980); The Islamic Republic of Iran's memorandum of Points and Authorities in



Support of Motion to Dismiss 2, *Starrett Housing Corporation v. Government of Iran*, Civil Action No. 79-6364 (S.D.N.Y.) (filed July 15, 1980); Defendant Government of Iran Motion to Dismiss, Memorandum of Points and Authorities 1, *Starrett Housing Corporation v. Government of Iran*, Civil Action No. 79-6364 (S.D.N.Y.) (filed September 18, 1980).

\* The United States Government, for example, continues to issue "treaty trader" and "treaty investor" visas to Iranian nationals who qualify for such visas only because the Treaty of Amity remains in force. In Fiscal Year 1982 alone, 514 such visas were granted. These visas permit Iranian nationals entry into the United States for purposes of trade or investment.

\* *Case Concerning United States Diplomatic and Consular Staff in Tehran* (United States of America v. Iran), [1980] I.C.J. 3, 28, reprinted in XIX Int'l Leg. Mat. 553 (1980). (Emphasis added.)

\* *Id.* Emphasis added.

\* "That the sanctity of *res judicata* attaches to a final decision of an international tribunal is an essential and settled rule of international law." *Trial Smelter Arbitration Between the United States and Canada Under Convention of April 15, 1935*, Decision of the Tribunal reported March 11, 1941, at 17, 35 Am. J. Int'l L. 684, 699, excerpted in VIG. Hackworth, *Digest of International Law* 140 (1943); *Company General of The Onnoco Case*, 10 R. Int'l Arb. Awards 184, 276 (1902); *Prima Funds Case*, For. Rel. 1902 Appendix II; D. Sandifer, *Evidence Before International Tribunals* 404 (1975 ed.); II C. Hyde, *International Law Chiefly As Interpreted and Applied by the United States* 1133 (1965).

\* As explained below, the Treaty of Amity is part of a modern series of treaties, known generically as "Friendship, Commerce and Navigation Treaties" ("FCN Treaties"), which were negotiated between the U.S. and other nations after World War II and which had as a major purpose the protection of foreign investment. See notes 44 and 45, *infra*.

\* Iran has made this allegation in a number of its pleadings submitted to the Tribunal. Because of the confidential nature of Tribunal proceedings in specific cases, however, citation to particular pleadings by claim name or number would be inappropriate.

\* These Executive Orders are described below at pages 10-11.

\* Article VII limits the right of the parties to apply exchange restrictions, except, *inter alia*, where such restrictions have been approved by the International Monetary Fund. Under IMF Dec. No. 144 (52/51) reprinted in Selected Decisions of the International Monetary Fund 203, 204 (9th ed. 1981), a state may assume that the IMF has approved exchange restrictions imposed for security reasons unless the state receives notice to the contrary within 30 days of notification to the IMF of the imposition of the restrictions. The United States notified the IMF of its exchange restrictions on November 28, 1979, and received no notice of disapproval from that body.

\* Revolutionary forces also engaged in considerable unlawful activity directed against Americans in Iran in 1978 prior to the Ayatollah Khomeini's return. As shown below, this activity is attributable to the current Government of Iran.

\* Shortly after returning to Iran, Ayatollah Khomeini demanded that all Americans leave Iran. N.Y. Times, Feb. 2, 1979, at 1. The weeks following saw considerable harassment of U.S. nationals. In mid-February, armed bands detained and interrogated hundreds of Americans and other foreigners. Int'l Herald Tribune, Feb. 15, 1979, at 1, col. 6. In March, the Government of Iran conducted a two-day demonstration against the United States. *Id.*, March 14, 1979, at 1, March 15, 1979, at 2. Over 150,000 Iranians marched on the U.S. Embassy on May 24, demanding "Death to America," and 80,000 more Iranians marched the following day. *Id.*, May 25, 1979, at 1.

\* In January of 1979, the Ayatollah Khomeini called for a review of all foreign investment projects in Iran. Kayhan, Jan. 28, 1979, at 8, col. 8; Jan. 22, 1979, at 8, col. 2. Contracts terminated that year included those involving military procurement, Etela'at, June 22, 1979, at 8, col. 1, nuclear power stations, Kayhan, June 3, 1979, at 5, col. 2, a dam and agricultural project, Etela'at, September 29, 1979, at 11, col. 5, and a radar system, Jomhuri Eslami, Nov. 11, 1979, at 7. In early 1980, it was announced that the Revolutionary Council would review all contracts with oil companies. Etela'at, January 10, 1980, at 1, col. 3.

\* During the spring of 1979, the Government of Iran announced its intention to nationalize firms which were poorly managed or unprofitable. Kayhan, March 25, 1979, at 5, col. 1, or whose

owners had left Iran. Kayhan, June 23, 1979, at col. 3. In June of that year, Iran nationalized all banks and insurance companies. In July, Iran enacted the Law for the Protection and Development of Iranian Industry, which nationalized additional industries, the share-holdings of certain individuals, and all firms whose debts to the banks exceeded their assets. Additional firms were nationalized by the Act Concerning the Appointment of a Temporary Director or Directors for the Custody of Production and Industrial and Commercial and Agricultural and Service Units whether in the Public or Private Sector, enacted June 16, 1979, and by the Act Concerning the Management and Ownership of the Shares of Contracting and Consulting Companies and Firms, enacted March 3, 1980, reprinted in Official Gazette No. 10254. By February of 1981, according to the Minister of Industries and Mines, some 580 companies had been nationalized since the revolution. Etela'at, Feb. 5, 1981, at 14, Col. 1.

\* See, e.g., Circular NA/11600, Bank Markazi, November 14, 1978; Circular NA 5/2090, Bank Markazi, May 5, 1979. Iran has conceded in its pleadings before the Tribunal the imposition of exchange controls beginning in November of 1978. Because of the confidential nature of Tribunal proceedings in specific cases, however, citation to particular pleadings by claim name or number would be inappropriate.

\* The Government of Iran repeatedly declared its intention to halt oil exports to the United States. The day after the seizure of the U.S. Embassy, Iranian Oil Minister Ali Akbar Molnhar announced that he was prepared to stop oil exports to the U.S. if Khomeini gave the order. Washington Post, November 6, 1979, at A1; New York Times, November 6, 1979, at A1. Ayatollah Beheshti reiterated the threat on November 11. The threat was carried out on November 12, when the Revolutionary Council decided to stop oil exports to the U.S. N.Y. Times, November 13, 1979, at A1.

\* Among the provisions violated by Iran were Article II(3), assuring the right of Americans to travel to Iran for commercial purposes; Article II(4), guaranteeing the lives and property of U.S. nationals "the most constant protection and security"; Article IV, protecting American property and other legal rights in Iran; Article VII, limiting restrictions on the transfer of funds; Article VIII, regulating import and export controls; and Article X, guaranteeing freedom of commerce between the United States and Iran.

\* *Case Concerning United States Diplomatic and Consular Staff in Tehran* (United States of America v. Iran), [1980] I.C.J. 3, 41, reprinted in XIX Int'l Leg. Mat. 553 (1980). The provisions of the Treaty violated were Article II(4), guaranteeing to U.S. nationals "the most constant protection and security," and Articles XIII, XVIII and XIX, protecting the rights of consular officials and the security of consular premises.

\* Proclamation 4703, 44 Fed. Reg. 65581 (1979).

\* Executive Order No. 12170 of November 14, 1979, 44 Fed. Reg. 65729 (1979).

\* Executive Order No. 12205 of April 7, 1980, 45 Fed. Reg. 24099 (1980); Executive Order No. 12211 of April 17, 1980, 45 Fed. Reg. 26685 (1980).

\* Furthermore, the countermeasures were adopted only after the United States had used every available diplomatic and legal means to stop Iran's illegal action, including appeals directly to Iran and indirectly through organs such as the United Nations and the International Court of Justice. See *Case Concerning United States Diplomatic and Consular Staff in Tehran* (United States of America v. Iran), [1980] I.C.J. 3, 25, reprinted in XIX Int'l Leg. Mat. 553 (1980). See also Statement of President Carter in his report to Congress concerning the economic sanctions in 16 Weekly Comp. of Pres. Doc. 614 (April 14, 1980) ("The United States has used every diplomatic and legal means available to it to end Iran's illegal conduct but to no avail.")

\* *Case Concerning United States Diplomatic and Consular Staff in Tehran* (United States of America v. Iran), [1980] I.C.J. 3, 28, reprinted in XIX Int'l Leg. Mat. 553 (1980).

\* Iran has alleged that the U.S. sanctions violated Articles VII and VIII of the Treaty. As explained above, Iran previously had violated both of these articles, and several others as well.

\* A Indeed, the sanctions adopted by the United States were in accord with sanctions that would have been adopted by the U.N. Security Council, but for a veto by the Soviet Union. 16 Weekly Comp. of Pres. Doc. 614-615 (April 14, 1980). See also Security Council Draft Resolution of January 13, 1980, 36 U.N. SCOR, Supp. (Jan-Mar. 1980) 10, U.N. Doc. S/13735 (1980), reprinted in XIX Int'l Leg. Mat. 256 (1980).

\* The restriction of commerce as a form of reprisal has long been recognized as proper under international law. Hyde wrote that

"In order to save itself and its nationals from being subjected to treatment deemed subversive of international law, as well as to compel the abandonment of reprehensible conduct, a State may suspend all commercial intercourse with that other whose acts are the source of complaint."

II C. Hyde, *International Law Chiefly As Interpreted and Applied by the United States*, 1674-1675 (1945). Similarly, O'Connell writes that:

"The aggrieved State may seize the assets of the wrongdoer situated within its jurisdiction, it may freeze credits, and it may take non-violent measures of reprisal, perhaps involving large-scale economic consequences."

I D. F. O'Connell, *International Law* 328 (1965). See also Bowett, "Economic Coercion and Reprisals by States," 13 Va. J. Int'l L. 1 (1972); Bowett, "International Law and Economic Coercion," 16 Va. J. Int'l L. 245 (1976).

\* In reporting to Congress the reasons for the asset blocking, President Carter said:

"On November 14, 1979, I took the step of blocking certain property or interests in property of the Government of Iran, its instrumentalities and controlled entities and the Central Bank of Iran. At that time the United States Embassy in Tehran was occupied and American personnel were being held hostage there in flagrant violation of international law. In addition, Iran had threatened suddenly to withdraw its assets from United States banks to refuse payment in dollars for oil, and to repudiate obligations owed to the United States and to United States nationals. Iran's actions attacked the foundations of the international legal order as well as the stability of the world economy and the international monetary system."

16 Weekly Comp. of Pres. Doc. 611-612 (April 14, 1980). The President previously had explained that

"Blocking property and property interests of the Government of Iran, its instrumentalities and controlled entities and the Central Bank of Iran will enable the United States to insure that these resources will be available to satisfy lawful claims of citizens and entities of the United States against the Government of Iran."

15 Weekly Comp. of Pres. Doc. 2118 (November 19, 1979).

\* Asset freezes specifically have been recognized as legitimate responses to violations of international law. See I D. F. O'Connell, *International Law* 328 (1965); Sardino v. Federal Reserve Board of New York, 361 F.2d 106, 113 (2d Cir. 1966), cert. denied, 385 U.S. 898 (1966).

\* Vienna Convention on the Law of Treaties, Article 60(1); Special Rapporteur Waldock, Second Report on the Law of Treaties, (1963) II Y.B. Int'l L. Comm'n 72-76, Restatement (Second) of the Foreign Relations Law of the United States § 158 (1965); A. McNair, *The Law of Treaties* 570-578 (1961); see generally authorities cited at 14 M. Whiteman, *Digest of International Law* 476 (1970).

\* The U.S. countermeasures also were justified under Article XX(1)(d) of the Treaty, which provides that the Treaty shall not preclude the application of measures "necessary to protect [a party's] essential security interests."

\* The classic definition of reprisals is: "Such injurious and otherwise internationally illegal acts of one state against another as are exceptionally permitted for the purpose of compelling the latter to consent to a satisfactory settlement of a difference created by its own international delinquency."

II H. Lauterpacht, *Oppenheim's International Law* 110 (1945). The three criteria set forth in the text are derived specifically from the *Navizad* arbitration of 1928, [1927-28] Ann. Dig., Case 360. See VIG. Hackworth, *Digest of International Law* 154-155 (1943); 12 M. Whiteman, *Digest of International Law* 148-149 (1971); Bowett, "Economic Coercion and Reprisals by States," 13 Va. J. Int'l L. 1 (1972); Bowett, "International Law and Economic Coercion," 17 Va. J. Int'l L. 245 (1976).

\* Vienna Convention on the Law of Treaties, Art. 60; Special Rapporteur Waldock, Second Report on the Law of Treaties, (1963) II Y.B. Int'l L. Comm'n 73; Sinha, *Unilateral Denunciation of Treaty Because of Prior Violations of Obligations by Other Party* 215 (1966).

\* The International Law Commission of the United Nations commented in 1963 that "a breach of treaty, however serious (does) not ipso facto put an end to a treaty...." Report of the Commission to the General Assembly, (1963) II Y. B. Int'l L. Comm'n 205, accord. *In re Lepeschkin*, 51 Journal du Droit International 1136 (1924), Ann. Dig. 1923-

1924. Case No. 189, digested in VI G Hackworth, Digest of International Law 347 (1943). Similarly, the publicists are in agreement that violation of a treaty does not automatically terminate it, but only makes it voidable at the option of the aggrieved party. I. H. Lauterpacht, Oppenheim's International Law 447 (8th ed. 1955); I. Brownlie, Principles of Public International Law 618 (3d ed. 1979). See also, the Vienna Convention on the Law of Treaties, Articles 65-68 (requiring formal notice to terminate treaty); U.N. Conference on the Law of Treaties, Doc. A/CONF. 39/27, May 23, 1969; Restatement (Second) of the Foreign Relations Law of the United States § 156, Comment b (1965): "The violation of an international agreement does not automatically terminate it."; Sinha, Unilateral Denunciation of Treaty Because of Prior Violation of Obligations by Other Party 206 (1966).

\*\*Restatement (Second) of the Foreign Relations Law of the United States § 158, Comment b (1965); I. Lauterpacht, Oppenheim's International Law 948 (8th ed. 1955); Special Rapporteur Fitzmaurice, Second Report on the Law of Treaties, (1957) II Y. B. Int'l. Comm'n 31; Sinha, Unilateral Denunciation of Treaty Because of Prior Violations of Obligations by Other Party 215 (1966).

\*\*See note 6, supra, and authorities cited therein. The Iranian position, if generally accepted in the international community, would cast international treaty practice into interminable chaos. Without the requirement of formal written notice of termination within a reasonable time after an alleged breach, no party could ever be certain whether any given treaty still was considered binding by the other parties, or, if not, when the treaty supposedly was terminated.

\*\*Special Rapporteur Lauterpacht, Report on the Law of Treaties, (1935) II Y. B. Int'l. Comm'n 90, 144, accord, *The Temple of Preah Vihear* (Cambodia v. Thailand), [1962] I.C.J. 39; *The Arbitral Award made by the King of Spain (Honduras v. Nicaragua)*, (1960) I.C.J. 212. See also MacGibb, "Estoppel in International Law," 7 Int'l & Comp. L.Q. 468 (1958).

\*\*"(T)he termination of a treaty . . . does not affect any right, obligation or legal situation of the parties created through the execution of the treaty prior to its termination." Vienna Convention on the Law of Treaties, Article 70 (1) (b); Special Rapporteur Waldock, Second Report on the Law of Treaties (1963) II Y. B. Int'l. Comm'n 94; Special Rapporteur Fitzmaurice, Second Report on the Law of Treaties, (1957) II Y. B. Int'l. Comm'n 35; A. McNair, *Law of Treaties* 332 (1961).

\*\*The phrase "prompt, adequate and effective compensation" is a legal term of art which describes the measure of compensation that a state is required to pay for the expropriation of property of aliens. The term is understood to mean payment within a reasonable time after expropriation of the fair market value of the expropriated property in a readily convertible currency. The United States has long maintained that, in the absence of the Treaty of Amity, customary international law would require compensation for the expropriation of U.S. property to be "prompt, adequate and effective." As shown herein, this is also the standard imposed by the treaty.

For elaborations upon the meaning of prompt, adequate and effective, see "Expropriation of American Investments Abroad," Memorandum by the Office of the Legal Adviser, Department of State, excerpted in M. Whiteman, Digest of International Law 1143 (1967); Department of State GIST, July 1978, excerpted in 1978 Digest of United States Practice in International Law 1226-27; Address of Richard Smith, Director of the Office of Investment Affairs, Department of State, at Vanderbilt University (April 9, 1976), excerpted in 1978 Digest of United States Practice in International Law 443, 444; 1938 correspondence between United States and Mexico, excerpted in VI Hackworth, Digest of International Law 635-65 (1942) (first formulation of "prompt, adequate and effective" standard by U.S.); Restatement (Second) of the Foreign Relations Law of the United States, Sections 187-190 (1965); I. Brownlie, Principles of Public International Law 533-536 (3d ed. 1979).

\*\*In hearings on other FCN treaties with virtually identical language, the standard of compensation set forth there in was described by the State Department as "prompt, just and effective." Hearings on Commercial Treaties Before the Subcommittee on Commercial Treaties and Consular Conventions of the Senate Comm. on Foreign Relations, 82 Cong. 2d Sess. 8 (1952) (Remarks of Deputy Assistant Secretary of State for Economic Affairs) (proposed FCN treaties between the U.S. and Colombia, Israel, Ethiopia, Italy, Denmark and Greece). The subject treaties required payment of "just compensation."

Indeed in his correspondence with the Mexican government setting forth the original formulation of the "prompt, adequate and effective" standard, Secretary of State Cordell Hull used that phrase and the term "just compensation" interchangeably. See, e.g., 2 Dept. State Bulletin 380 (1940).

U.S. courts have also regarded the terms "just compensation" and "prompt, adequate and effective compensation" as synonymous. See, e.g., *Banco Nacional de Cuba vs. Chase Manhattan Bank*, 505 F. Supp. 412 (S.D.N.Y. 1980), *aff'd as modified*, 658 F.2d 875 (2d Cir. 1981).

\*\*Hearings on Commercial Treaties Before the Subcommittee of the Senate Comm. on Foreign Relations, 83 Cong. 1st Sess. 2-3 (1953) (Remarks of Assistant Secretary of State for Economic Affairs) (Purpose of FCN treaties was to provide legal protection against expropriation of investment abroad.) Indeed, in forwarding the draft Treaty of Amity to the American Embassy in Tehran on July 24, 1954, the Department of State referred to Article IV(2) as "the essential nucleus" of the proposed treaty. Department of State Airmgram No. A-18 of July 23, 1954. See also H. Walker, "Treaties for the Encouragement and Protection of Foreign Investment: Present United States Practice," 8 Am. J. Comp. L. 229 (1956); R. Wilson, U.S. Commercial Treaties and International Law 95-125 (1960); R. Wilson, *The International Law Standard in Treaties of the United States* 92-105 (1953).

\*\*Language virtually identical to that in the Treaty of Amity is contained in U.S. FCN treaties with the following nations: Greece, signed August 3, 1951, TIAS 3057, 5 U.S.T. 1829; Israel, signed August 23, 1951, TIAS 2948, 5 U.S.T. 550; Denmark, treaty signed October 1, 1951, TIAS 4797, 12 U.S.T. 908; Japan, signed April 2, 1953, TIAS 2863, 4 U.S.T. 2063; Federal Republic of Germany, signed October 29, 1954, TIAS 3593, 7 U.S.T. 839; Nicaragua, signed January 21, 1956, TIAS 4024, 9 U.S.T. 449; Netherlands, signed March 27, 1956, TIAS 3942, 8 U.S.T. 2043; Korea, signed November 28, 1956, TIAS 3947, 8 U.S.T. 2217; Muscat and Oman, signed December 20, 1958, TIAS 4350, 11 U.S.T. 1835; Pakistan, signed November 12, 1959, TIAS 4683, 12 U.S.T. 110; France, signed November 25, 1959, TIAS 4625, 11 U.S.T. 2398, B *opm*, signed February 21, 1961, TIAS 5432, 14 U.S.T. 1284; Viet-Nam, signed April 2, 1961, TIAS 4890, 12 U.S.T. 1703; Luxembourg, signed February 23, 1962, TIAS 5306, 14 U.S.T. 251; and Topo signed Feb. 8, 1966, T.I.A.S. 6193, 18 U.S.T. 1. Language substantially similar to that in the Treaty of Amity is contained in U.S. FCN treaties with Republic of China, signed November 4, 1946, 63 Stat. 1299, TIAS 1871 ("without due process of law and without the prompt payment of just and effective compensation"); Italy, signed February 2, 1948, 63 Stat. 2255, TIAS 1965 ("without due process of law and without the prompt payment of just and effective compensation"); Ireland, signed January 21, 1949, TIAS 2155, 1 U.S.T. 785 ("without the prompt payment of just and effective compensation"); Ethiopia, signed September 7, 1951, TIAS 2864, 4 U.S.T. 2134 ("without the prompt payment of just and effective compensation"); and Thailand, signed May 29, 1966, T.I.A.S. 6540, 19 U.S.T. 5843 ("without due process of law or without payment of just compensation").

\*\*Less than three years before the Treaty of Amity was negotiated, W. Averell Harriman, serving as special emissary from the U.S. to Iran, sent a note to Prime Minister Mossadegh in which he made clear the U.S. view that prompt, adequate and effective compensation must be paid for expropriated property. Specifically, he stated: "As I have pointed out to Your Excellency, in the view of the United States Government the seizure by any government of foreign-owned assets without either prompt, adequate and effective compensation or alternative arrangements satisfactory to the former owner is regardless of intent, confiscation. . . . There must be more than a willingness to pay; there must be an ability to do so in an effective form."

Reply of September 15, 1951, from Mr. Harriman to Dr. Mossadegh, reprinted in Royal Institute of International Affairs, Documents on International Affairs at 510 (Oxford 1951), quoted in G. White, Nationalization of Foreign Property 184 (1961).

\*\*Iran has openly acknowledged that it entered into the Treaty of Amity and other international obligations involving the protection of foreign investment because of its desire to attract capital and technology from developed countries. See U.N. Doc. A/C. 2/SR. 1850, pp. 10-11, quoted in Simmonds (ed.), Legal Problems of Multinational Corporations 148 (1977). Thus, Iran fully recognized and accepted its obligation to pay full compensation for the expropriation of property owned by U.S. nationals.

\*\*See note 45, supra.

\*\*These negotiations were reported in the following diplomatic correspondence: Telegram No. 105 of July 15, 1954, from the American Embassy in Tehran to the Secretary of State; Telegram No. 119 of July 16, 1954, from the American Embassy in Tehran to the Secretary of State; Department of State Airmgram No. A-18 of July 23, 1954, to the American Embassy in Tehran; Telegram No. 212 of October 16, 1954, from the American Embassy in Tehran to the Secretary of State; Department of State Telegram No. 963 of November 13, 1954, to the American Embassy in Tehran; Telegram No. 1176 of November 27, 1954, from the American Embassy in Tehran to the Secretary of State; Department of State Telegram No. 1137 of November 27, 1954, to the American Embassy in Tehran.

\*\*A careful review of U.S. FCN treaty practice, published just one year prior to the negotiation of the Treaty of Amity, concluded that the inclusion of references in treaty language to the international law standard does not affect the standard of "just compensation." U.S. negotiators came to prefer the "just compensation" and "full equivalent" language because it was regarded as more precise than general references to international law. See R. Wilson, *The International Law Standard in Treaties of the United States* 92-105 (1953).

\*\*Furthermore, subsequent actions by the United Nations or the Iranian Government do not alter Iran's obligations under the Treaty. For example, in casting Iran's vote in favor of the Charter of Economic Rights and Duties of States, G.A. Res. 3281 (XXIX), Ch. II U.N. Doc. A/RES/3201 (1974), approved by the U.N. General Assembly in 1974, the Iranian delegate explicitly stated his government's understanding that approval of the Charter was "without prejudice to any arrangements or agreements reached between states concerning investments and modalities of compensation in the event of nationalization or expropriation of foreign property." U.N. Doc. A/C.2/SR. 1850, pp. 10-11, quoted in Elmonds (ed.), Legal Problems of Multinational Corporations 148 (1977). Thus, as Iran has acknowledged, the standard set by the Treaty is the governing law between the United States and Iran.

\*\*This includes interest from the date of taking until the date compensation is paid. See *Chorzow Factory Case*, P.C.I.J., Ser. A, No. 17 at p. 47; *Norwegian Shipowners' Case* (Norway v. U.S.), 1 R. Int'l Arb. Awards 308 (1922); OECD Draft Convention on the Protection of Foreign Property, Art. 3, Note 9, 7 Int'l Leg. Mat. 117 (1968); I. M. Whiteman, Digest of International Law 1186-92 (1967).

\*\*See, e.g., *Norwegian shipowners Case* (Norway v. U.S.), 1 R. Int'l Arb. Awards 308 (1922); OECD Draft Convention on the Protection of Foreign Property, Art. 3, Comment 9(a), 7 I.L.M. 117, 127 (1968); Sohn and Baxter, "Convention on the International Responsibility of States for Injuries to Aliens," Final Draft, in Garcia-Aranda, Sohn and Baxter, Recent Codification of the Law of State Responsibility for Injuries to Aliens 133, 203 (1974).

\*\*See, e.g., *United States v. 566.54 Acres of Land*, 441 U.S. 506 (1979); *Almato Farmers Elevator & Warehouse Co. v. United States*, 409 U.S. 470 (1973); *United States v. Virginia Electric & Power Co.*, 365 U.S. 624 (1961); *United States v. Miller*, 317 U.S. 369 (1943); *Olson v. United States*, 292 U.S. 246 (1934).

\*\*Modern economics universally recognizes that the value of property is determined by its capacity to generate future income. See, e.g., J. Williams, *The Theory of Investment Value* 1 (1938) ("[I]n the end all prices depend on someone's estimate of future income. . . ."); E. Solomons & J. Pringle, *An Introduction to Financial Management* 259 (1980 ed.) ("[T]he age-old concept that the value of an asset depends not on its cost or its past usefulness but on its future usefulness . . . underlies the modern theory of value.") See also S. Pratt, *Valuing a Business Enterprise*, 28-29 (1981).

\*\*See, e.g., *Sapphire International Petroleum v. National Iranian Oil Co.*, 35 I.L.R. 138 (1963); *Chorzow Factory Case*, (1928) P.C.I.J. Ser. A, No. 17; *Delagoa Bay and East African Railway Company Case* (Great Britain & U.S. v. Portugal), 3 Whiteman, Damages in International Law 1694-1703 (1943); *Shufeldt Case* (U.S. v. Guatemala), 2 R. Int'l Arb. Awards 1080 (1929); *Lena Goldfields Ltd* (1930) (unpublished opinion), 18 Cornell L. Q. 42 (1930); *Norwegian Shipowners' Claim* (Norway v. United States), 1 R. Int'l Arb. Awards 308 (1922); *Palestine Railway Case*, discussed in J. Wetzer and S. O. Schwedel, "Some Little-Known Cases on Concessions" 40 Brk. Y. B. Int'l L. 183, 222-231 (1984); *May v. Guatemala*, 3 M. Whiteman, Damages in International Law 1704-1710 (1984); *Lighthouse Arbitration*, 1 R. Int'l Arb. Awards 308 (1922).

ration (Francis Green, 23 I.L.R. 294 (Perm. Ct. Arb. 1956), *Cape Horn Pigeon Case* (U.S. v. Russia), 9 R. Int'l Arb. Awards 63 (1902); *Aminoff Arbitration*, XXI Int'l Leg. Mat. 976, 1033 (1982); *TOPCO-CALASAT/TC Arbitration*, 53 I.L.R. (1977); R. Litch International Claims Postwar British Practice 114 (1967). See also cases cited in V. Hackworth, *Digest of International Law* 728-731 (1943).

\*\* See Address of Richard J. Smith, Director of the Office of Investment Affairs, Dept. of State, at Vanderbilt University, April 9, 1976, excerpted in 1976 *Digest of United States Practice in International Law* 444.

\*\* As noted above, in the case of an operating enterprise, fair market value is equivalent to the "going concern" value of the enterprise. See sources cited at notes 59 and 60, *infra*. In some instances, a market for a particular enterprise may not exist and, therefore, the "fair market value" of the property must be determined through indirect means. One method for determining indirectly the fair market value of a going concern is the discounted cash flow method, under which the total amount of future net income from an enterprise is discounted by the time value of money and the degree of risk associated with the future income to derive the present value of the asset's future income stream. Another method is to value the enterprise with reference to other comparable enterprises which have similar anticipated cash flows and which recently have been ascribed with the fair market value. See, e.g., *City of Thibodaux v. Louisiana Power & Light Co.*, 373 F.2d 670 (5th Cir. 1967), cert. denied, 385 U.S. 962 (1967); *Eden Memorial Park Association v. United States*, 325 F.2d 571 (1st Cir. 1963); *Fairfield Gardens, Inc. v. United States*, 306 F.2d 87 (9th Cir. 1962); *United States v. Leavelle & Ponder, Inc.*, 286 F.2d 358 (5th Cir. 1961), cert. denied, 366 U.S. 94 (1961); *Cal-Bay Corp. v. United States*, 169 F.2d 13 (9th Cir. 1948), cert. denied, 335 U.S. 859 (1948); *United States v. Certain Interests in Property*, 205 F. Supp. 745 (D. Mont. 1962).

\*\* See McCosker, "Book Values in Nationalization Settlements," 11 Litch (ed.), *The Valuation of Nationalized Property in International Law* 35-51 (1973) (Book value generally understates value of an enterprise); Dept. of State Note to the Government of the Libyan Arab Republic, dated September 14, 1973, Dept. of State File No. D730067-0256, excerpted in 1975 *Digest of United States Practice in International Law* 489-490 ("net book value" formula for compensation proposed by Libya did not satisfy requirements of prompt, adequate and effective compensation); Address of Richard J. Smith, Director of Office of Investment Affairs, Department of State, at Vanderbilt University, April 9, 1976, excerpted in 1976 *Digest of United States Practice in International Law* 444 (Replacement cost generally is less acceptable than "going concern" value, and book value is the least acceptable method of valuation).

\*\* For example, in the 1920s, the United States negotiated an FCN treaty with Estonia, 44 Stat. 79 (1925), which required payment of "just compensation" for expropriated property. In the course of negotiations, the U.S. negotiators explained that just compensation required payment of the market value of property (plus interest from the date of expropriation until the date of settlement). These negotiations were described in a leading work on U.S. FCN Treaty practice, published one year prior to the negotiation of the Treaty of Amity. See R. Wilson, *The International Law Standard in Treaties of the U.S.* 98 (1953).

Similarly, the Legal Adviser to the Department of State wrote in 1962 that:

"The Department of State has traditionally defined fair compensation as adequate, prompt and effective payment. . . . In the case of an operating enterprise, adequate compensation is usually considered to be an amount representing the market value or "going concern" value of the enterprise, calculated as if the expropriation or other governmental act decreasing the value of the business had not occurred and was not threatened."

"Expropriation of American Investments Abroad," Memorandum by the Office of the Legal Adviser, Department of State, excerpted in 8 *Whiteman, Digest of International Law* 1143 (1967). See also *Restatement (Second) of the Foreign Relations Law of the United States* § 188, Comments a and b (1965); Department of State GIST, July 1978, excerpted in 1978 *Digest of United States Practice in International Law* 1226-27; Address of Richard J. Smith, Director of Office of Investment Affairs, Department of State, at Vanderbilt University, April 9, 1976, excerpted in 1976 *Digest of United States Practice in International Law* 444. State De-

partment Press Release No. 630 (December 30, 1975), excerpted in 74 *Dept. of State Bulletin* No. 1910, at 138 (Feb. 2, 1976) ("foreign investors are entitled to the fair market value of their interests").

\*\* This includes, of course, all of the events which constituted or resulted in the expropriation. It also includes the prospect of the expropriation which ultimately occurs, other expropriations by the Government, and the general conduct of the Government which makes such expropriations likely.

\*\* See *Lighthouse Arbitration*, 23 I.L.R. 299 (1956); *Chorzow Factory*, (1928) P.C.I.J. Ser. A, No. 17, 1 *Hudson World Court Reports* 646, *Norwegian Shipowners' Claims*, 1 R. Int'l Arb. Awards 308 (1922); *Manposo Claim*, 7 Ann. Dig. 255 (1933); *Case concerning the Barcelona Traction, Light and Power Company Ltd. (Belgium v. Spain)*, [1970] I.C.J. 3, 46 I.L.R. 1 (Separate Opinion of Judge Gros); *Restatement (Second) of Foreign Relations Law of the United States*, § 188, Comment b (1965); OECD Draft Convention on the Protection of Foreign Property, Art. 3, Comment 9(a), 7 Int'l Leg. Mat. 117, 127 (1968); Sohn and Baxter, "Convention on the International Responsibility of States for Injuries to Aliens," Final Draft, in Garcia-Amador, Sohn and Baxter, *Recent Codification of the Law of State Responsibility for Injuries to Aliens* 133, 203, 210, 274; R. Litch, "The Valuation of Nationalized Property by the Foreign Claims Settlement Commission," in *The Valuation of Nationalized Property in International Law*, § 113 (1972); "Expropriation of American Investments Abroad," Department of State Memorandum, excerpted in 8 *Whiteman, Digest of International Law* 1143 (1967); *Cy Banco Nacional de Cuba v. Chase Manhattan Bank*, 558 F.2d 875 (2d Cir. 1981) (Value of good will at time of expropriation arbitrarily included in "book value" of company not part of fair market value).

\*\* See authorities cited at note 62, *supra*. For the relationship between those two provisions of Article IV(2), see note 50, *supra*.

\*\* Thus, for example, three years before the Treaty of Amity was signed, the Legal Adviser of the Department of State described to Congress the meaning of virtually identical language in other FCN treaties:

"Compensation based on the value of the initial investment would not meet the standard of the treaty or of international law, if it were less than the value of the time of taking."

See *Commercial Treaties, Hearings Before a Subcommittee of the Senate Comm. on Foreign Relations, 82nd Cong., 2d Sess. 12 (1952)* (Statement of the Office of the Legal Adviser) (proposed Treaties of Friendship, Commerce and Navigation between the United States and Colombia, Israel, Ethiopia, Italy, Denmark and Greece) (Emphasis added.) The subject treaties required payment of "just compensation."

\*\* See pages 7-10, *supra*.

\*\* In his concurring opinion in *ITT Industries, Inc. v. The Islamic Republic of Iran*, Award No. 47-156-2, (May 26, 1983) (Iran-United States Claims Tribunal), Judge Aldrich observed, at page 12, that "[t]he Islamic Revolution was not a 'war on us' for which foreign investors entitled to compensation under international law." Leaving aside the legal status of the revolution as a generalized whole, it is clear beyond doubt that certain specific actions taken during the revolution were "wrongs" for which international law provides a remedy. Such wrongs include the expropriation of property of the United States or its nationals without compensation and the failure of the government to provide U.S. nationals and their property with "the most constant protection and security." As shown above, in valuing expropriated property, the Tribunal should disregard the effects of all unlawful acts attributable to the Government of Iran.

\*\* The scope of this protection is to be interpreted in light of the overall purpose of the Treaty to establish friendship and commerce between the two nations and, in particular, to provide for the protection of foreign investment. The Treaty contains numerous provisions intended to foster a favorable climate for U.S. investment in Iran. See provisions cited at note 21, *supra*. See also Art. 1 of the Treaty ("There shall be firm and enduring peace and sincere friendship between the United States of America and Iran.") As one leading commentator on U.S. FCN treaties wrote in a much-cited article, published during the ratification of the Treaty of Amity:

"In a real sense, therefore, the FCN treaty as a whole is an investment treaty; not a mosaic which merely contains discrete investment segments it regards and treats investment as a process . . . inextricably woven into the fabric of human affairs

generally, and its premise is that investment is an *ad hoc*ly dealt with unless set in the total climate in which it is to exist. A specialized investment agreement based on a narrower premise would be to that extent unrealistic and inequitable."

"These treaties focus, in fundamental terms of enduring value over the long range upon the line between policy favorable and policy unfavorable to foreign investment; namely, hospitality to and equality for the foreigner under the law and respect for his person and property."

H. Walker, "Treaties for the Encouragement and Protection of Foreign Investment, Present United States Practice," 3 *Am. J. Comp. L.* 229, 246-247 (1956) (emphasis added). Thus, the promise made by Iran in the Treaty of Amity was not merely to protect property of U.S. nationals against violence, but to provide a favorable climate for U.S. investment, and it was in reliance upon this promise that U.S. nationals invested in Iran. See note 47, *supra* (admission by Iran that it executed the Treaty of Amity in order to attract foreign investment and technology to Iran) Iran's total abdication of this responsibility in favor of an overt policy of virulent anti-Americanism was in itself a violation of the Treaty of Amity.

\*\* Customary international law also imposed on Iran the duty to provide "the most constant protection and security" to U.S. nationals in Iran. See *Case Concerning Barcelona Light, Power and Traction Company, Ltd.*, (1970) I.C.J. 3, 46 I.L.R. 1; OECD Draft Convention on the Protection of Foreign Property, Article 1, Note 5, 7 Int'l Leg. Mat. 117, 120 (1968); *Restatement (Second) of the Foreign Relations Law of the United States* § 183 (1965); C. Eagleton, *The Responsibility of States in International Law* 87-92 (1928); Sohn and Baxter, "Convention on the International Responsibility of States for Injuries to Aliens," Final Draft, in Garcia-Amador, Sohn and Baxter, *Recent Codification of the Law of State Responsibility for Injuries to Aliens* 133, 234-240 (1974). Given its purpose of establishing enduring friendship and commerce between the parties, the Treaty of Amity must be regarded as providing a standard of protection broader than that of customary international law. See note 67, *supra*.

\*\* Treaty of Amity, Art. IV(4); See also Universal Declaration of Human Rights, Art. 17(2), G.A. Res. 217A, U.N. Doc. A/810, at 71 (1948); OECD Draft Convention on the Protection of Foreign Property, Article 1, Note 7, 7 Int'l Leg. Mat. 117, 121-122 (1968); F. V. Garcia-Amador, "Draft Articles on the Responsibility of the State for Injuries Caused in its Territory to the Person or Property of Aliens," in Garcia-Amador, Sohn and Baxter, *Recent Codification of the Law of State Responsibility for Injuries to Aliens* 42-43 (1974); Sohn and Baxter, "Convention on the International Responsibility of States for Injuries to Aliens," Final Draft, in *Id.*, at 164-176.

\*\* Treaty of Amity, Art. IV(1); See also Universal Declaration of Human Rights, Arts. 1, 7, G.A. Res. 217A, U.N. Doc. A/810, at 71 (1948); OECD Draft Convention on the Protection of Foreign Property, Article 1, Note 7, 7 Int'l Leg. Mat. 117, 122 (1968); *Restatement (Second) of the Foreign Relations Law of the United States* § 186 (1965).

\*\* *George S. Pinson (France) v. United Mexican States*, 5 R. Int'l. Arb. Awards 327 (1928); *Bolivar Ry Company Case (Great Britain v. Venezuela)*, 9 R. Int'l. Arb. Awards 445 (1903); *Dix Case (United States v. Venezuela)*, 9 R. Int'l. Arb. Awards 110 (1902); 8 *Whiteman, Digest of International Law* 819-824 (1967); V. G. Hackworth, *Digest of International Law* 681-682 (1943); Sohn and Baxter, "Convention on the International Responsibility of States for Injuries to Aliens," Final Draft, in Garcia-Amador, Sohn and Baxter, *Recent Codification of the Law of State Responsibility for Injuries to Aliens* 133, 257-260 (1974); 2 D. P. O'Connell, *International Law* 968 (2nd ed. 1970); *Restatement (Second) of Foreign Relations Law of the United States* §§ 109, 110 (1965); A.H. Feller, *The Mexican Claims Commissions* 156-7, 163 (1935).

"The Claims Settlement Declaration is one of the Declarations of the Democratic and Popular Republic of Algeria pursuant to which the Iran-United States Claims Tribunal was established. See note 1, *supra*. Article V of that Declaration provides that "[t]he Tribunal shall decide all cases on the basis of respect for law . . . ."



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**Annex 6**

**Treaty of Friendship, Commerce and Navigation between Denmark and the United States of America, signed on 1 October 1951**

Excerpts: p.1 & pp.8-9

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**No. 6056**

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**UNITED STATES OF AMERICA  
and  
DENMARK**

**Treaty of Friendship, Commerce and Navigation (with  
Protocol and minutes of interpretation). Signed at  
Copenhagen, on 1 October 1951**

*Official texts: English and Danish.*

*Registered by the United States of America on 30 January 1962.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
DANEMARK**

**Traité d'amitié, de commerce et de navigation (avec Pro-  
tocolle et procès-verbal d'interprétation). Signé à Copen-  
hague, le 1<sup>er</sup> octobre 1951**

*Textes officiels anglais et danois.*

*Enregistré par les États-Unis d'Amérique le 30 janvier 1962.*

allocable or apportionable to its territories, nor grant deductions and exemptions less than those reasonably allocable or apportionable to its territories. A comparable rule shall apply also in the case of companies organized and operated exclusively for scientific, educational, religious or philanthropic purposes.

5. Notwithstanding the provisions of the present Article, each Party may : (a) accord specific advantages as to taxes, fees and charges to nationals, residents and companies of third countries on the basis of reciprocity, if such advantages are similarly extended to nationals, residents and companies of the other Party; (b) accord to nationals, residents and companies of a third country special advantages by virtue of an agreement with such country for the avoidance of double taxation or the mutual protection of revenue ; and (c) accord to its own nationals and to residents of contiguous countries more favorable exemptions of a personal nature with respect to income taxes and inheritance taxes than are accorded to other nonresident persons.

#### Article XII

1. Nationals and companies of either Party shall be accorded by the other Party national treatment and most-favored-nation treatment with respect to payments, remittances and transfers of funds or financial instruments, between the territories of the two Parties as well as between the territories of such other Party and of any third country.

2. Neither Party shall impose exchange restrictions as defined in paragraph 5 of the present Article except to the extent necessary to assure the availability of foreign exchange for payments for goods and services essential to the health and welfare of its people and to prevent its monetary reserves from falling to a very low level or to effect a reasonable increase in very low monetary reserves. It is understood that the provisions of the present Article do not alter the obligations either Party may have to the International Monetary Fund or preclude imposition of particular restrictions whenever the Fund specifically authorizes or requests a Party to impose such particular restrictions.

3. If either Party imposes exchange restrictions in accordance with paragraph 2 above, that Party shall make provisions at the earliest possible date and to such an extent as may be practicable for the withdrawal of : (a) the compensation referred to in Article VI, paragraph 3, of the present Treaty, (b) earnings, whether in the form of salaries, interest, dividends, commissions, royalties, payments for technical services, or otherwise, and (c) amounts for amortization of loans, amounts originating from depreciation of direct investments, and capital transfers; however, transfers dealt with under (c) shall be considered in the light of special needs for other transfers.

If more than one rate of exchange is in force, the rate applicable to such withdrawals shall be a rate which is specifically approved by the International Monetary Fund for such transactions or, in the absence of a rate so approved, an effective rate which, inclusive of any taxes or surcharges on exchange transfers, is just and reasonable.

4. Exchange restrictions shall not be imposed by either Party in a manner unnecessarily detrimental or arbitrarily discriminatory to the claims, investments, transport, trade, and other interests of the nationals and companies of the other Party, nor to the competitive position thereof. Each Party shall afford the other Party adequate opportunity for exchanging views at any time regarding problems that might arise from the application of the present Article.

5. The term "exchange restrictions" as used in the present Article includes all restrictions, regulations, charges, taxes or other requirements imposed by either Party which burden or interfere with payments, remittances, or transfers of funds or of financial instruments between the territories of the two Parties.

#### *Article XIII*

Commercial travelers representing nationals and companies of either Party engaged in business within the territories thereof shall, upon their entry into and departure from the territories of the other Party and during their sojourn therein, be accorded most-favored-nation treatment in respect of the customs and other matters, including, subject to the exceptions in Article XI, paragraph 5, taxes and charges applicable to them, their samples and the taking of orders.

#### *Article XIV*

1. Each Party shall accord most-favored-nation treatment to products of the other Party, from whatever place and by whatever type of carrier arriving, and to articles destined for exportation to the territories of such other Party, by whatever route and by whatever type of carrier, in all matters relating to customs duties and other charges, and with respect to all other regulations, requirements and formalities imposed on or in connection with imports and exports.

2. Neither Party shall impose any prohibition or restriction on the importation of any product of the other Party, or on the exportation of any article to the territories of the other Party, that:

- a) if imposed on sanitary or other customary grounds of a non-commercial nature or in the interest of preventing deceptive or unfair practices, arbitrarily discriminates



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**Annex 7**

**Treaty of Friendship, Commerce and Navigation between the Republic of Korea and  
the United States of America signed on 28 November 1956**

Excerpts: article XII

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## **Treaty of Friendship, Commerce and Navigation between the United States of America and the Republic of Korea**

The United States of America and the Republic of Korea, desirous of strengthening the bonds of peace and friendship traditionally existing between them and of encouraging closer economic and cultural relations between their peoples, and being cognizant of the contributions which may be made toward these ends by arrangements encouraging mutually beneficial investments, promoting mutually advantageous commercial intercourse and otherwise establishing mutual rights and privileges, have resolved to conclude a Treaty of Friendship, Commerce and Navigation, based in general upon the principles of national and of most-favored-nation treatment unconditionally accorded, and for that purpose have appointed as their Plenipotentiaries,

The United States of America:

Walter Dowling, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea, and

The Republic of Korea:

CHO Chung-whan, Acting Minister of Foreign Affairs of the Republic of Korea,

Who, having communicated to each other their full powers found to be in due form, have agreed upon the following Articles:

### **ARTICLE I**

Each Party shall at all times accord equitable treatment to the persons, property, enterprises and other interests of nationals and companies of the other Party.

### **ARTICLE II**

1. Nationals of either Party shall be permitted to enter the territories of the other Party and to remain therein: (a) for the purpose of carrying on trade between the territories of the two Parties and engaging in related commercial activities; (b) for the purpose of developing and directing the operations of an enterprise in which they have invested, or in which they are actively in the process of investing, a substantial amount of capital; and (c) for other purposes subject to the laws relating to the entry and sojourn of aliens.

2. Nationals of either Party, within the territories of the other Party, shall be permitted: (a) to travel therein freely, and to reside at places of their choice; (b) to enjoy liberty of conscience; (c) to hold both private and public religious services; (d) to gather and to transmit material for dissemination to the public abroad; and (e) to communicate with other persons inside and outside such territories by mail, telegraph and other means open to general public use.

3. The provisions of the present Article shall be subject to the right of either Party to apply measures that are necessary to maintain public order and protect the public health, morals and safety.

### **ARTICLE III**

4. Nationals and companies of either Party shall be accorded within the territories of the other Party national treatment and most-favored-nation treatment with respect to disposing of property of all kinds.

#### ARTICLE X

1. Nationals and companies of either Party shall be accorded, within the territories of the other Party, national treatment and most-favored-nation treatment with respect to obtaining and maintaining patents of invention, and with respect to rights in trade marks, trade names, trade labels and industrial property of every kind.

2. The Parties undertake to cooperate in furthering the interchange and use of scientific and technical knowledge, particularly in the interests of increasing productivity and improving standards of living within their respective territories.

#### ARTICLE XI

1. Nationals of either Party residing within the territories of the other Party, and nationals and companies of either Party engaged in trade or other gainful pursuit or in scientific, educational, religious or philanthropic activities within the territories of the other Party, shall not be subject to the payment of taxes, fees or charges imposed upon or applied to income, capital, transactions, activities or any other object, or to requirements with respect to the levy and collection thereof, within the territories of such other Party, more burdensome than those borne by nationals and companies of such other Party.

2. With respect to nationals of either Party who are neither resident nor engaged in trade or other gainful pursuit within the territories of the other Party, and with respect to companies of either Party which are not engaged in trade or other gainful pursuit within the territories of the other Party, it shall be the aim of such other Party to apply in general the principle set forth in paragraph 1 of the present Article.

3. Nationals and companies of either Party shall in no case be subject, within the territories of the other Party, to the payment of taxes, fees or charges imposed upon or applied to income, capital, transactions, activities or any other object, or to requirements with respect to the levy and collection thereof, more burdensome than those borne by nationals, residents and companies of any third country.

4. In the case of companies of either Party engaged in trade or other gainful pursuit within the territories of the other Party, and in the case of nationals of either Party engaged in trade or other gainful pursuit within the territories of the other Party but not resident therein, such other Party shall not impose or apply any tax, fee or charge upon any income, capital or other basis in excess of that reasonably allocable or apportionable to its territories, nor grant deductions and exemptions less than those reasonably allocable or apportionable to its territories. A comparable rule shall apply also in the case of companies organized and operated exclusively for scientific, educational, religious or philanthropic purposes.

5. Each Party reserves the right to: (a) extend specific tax advantages on the basis of reciprocity; (b) accord special tax advantages by virtue of agreements for the avoidance of double taxation or the mutual protection of revenue; and (c) apply special provisions in allowing, to non-residents, exemptions of a personal nature in connection with income and inheritance taxes.

#### ARTICLE XII

1. Nationals and companies of either Party shall be accorded by the other Party national treatment and most-favored-nation treatment with respect to payments, remittances and transfers of funds or financial instruments between the territories of the two Parties as well as between the territories of such other Party and of any third country.

2. Neither Party shall impose exchange restrictions as defined in paragraph 5 of the present Article except to the extent necessary to prevent its monetary reserves from falling to a very low level or to effect a moderate increase in very low monetary reserves. It is understood that the provisions of the present Article do not alter the obligations either Party may have to the International Monetary Fund or preclude imposition of particular restrictions whenever the Fund specifically authorizes or requests a Party to impose such particular restrictions.

3. If either Party imposes exchange restrictions in accordance with paragraph 2 of the present Article, it shall, after making whatever provision may be necessary to assure the availability of foreign exchange for goods and services essential to the health and welfare of its people and necessary to the avoidance of serious economic instability, make reasonable provision for the withdrawal, in foreign exchange in the currency of the other Party, of: (a) the compensation referred to in Article VI, paragraph 4, (b) earnings, whether in the form of salaries, interest, dividends, commissions, royalties, payments for technical services, or otherwise, and (c) amounts for amortization of loans, depreciation of direct investments, and capital transfers, giving consideration to special needs for other transactions. If more than one rate of exchange is in force, the rate applicable to such withdrawals shall be a rate which is specifically approved by the International Monetary Fund for such transactions or, in the absence of a rate so approved, an effective rate which, inclusive of any taxes or surcharges on exchange transfers, is just and reasonable.

4. Exchange restrictions shall not be imposed by either Party in a manner unnecessarily detrimental or arbitrarily discriminatory to the claims, investments, transport, trade, and other interests of the nationals and companies of the other Party, nor to the competitive position thereof.

5. The term "exchange restrictions" as used in the present Article includes all restrictions, regulations, charges, taxes, or other requirements imposed by either Party which burden or interfere with payments, remittances, or transfers of funds or of financial instruments between the territories of the two Parties.

6. Each Party shall afford the other Party adequate opportunity for consultation at any time regarding application of the present Article.

### ARTICLE XIII

Commercial travelers representing nationals and companies of either Party engaged in business within the territories thereof shall, upon their entry into and departure from the territories of the other Party and during their sojourn therein, be accorded most-favored-nation treatment in respect of the customs and other matters, including, subject to the exceptions in paragraph 5 of Article XI, taxes and charges applicable to them, their samples and the taking of orders, and regulations governing the exercise of their functions.

### ARTICLE XIV

I. Each Party shall accord most-favored-nation treatment to products of the other Party, from whatever place and by whatever type of carrier arriving, and to products destined for exportation to the territories of such other Party, by whatever route and by whatever type of



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**Annex 8**

**Treaty of Friendship and Commerce between Pakistan and the United States of  
America signed on 12 November 1959**

Excerpts: article XII

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Pakistan Friendship and Commerce Treaty

PAKISTAN

Friendship and Commerce

Treaty, with protocol, signed at Washington November 12, 1959;

Ratification advised by the Senate of the United States of America August 17, 1960;

Ratified by the President of the United States of America August 29, 1960;

Ratified by Pakistan October 3, 1960;

Ratifications exchanged as Karachi January 12, 1961;

Proclaimed by the President of the United States of America February 1, 1961;

Entered into force February 12, 1961.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS a treaty of friendship and commerce between the United States of America and Pakistan, together with a protocol relating thereto, was signed at Washington on November 12, 1959, the originals of which treaty and protocol, being in the English language, are word for word as follows:

TREATY OF FRIENDSHIP AND COMMERCE BETWEEN THE UNITED STATES OF AMERICA AND PAKISTAN

The United States of America and Pakistan, desirous of strengthening the bonds of peace and friendship traditionally existing between them and of encouraging closer economic and cultural relations between their peoples, and being cognizant of the contributions which may be made toward these ends by arrangements encouraging mutually beneficial investments, promoting mutually advantageous commercial intercourse and otherwise establishing mutual rights and privileges, have resolved to conclude a Treaty of Friendship and Commerce, based in general upon the principles of national and most favored-nation treatment unconditionally accorded, and for that purpose have appointed as their Plenipotentiaries,

The President of the United States of America:

Christian A. Herter, Secretary of State of the United States of America, and

The President of Pakistan: Zulfikar Ali Bhutto, Minister for Commerce of Pakistan,

who, having communicated to each other their full powers found to be in due form, have agreed upon the following Articles:

1. Nationals and companies of either Party shall be accorded, within the territories of the other Party, national treatment and most favored-nation treatment with respect to obtaining and maintaining patents of invention, and with respect to rights in trademarks, trade names, trade labels and industrial property of every kind.

2. The Parties undertake to cooperate in furthering the interchange and use of scientific and technical knowledge, particularly in the interests of increasing productivity and improving standards of living within their respective territories.

#### ARTICLE XI

1. Nationals of either Party residing within the territories of the other Party, and companies of either Party engaged in trade or other gainful pursuit or in scientific, educational, religious or philanthropic activities within the territories of the other Party, shall not be subject to the payment of taxes, fees or charges imposed upon or applied to income, capital, transactions, activities or any other object, or to requirements with respect to the levy and collection thereof, within the territories of such other Party, more burdensome than those borne by nationals and companies of such other Party.

2. With respect to nationals of either Party who are not resident within the territories of the other Party, and with respect to companies of either Party which are not engaged in trade or other gainful pursuit within the territories of the other Party, it shall be the aim of such other Party to apply in general the principle set forth in paragraph 1 of the present Article.

3. Nationals and companies of either Party shall in no case be subject, within the territories of the other Party, to the payment of taxes, fees or charges imposed upon or applied to income, capital, transactions, activities or any other object, or to requirements with respect to the levy and collection thereof, more burdensome than those borne by nationals, residents and companies of any third country.

4. In the case of companies of either Party engaged in trade or other gainful pursuit within the territories of the other Party, and in the case of nationals of either Party engaged in trade or other gainful pursuit within the territories of the other Party but not resident therein, such other Party shall not impose or apply any tax, fee or charge upon any income, capital or other basis in excess of that reasonably allocable or apportionable to its territories, nor grant deductions and exemptions less than those reasonably allocable or apportionable to its territories. A comparable rule shall apply also in the case of companies organized and operated exclusively for scientific, educational, religious and philanthropic purposes.

5. Each Party reserves the right to: (a) extend specific tax advantages on the basis of reciprocity; (b) accord special tax advantages by virtue of agreements for the avoidance of double taxation or the mutual protection of revenue; and (c) apply special provisions in allowing, to nonresidents, exemptions of a personal nature in connection with income and inheritance taxes.

#### ARTICLE XII

1. Nationals and companies of either Party shall be accorded by the other Party national treatment and most-favored-nation treatment with respect to payments, remittances and transfers of funds or financial instruments between the territories of the two Parties as well as between the territories of such other Party and of any third country.

2. Neither Party shall impose exchange restrictions as defined in paragraph 5 of the present Article except to the extent necessary to prevent its monetary reserves from falling to a low level, to effect an increase in the reserves in order to bring them up to an adequate level, or both. It is understood that



the provisions of the present Article do not alter the obligations either Party may have to the International Monetary Fund or preclude imposition of particular restrictions whenever the Fund specifically authorizes or requests a Party to impose such particular restrictions.

3. If either Party imposes exchange restrictions in accordance with paragraph 2 of the present Article, it shall, after making whatever provision may be necessary to assure the availability of foreign exchange for goods and services essential to the health and welfare of its people, make reasonable provision for the withdrawal, in foreign exchange in the currency of the other Party, of: (a) the compensation referred to in Article VI, paragraph 4, (b) earnings, whether in the form of salaries, interest, dividends, commissions, royalties, payments for technical services, or otherwise, and (c) amounts for amortization of loans, depreciation of direct investments, and capital transfers, giving consideration to special needs for other transactions. If more than one rate of exchange is in force, the rate applicable to such withdrawals shall be a rate which is specifically approved by the International Monetary Fund for such transactions or, in the absence of a rate so approved, an effective rate which, inclusive of any taxes or surcharges on exchange transfers, is just and reasonable.

4. Exchange restrictions shall not be imposed by either Party in a manner unnecessarily detrimental or arbitrarily discriminatory to the claims, investments, transport, trade, and other interests of the nationals and companies of the other Party, nor to the competitive position thereof.

5. The term "exchange restrictions" as used in the present Article includes all restrictions, regulations, charges, taxes, or other requirements imposed by either Party which burden or interfere with payments, remittances or transfers of funds or of financial instruments between the territories of the two Parties.

6. Each Party shall afford the other Party adequate opportunity for consultation at any time regarding application of the present Article.

#### ARTICLE XIII

Commercial travellers representing nationals and companies of either Party engaged in business within the territories thereof shall, upon their entry into and departure from the territories of the other Party and during their sojourn therein, be accorded most favored-nation treatment in respect of the customs and other matters, including, subject to the exceptions in paragraph 5 of Article XI, taxes and charges applicable to them, their samples and the taking of orders, and regulations governing the exercise of their functions.

#### ARTICLE XIV

1. Each Party shall accord most-favored-nation treatment to products of the other Party, from whatever place and by whatever type of carrier arriving, and to products destined for exportation to the territories of such other Party, by whatever route and by whatever type of carrier, with respect to customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on the international transfer of payments for imports or exports, and with respect to the method of levying such duties and charges, and with respect to all rules and formalities in connection with importation and exportation.

2. Neither Party shall impose restrictions or prohibitions on the importation of any product of the other Party, or on the exportation of any product to the territories of the other Party, unless the importation of the like product of, or the exportation of the like product to, all third countries is similarly restricted or prohibited.



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**Annex 9**

**Treaty of Friendship, Establishment and Navigation between the United States of  
America and the Kingdom of Belgium, signed on 21 February 1961**

Excerpts: Article 10

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No. 6967

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**BELGIUM**  
**and**  
**UNITED STATES OF AMERICA**

**Treaty of Friendship, Establishment and Navigation (with  
Protocol). Signed at Brussels, on 21 February 1961**

*Official texts: French and English.*

*Registered by Belgium on 25 October 1963.*

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**BELGIQUE**  
**et**  
**ÉTATS-UNIS D'AMÉRIQUE**

**Traité d'amitié, d'établissement et de navigation (avec  
Protocole). Signé à Bruxelles, le 21 février 1961**

*Textes officiels français et anglais.*

*Enregistré par la Belgique le 25 octobre 1963.*

wife and in allowing to residents of contiguous countries exemptions of a personal nature in connection with income and inheritance taxes.

#### *Article 10*

1) Nationals and companies of either Contracting Party shall be accorded by the other Party the same treatment as nationals and companies of such other Party with respect to payments, remittances and transfers of funds or financial instruments between the territories of the two Parties as well as between the territories of such other Party and of any third country. This treatment shall be not less favorable than that accorded to nationals and companies of any third country in like situations.

2) Neither Party shall impose exchange restrictions as defined in paragraph 5 of the present Article except to the extent necessary to maintain or restore adequacy to its monetary reserves, particularly in relation to its external commercial and financial requirements. It is understood that the provisions of the present Article do not alter the obligations either Party may have to the International Monetary Fund or preclude imposition by either Party of particular restrictions whenever the Fund specifically so authorizes or requests.

3) If either Party imposes exchange restrictions in accordance with paragraph 2 of the present Article, it shall not fail, after making whatever provision may be necessary to assure the availability of foreign exchange for essential goods and services, to make provision to the fullest extent practicable in light of the level of the monetary reserves and its balance-of-payments, for the withdrawal in the currency of the other Party, of: *a*) the compensation referred to in Article 4, paragraph 3, *b*) earnings, whether in the form of salaries, interest, dividends, commissions, royalties, payments for technical services, or otherwise, *c*) amounts for amortization of loans, depreciation of direct investments, and, to the extent feasible, capital transfers, giving consideration to special needs for other transactions. If more than one rate of exchange is in force, the rate applicable to such withdrawal shall be a rate which is specifically approved by the International Monetary Fund for such transactions or, in the absence of a rate so approved an effective rate which, inclusive of any taxes or surcharges on exchange transfers, is just and reasonable.

4) Exchange restrictions shall not be imposed by either Party in a manner unnecessarily detrimental or arbitrarily discriminatory to the claims, invest-



ments, transport, trade and other interests of the nationals and companies of the other Party, nor to the competitive position thereof.

5) The term "exchange restrictions" as used in the present Article includes all restrictions, regulations, charges, taxes, or other requirements imposed by either Party which burden or interfere with payments, remittances, or transfers of funds or financial instruments between the territories of the two Parties.

6) Questions arising under the present Treaty concerning exchange restrictions affecting aliens are governed by the provisions of the present Article.

#### *Article 11*

Commercial travelers representing nationals and companies of either Contracting Party engaged in business within the territories thereof shall be accorded within the territories of the other Party treatment no less favorable than that accorded to commercial travelers representing nationals and companies of such other Party with respect to the exercise of their functions.

#### *Article 12*

1) Between the territories of the two Contracting Parties there shall be, in accordance with the provisions of the present Treaty, freedom of navigation.

2) Vessels under the flag of either Party, and carrying the papers required by its laws in proof of nationality, shall be deemed to be vessels of that Party, both on the high seas and within the ports, places and waters of the other Party.

3) The term "vessels" as used in the present Treaty, means all types of vessels, whether privately owned or operated, or publicly owned or operated, but this term does not include vessels of war.

#### *Article 13*

1) Vessels of either Contracting Party shall have liberty, on equal terms with vessels of the other Party and on equal terms with vessels of any third country, to come with their cargoes to all ports, places and waters of such other Party open to foreign commerce and navigation. Such vessels and cargoes shall in the ports, places and waters of such other Party be accorded in all respects national treatment and most-favored-nation treatment.



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**Annex 10**

**United Nations Security Council, Resolution 2231 (2015), S/RES/2231 (2015),  
20 July 2015**

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**Security Council**Distr.: General  
20 July 2015**Resolution 2231 (2015)****Adopted by the Security Council at its 7488th meeting, on  
20 July 2015***The Security Council,**Recalling* the Statement of its President, S/PRST/2006/15, and its resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), and 1929 (2010),*Reaffirming* its commitment to the Treaty on the Non-Proliferation of Nuclear Weapons, the need for all States Party to that Treaty to comply fully with their obligations, and *recalling* the right of States Party, in conformity with Articles I and II of that Treaty, to develop research, production and use of nuclear energy for peaceful purposes without discrimination,*Emphasizing* the importance of political and diplomatic efforts to find a negotiated solution guaranteeing that Iran's nuclear programme is exclusively for peaceful purposes, and *noting* that such a solution would benefit nuclear non-proliferation,*Welcoming* diplomatic efforts by China, France, Germany, the Russian Federation, the United Kingdom, the United States, the High Representative of the European Union for Foreign Affairs and Security Policy, and Iran to reach a comprehensive, long-term and proper solution to the Iranian nuclear issue, culminating in the Joint Comprehensive Plan of Action (JCPOA) concluded on 14 July 2015, (S/2015/544, as attached as Annex A to this resolution) and the establishment of the Joint Commission,*Welcoming* Iran's reaffirmation in the JCPOA that it will under no circumstances ever seek, develop or acquire any nuclear weapons,*Noting* the statement of 14 July 2015, from China, France, Germany, the Russian Federation, the United Kingdom, the United States, and the European Union aimed at promoting transparency and creating an atmosphere conducive to the full implementation of the JCPOA (S/2015/545, as attached as Annex B to this resolution),*Affirming* that conclusion of the JCPOA marks a fundamental shift in its consideration of this issue, and *expressing* its desire to build a new relationship with

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Iran strengthened by the implementation of the JCPOA and to bring to a satisfactory conclusion its consideration of this matter,

*Affirming* that full implementation of the JCPOA will contribute to building confidence in the exclusively peaceful nature of Iran's nuclear programme,

*Strongly supporting* the essential and independent role of the International Atomic Energy Agency (IAEA) in verifying compliance with safeguards agreements, including the non-diversion of declared nuclear material to undeclared purposes and the absence of undeclared nuclear material and undeclared nuclear activities, and, in this context, in ensuring the exclusively peaceful nature of Iran's nuclear programme, including through the implementation of the "Framework for Cooperation" agreed between Iran and the IAEA on 11 November 2013 and the "Roadmap for Clarification of Past and Present Outstanding Issues", and *recognizing* the IAEA's important role in supporting full implementation of the JCPOA,

*Affirming* that IAEA safeguards are a fundamental component of nuclear non-proliferation, promote greater confidence among States, inter alia, by providing assurance that States are complying with their obligations under relevant safeguards agreements, contribute to strengthening their collective security and help to create an environment conducive to nuclear cooperation, and further *recognizing* that effective and efficient safeguards implementation requires a cooperative effort between the IAEA and States, that the IAEA Secretariat will continue to engage in open dialogue on safeguards matters with States to increase transparency and build confidence and to interact with them on the implementation of safeguards, and in this case, avoid hampering the economic and technological development of Iran or international cooperation in the field of peaceful nuclear activities; respect health, safety, physical protection and other security provisions in force and the rights of individuals; and take every precaution to protect commercial, technological and industrial secrets as well as other confidential information coming to its knowledge,

*Encouraging* Member States to cooperate, including through IAEA involvement, with Iran in the framework of the JCPOA in the field of peaceful uses of nuclear energy and to engage in mutually determined civil nuclear cooperation projects, in accordance with Annex III of the JCPOA,

*Noting* the termination of provisions of previous resolutions and other measures foreseen in this resolution, and *inviting* Member States to give due regard to these changes,

*Emphasizing* that the JCPOA is conducive to promoting and facilitating the development of normal economic and trade contacts and cooperation with Iran, and *having* regard to States' rights and obligations relating to international trade,

*Underscoring* that Member States are obligated under Article 25 of the Charter of the United Nations to accept and carry out the Security Council's decisions,

1. *Endorses* the JCPOA, and *urges* its full implementation on the timetable established in the JCPOA;

2. *Calls upon* all Members States, regional organizations and international organizations to take such actions as may be appropriate to support the implementation of the JCPOA, including by taking actions commensurate with the

implementation plan set out in the JCPOA and this resolution and by refraining from actions that undermine implementation of commitments under the JCPOA;

3. *Requests* the Director General of the IAEA to undertake the necessary verification and monitoring of Iran's nuclear-related commitments for the full duration of those commitments under the JCPOA, and *reaffirms* that Iran shall cooperate fully as the IAEA requests to be able to resolve all outstanding issues, as identified in IAEA reports;

4. *Requests* the Director General of the IAEA to provide regular updates to the IAEA Board of Governors and, as appropriate, in parallel to the Security Council on Iran's implementation of its commitments under the JCPOA and also to report to the IAEA Board of Governors and in parallel to the Security Council at any time if the Director General has reasonable grounds to believe there is an issue of concern directly affecting fulfilment of JCPOA commitments;

### **Terminations**

5. *Requests* that, as soon as the IAEA has verified that Iran has taken the actions specified in paragraphs 15.1-15.11 of Annex V of the JCPOA, the Director General of the IAEA submit a report confirming this fact to the IAEA Board of Governors and in parallel to the Security Council;

6. *Requests* further that, as soon as the IAEA has reached the Broader Conclusion that all nuclear material in Iran remains in peaceful activities, the Director General of the IAEA submit a report confirming this conclusion to the IAEA Board of Governors and in parallel to the Security Council;

7. *Decides*, acting under Article 41 of the Charter of the United Nations, that, upon receipt by the Security Council of the report from the IAEA described in paragraph 5:

(a) The provisions of resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010) and 2224 (2015) shall be terminated;

(b) All States shall comply with paragraphs 1, 2, 4, and 5 and the provisions in subparagraphs (a)-(f) of paragraph 6 of Annex B for the duration specified in each paragraph or subparagraph, and are called upon to comply with paragraphs 3 and 7 of Annex B;

8. *Decides*, acting under Article 41 of the Charter of the United Nations, that on the date ten years after the JCPOA Adoption Day, as defined in the JCPOA, all the provisions of this resolution shall be terminated, and none of the previous resolutions described in paragraph 7 (a) shall be applied, the Security Council will have concluded its consideration of the Iranian nuclear issue, and the item "Non-proliferation" will be removed from the list of matters of which the Council is seized;

9. *Decides*, acting under Article 41 of the Charter of the United Nations, that the terminations described in Annex B and paragraph 8 of this resolution shall not occur if the provisions of previous resolutions have been applied pursuant to paragraph 12;



### Application of Provisions of Previous Resolutions

10. *Encourages* China, France, Germany, the Russian Federation, the United Kingdom, the United States, the European Union (EU), and Iran (the “JCPOA participants”) to resolve any issues arising with respect to implementation of JCPOA commitments through the procedures specified in the JCPOA, and *expresses* its intention to address possible complaints by JCPOA participants about significant non-performance by another JCPOA participant;

11. *Decides*, acting under Article 41 of the Charter of the United Nations, that, within 30 days of receiving a notification by a JCPOA participant State of an issue that the JCPOA participant State believes constitutes significant non-performance of commitments under the JCPOA, it shall vote on a draft resolution to continue in effect the terminations in paragraph 7 (a) of this resolution, *decides* further that if, within 10 days of the notification referred to above, no Member of the Security Council has submitted such a draft resolution for a vote, then the President of the Security Council shall submit such a draft resolution and put it to a vote within 30 days of the notification referred to above, and *expresses* its intention to take into account the views of the States involved in the issue and any opinion on the issue by the Advisory Board established in the JCPOA;

12. *Decides*, acting under Article 41 of the Charter of the United Nations, that, if the Security Council does not adopt a resolution under paragraph 11 to continue in effect the terminations in paragraph 7 (a), then effective midnight Greenwich Mean Time after the thirtieth day after the notification to the Security Council described in paragraph 11, all of the provisions of resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), and 1929 (2010) that have been terminated pursuant to paragraph 7 (a) shall apply in the same manner as they applied before the adoption of this resolution, and the measures contained in paragraphs 7, 8 and 16 to 20 of this resolution shall be terminated, unless the Security Council decides otherwise;

13. *Underscores* that, in the event of a notification to the Security Council described in paragraph 11, Iran and the other JCPOA participants should strive to resolve the issue giving rise to the notification, *expresses* its intention to prevent the reapplication of the provisions if the issue giving rise to the notification is resolved, *decides*, acting under Article 41 of the Charter of the United Nations, that if the notifying JCPOA participant State informs the Security Council that such an issue has been resolved before the end of the 30-day period specified in paragraph 12 above, then the provisions of this resolution, including the terminations in paragraph 7 (a), shall remain in effect notwithstanding paragraph 12 above, and *notes* Iran’s statement that if the provisions of previous resolutions are applied pursuant to paragraph 12 in whole or in part, Iran will treat this as grounds to cease performing its commitments under the JCPOA;

14. *Affirms* that the application of the provisions of previous resolutions pursuant to paragraph 12 do not apply with retroactive effect to contracts signed between any party and Iran or Iranian individuals and entities prior to the date of application, provided that the activities contemplated under and execution of such contracts are consistent with the JCPOA, this resolution and the previous resolutions;

15. *Affirms* that any application of the provisions of previous resolutions pursuant to paragraph 12 is not intended to harm individuals and entities that, prior to that application of those provisions, engaged in business with Iran or Iranian individuals and entities that is consistent with the JCPOA and this resolution, *encourages* Member States to consult with each other with regard to such harm, and to take action to mitigate such unintended harm for these individuals and entities, and *decides* if the provisions of previous resolutions are applied pursuant to paragraph 12 not to impose measures with retroactive effect on individuals and entities for business activities with Iran that were consistent with the JCPOA, this resolution and the previous resolutions prior to the application of these provisions;

#### **JCPOA Implementation**

16. *Decides*, acting under Article 41 of the Charter of the United Nations, to review recommendations of the Joint Commission regarding proposals by States to participate in or permit nuclear-related activities set forth in paragraph 2 of Annex B, and that such recommendations shall be deemed to be approved unless the Security Council adopts a resolution to reject a Joint Commission recommendation within five working days of receiving it;

17. *Requests* Member States seeking to participate in or permit activities set forth in paragraph 2 of Annex B to submit proposals to the Security Council, *expresses* its intention to share such proposals with the Joint Commission established in the JCPOA for its review, *invites* any Member of the Security Council to provide relevant information and opinions about these proposals, *encourages* the Joint Commission to give due consideration to any such information and opinions, and *requests* the Joint Commission to provide its recommendations on these proposals to the Security Council within twenty working days (or, if extended, within thirty working days);

18. *Requests* the Secretary-General, in order to support JCPOA implementation, to take the necessary administrative measures to facilitate communications with Member States and between the Security Council and the Joint Commission through agreed practical arrangements;

19. *Requests* the IAEA and the Joint Commission to consult and exchange information, where appropriate, as specified in the JCPOA, and *requests* further that the exporting states cooperate with the Joint Commission in accordance with Annex IV of the JCPOA;

20. *Requests* the Joint Commission to review proposals for transfers and activities described in paragraph 2 of Annex B with a view to recommending approval where consistent with this resolution and the provisions and objectives of the JCPOA so as to provide for the transfer of items, materials, equipment, goods and technology required for Iran's nuclear activities under the JCPOA, and *encourages* the Joint Commission to establish procedures to ensure detailed and thorough review of all such proposals;

#### **Exemptions**

21. *Decides*, acting under Article 41 of the Charter of the United Nations, that the measures imposed in resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), and 1929 (2010) shall not apply to the supply, sale, or

transfer of items, materials, equipment, goods and technology, and the provision of any related technical assistance, training, financial assistance, investment, brokering or other services, by JCPOA participant States or Member States acting in coordination with them, that is directly related to: (a) the modification of two cascades at the Fordow facility for stable isotope production; (b) the export of Iran's enriched uranium in excess of 300 kilograms in return for natural uranium; and (c) the modernization of the Arak reactor based on the agreed conceptual design and, subsequently, on the agreed final design of such reactor;

22. *Decides*, acting under Article 41 of the Charter of the United Nations, that Member States engaging in the activities permitted in paragraph 21 shall ensure that: (a) all such activities are undertaken strictly in accordance with the JCPOA; (b) they notify the Committee established pursuant to resolution 1737 (2006) and, when constituted, the Joint Commission ten days in advance of such activities; (c) the requirements, as appropriate, of the Guidelines as set out in the relevant INFCIRC referenced in resolution 1737 (2006), as updated, have been met; (d) they have obtained and are in a position to exercise effectively a right to verify the end-use and end-use location of any supplied item; and (e) in case of supplied items, materials, equipment, goods and technology listed in the INFCIRCs referenced in resolution 1737 (2006), as updated, they also notify the IAEA within ten days of the supply, sale or transfers;

23. *Decides*, acting under Article 41 of the Charter of the United Nations, also that the measures imposed in resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), and 1929 (2010) shall not apply to the extent necessary to carry out transfers and activities, as approved on a case-by-case basis in advance by the Committee established pursuant to resolution 1737 (2006), that are:

- (a) directly related to implementation of the nuclear-related actions specified in paragraphs 15.1-15.11 of Annex V of the JCPOA;
- (b) required for preparation for the implementation of the JCPOA; or,
- (c) determined by the Committee to be consistent with the objectives of this resolution;

24. *Notes* that the provisions of paragraphs 21, 22, 23 and 27 continue in effect if the provisions of previous resolutions are applied pursuant to paragraph 12;

#### **Other Matters**

25. *Decides* to make the necessary practical arrangements to undertake directly tasks related to the implementation of this resolution, including those tasks specified in Annex B and the release of guidance;

26. *Urges* all States, relevant United Nations bodies and other interested parties, to cooperate fully with the Security Council in its exercise of the tasks related to this resolution, in particular by supplying any information at their disposal on the implementation of the measures in this resolution;

27. *Decides* that all provisions contained in the JCPOA are only for the purposes of its implementation between the E3/EU+3 and Iran and should not be considered as setting precedents for any other State or for principles of international law and the rights and obligations under the Treaty on the Non-Proliferation of

Nuclear Weapons and other relevant instruments, as well as for internationally recognized principles and practices;

28. *Recalls* that the measures imposed by paragraph 12 of resolution 1737 (2006) shall not prevent a designated person or entity from making payment due under a contract entered into prior to the listing of such a person or entity, provided that the conditions specified in paragraph 15 of that resolution are met, and *underscores*, that if the provisions of previous resolutions are reapplied pursuant to paragraph 12 of this resolution, then this provision will apply;

29. *Emphasizes* the importance of all States taking the necessary measures to ensure that no claim shall lie at the instance of the Government of Iran, or any person or entity in Iran, or of persons or entities designated pursuant to resolution 1737 (2006) and related resolutions, or any person claiming through or for the benefit of any such person or entity, in connection with any contract or other transaction where its performance was prevented by reason of the application of the provisions of resolutions 1737 (2006), 1747 (2007), 1803 (2008), 1929 (2010) and this resolution;

30. *Decides* to remain seized of the matter until the termination of the provisions of this resolution in accordance with paragraph 8.

**Annex A: Joint Comprehensive Plan of Action (JCPOA), Vienna,  
14 July 2015**

***PREFACE***

The E3/EU+3 (China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the High Representative of the European Union for Foreign Affairs and Security Policy) and the Islamic Republic of Iran welcome this historic Joint Comprehensive Plan of Action (JCPOA), which will ensure that Iran's nuclear programme will be exclusively peaceful, and mark a fundamental shift in their approach to this issue. They anticipate that full implementation of this JCPOA will positively contribute to regional and international peace and security. Iran reaffirms that under no circumstances will Iran ever seek, develop or acquire any nuclear weapons.

Iran envisions that this JCPOA will allow it to move forward with an exclusively peaceful, indigenous nuclear programme, in line with scientific and economic considerations, in accordance with the JCPOA, and with a view to building confidence and encouraging international cooperation. In this context, the initial mutually determined limitations described in this JCPOA will be followed by a gradual evolution, at a reasonable pace, of Iran's peaceful nuclear programme, including its enrichment activities, to a commercial programme for exclusively peaceful purposes, consistent with international non-proliferation norms.

The E3/EU+3 envision that the implementation of this JCPOA will progressively allow them to gain confidence in the exclusively peaceful nature of Iran's programme. The JCPOA reflects mutually determined parameters, consistent with practical needs, with agreed limits on the scope of Iran's nuclear programme, including enrichment activities and R&D. The JCPOA addresses the E3/EU+3's concerns, including through comprehensive measures providing for transparency and verification.

The JCPOA will produce the comprehensive lifting of all UN Security Council sanctions as well as multilateral and national sanctions related to Iran's nuclear programme, including steps on access in areas of trade, technology, finance, and energy.

**PREAMBLE AND GENERAL PROVISIONS**

- i. The Islamic Republic of Iran and the E3/EU+3 (China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the High Representative of the European Union for Foreign Affairs and Security Policy) have decided upon this long-term Joint Comprehensive Plan of Action (JCPOA). This JCPOA, reflecting a step-by-step approach, includes the reciprocal commitments as laid down in this document and the annexes hereto and is to be endorsed by the United Nations (UN) Security Council.
- ii. The full implementation of this JCPOA will ensure the exclusively peaceful nature of Iran's nuclear programme.
- iii. Iran reaffirms that under no circumstances will Iran ever seek, develop or acquire any nuclear weapons.
- iv. Successful implementation of this JCPOA will enable Iran to fully enjoy its right to nuclear energy for peaceful purposes under the relevant articles of the nuclear Non-Proliferation Treaty (NPT) in line with its obligations therein, and the Iranian nuclear programme will be treated in the same manner as that of any other non-nuclear-weapon state party to the NPT.
- v. This JCPOA will produce the comprehensive lifting of all UN Security Council sanctions as well as multilateral and national sanctions related to Iran's nuclear programme, including steps on access in areas of trade, technology, finance and energy.
- vi. The E3/EU+3 and Iran reaffirm their commitment to the purposes and principles of the United Nations as set out in the UN Charter.
- vii. The E3/EU+3 and Iran acknowledge that the NPT remains the cornerstone of the nuclear non-proliferation regime and the essential foundation for the pursuit of nuclear disarmament and for the peaceful uses of nuclear energy.
- viii. The E3/EU+3 and Iran commit to implement this JCPOA in good faith and in a constructive atmosphere, based on mutual respect, and to refrain from any action inconsistent with the letter, spirit and intent of this JCPOA that would undermine its successful implementation. The E3/EU+3 will refrain from imposing discriminatory regulatory and procedural requirements in lieu of the sanctions and restrictive measures covered by this JCPOA. This JCPOA builds on the implementation of the Joint Plan of Action (JPOA) agreed in Geneva on 24 November 2013.
- ix. A Joint Commission consisting of the E3/EU+3 and Iran will be established to monitor the implementation of this JCPOA and will carry out the functions provided for in this JCPOA. This Joint Commission will address issues arising from the implementation of this JCPOA and will operate in accordance with the provisions as detailed in the relevant annex.
- x. The International Atomic Energy Agency (IAEA) will be requested to monitor and verify the voluntary nuclear-related measures as detailed in this JCPOA. The IAEA will be requested to provide regular updates to the Board of Governors, and as provided for in this JCPOA, to the UN Security Council. All relevant rules and regulations of the IAEA with regard to the protection of information will be fully observed by all parties involved.

- xi. All provisions and measures contained in this JCPOA are only for the purpose of its implementation between E3/EU+3 and Iran and should not be considered as setting precedents for any other state or for fundamental principles of international law and the rights and obligations under the NPT and other relevant instruments, as well as for internationally recognised principles and practices.
- xii. Technical details of the implementation of this JCPOA are dealt with in the annexes to this document.
- xiii. The EU and E3+3 countries and Iran, in the framework of the JCPOA, will cooperate, as appropriate, in the field of peaceful uses of nuclear energy and engage in mutually determined civil nuclear cooperation projects as detailed in Annex III, including through IAEA involvement.
- xiv. The E3+3 will submit a draft resolution to the UN Security Council endorsing this JCPOA affirming that conclusion of this JCPOA marks a fundamental shift in its consideration of this issue and expressing its desire to build a new relationship with Iran. This UN Security Council resolution will also provide for the termination on Implementation Day of provisions imposed under previous resolutions; establishment of specific restrictions; and conclusion of consideration of the Iran nuclear issue by the UN Security Council 10 years after the Adoption Day.
- xv. The provisions stipulated in this JCPOA will be implemented for their respective durations as set forth below and detailed in the annexes.
- xvi. The E3/EU+3 and Iran will meet at the ministerial level every 2 years, or earlier if needed, in order to review and assess progress and to adopt appropriate decisions by consensus.



*Iran and E3/EU+3 will take the following voluntary measures within the timeframe as detailed in this JCPOA and its Annexes*

**NUCLEAR**

**A. ENRICHMENT, ENRICHMENT R&D, STOCKPILES**

1. Iran's long term plan includes certain agreed limitations on all uranium enrichment and uranium enrichment-related activities including certain limitations on specific research and development (R&D) activities for the first 8 years, to be followed by gradual evolution, at a reasonable pace, to the next stage of its enrichment activities for exclusively peaceful purposes, as described in Annex I. Iran will abide by its voluntary commitments, as expressed in its own long-term enrichment and enrichment R&D plan to be submitted as part of the initial declaration for the Additional Protocol to Iran's Safeguards Agreement.
2. Iran will begin phasing out its IR-1 centrifuges in 10 years. During this period, Iran will keep its enrichment capacity at Natanz at up to a total installed uranium enrichment capacity of 5060 IR-1 centrifuges. Excess centrifuges and enrichment-related infrastructure at Natanz will be stored under IAEA continuous monitoring, as specified in Annex I.
3. Iran will continue to conduct enrichment R&D in a manner that does not accumulate enriched uranium. Iran's enrichment R&D with uranium for 10 years will only include IR-4, IR-5, IR-6 and IR-8 centrifuges as laid out in Annex I, and Iran will not engage in other isotope separation technologies for enrichment of uranium as specified in Annex I. Iran will continue testing IR-6 and IR-8 centrifuges, and will commence testing of up to 30 IR-6 and IR-8 centrifuges after eight and a half years, as detailed in Annex I.
4. As Iran will be phasing out its IR-1 centrifuges, it will not manufacture or assemble other centrifuges, except as provided for in Annex I, and will replace failed centrifuges with centrifuges of the same type. Iran will manufacture advanced centrifuge machines only for the purposes specified in this JCPOA. From the end of the eighth year, and as described in Annex I, Iran will start to manufacture agreed numbers of IR-6 and IR-8 centrifuge machines without rotors and will store all of the manufactured machines at Natanz, under IAEA continuous monitoring until they are needed under Iran's long-term enrichment and enrichment R&D plan.
5. Based on its own long-term plan, for 15 years, Iran will carry out its uranium enrichment-related activities, including safeguarded R&D exclusively in the Natanz Enrichment facility, keep its level of uranium enrichment at up to 3.67%, and, at Fordow, refrain from any uranium enrichment and uranium enrichment R&D and from keeping any nuclear material.
6. Iran will convert the Fordow facility into a nuclear, physics and technology centre. International collaboration including in the form of scientific joint partnerships will be established in agreed areas of research. 1044 IR-1 centrifuges in six cascades will remain in one wing at Fordow. Two of these cascades will spin without uranium and will be transitioned, including through appropriate infrastructure modification, for stable isotope production. The

other four cascades with all associated infrastructure will remain idle. All other centrifuges and enrichment-related infrastructure will be removed and stored under IAEA continuous monitoring as specified in Annex I.

7. During the 15 year period, and as Iran gradually moves to meet international qualification standards for nuclear fuel produced in Iran, it will keep its uranium stockpile under 300 kg of up to 3.67% enriched uranium hexafluoride (UF<sub>6</sub>) or the equivalent in other chemical forms. The excess quantities are to be sold based on international prices and delivered to the international buyer in return for natural uranium delivered to Iran, or are to be down-blended to natural uranium level. Enriched uranium in fabricated fuel assemblies from Russia or other sources for use in Iran's nuclear reactors will not be counted against the above stated 300 kg UF<sub>6</sub> stockpile, if the criteria set out in Annex I are met with regard to other sources. The Joint Commission will support assistance to Iran, including through IAEA technical cooperation as appropriate, in meeting international qualification standards for nuclear fuel produced in Iran. All remaining uranium oxide enriched to between 5% and 20% will be fabricated into fuel for the Tehran Research Reactor (TRR). Any additional fuel needed for the TRR will be made available to Iran at international market prices.

#### **B. ARAK, HEAVY WATER, REPROCESSING**

8. Iran will redesign and rebuild a modernised heavy water research reactor in Arak, based on an agreed conceptual design, using fuel enriched up to 3.67 %, in a form of an international partnership which will certify the final design. The reactor will support peaceful nuclear research and radioisotope production for medical and industrial purposes. The redesigned and rebuilt Arak reactor will not produce weapons grade plutonium. Except for the first core load, all of the activities for redesigning and manufacturing of the fuel assemblies for the redesigned reactor will be carried out in Iran. All spent fuel from Arak will be shipped out of Iran for the lifetime of the reactor. This international partnership will include participating E3/EU+3 parties, Iran and such other countries as may be mutually determined. Iran will take the leadership role as the owner and as the project manager and the E3/EU+3 and Iran will, before Implementation Day, conclude an official document which would define the responsibilities assumed by the E3/EU+3 participants.
9. Iran plans to keep pace with the trend of international technological advancement in relying on light water for its future power and research reactors with enhanced international cooperation, including assurance of supply of necessary fuel.
10. There will be no additional heavy water reactors or accumulation of heavy water in Iran for 15 years. All excess heavy water will be made available for export to the international market.
11. Iran intends to ship out all spent fuel for all future and present power and research nuclear reactors, for further treatment or disposition as provided for in relevant contracts to be duly concluded with the recipient party.
12. For 15 years Iran will not, and does not intend to thereafter, engage in any spent fuel reprocessing or construction of a facility capable of spent fuel

reprocessing, or reprocessing R&D activities leading to a spent fuel reprocessing capability, with the sole exception of separation activities aimed exclusively at the production of medical and industrial radio-isotopes from irradiated enriched uranium targets.

### C. TRANSPARENCY AND CONFIDENCE BUILDING MEASURES

13. Consistent with the respective roles of the President and Majlis (Parliament), Iran will provisionally apply the Additional Protocol to its Comprehensive Safeguards Agreement in accordance with Article 17(b) of the Additional Protocol, proceed with its ratification within the timeframe as detailed in Annex V and fully implement the modified Code 3.1 of the Subsidiary Arrangements to its Safeguards Agreement.
14. Iran will fully implement the “Roadmap for Clarification of Past and Present Outstanding Issues” agreed with the IAEA, containing arrangements to address past and present issues of concern relating to its nuclear programme as raised in the annex to the IAEA report of 8 November 2011 (GOV/2011/65). Full implementation of activities undertaken under the Roadmap by Iran will be completed by 15 October 2015, and subsequently the Director General will provide by 15 December 2015 the final assessment on the resolution of all past and present outstanding issues to the Board of Governors, and the E3+3, in their capacity as members of the Board of Governors, will submit a resolution to the Board of Governors for taking necessary action, with a view to closing the issue, without prejudice to the competence of the Board of Governors.
15. Iran will allow the IAEA to monitor the implementation of the voluntary measures for their respective durations, as well as to implement transparency measures, as set out in this JCPOA and its Annexes. These measures include: a long-term IAEA presence in Iran; IAEA monitoring of uranium ore concentrate produced by Iran from all uranium ore concentrate plants for 25 years; containment and surveillance of centrifuge rotors and bellows for 20 years; use of IAEA approved and certified modern technologies including on-line enrichment measurement and electronic seals; and a reliable mechanism to ensure speedy resolution of IAEA access concerns for 15 years, as defined in Annex I.
16. Iran will not engage in activities, including at the R&D level, that could contribute to the development of a nuclear explosive device, including uranium or plutonium metallurgy activities, as specified in Annex I.
17. Iran will cooperate and act in accordance with the procurement channel in this JCPOA, as detailed in Annex IV, endorsed by the UN Security Council resolution.

*SANCTIONS*

18. The UN Security Council resolution endorsing this JCPOA will terminate all provisions of previous UN Security Council resolutions on the Iranian nuclear issue - 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010) and 2224 (2015) – simultaneously with the IAEA-verified implementation of agreed nuclear-related measures by Iran and will establish specific restrictions, as specified in Annex V.<sup>1</sup>
19. The EU will terminate all provisions of the EU Regulation, as subsequently amended, implementing all nuclear-related economic and financial sanctions, including related designations, simultaneously with the IAEA-verified implementation of agreed nuclear-related measures by Iran as specified in Annex V, which cover all sanctions and restrictive measures in the following areas, as described in Annex II:
  - i. Transfers of funds between EU persons and entities, including financial institutions, and Iranian persons and entities, including financial institutions;
  - ii. Banking activities, including the establishment of new correspondent banking relationships and the opening of new branches and subsidiaries of Iranian banks in the territories of EU Member States;
  - iii. Provision of insurance and reinsurance;
  - iv. Supply of specialised financial messaging services, including SWIFT, for persons and entities set out in Attachment 1 to Annex II, including the Central Bank of Iran and Iranian financial institutions;
  - v. Financial support for trade with Iran (export credit, guarantees or insurance);
  - vi. Commitments for grants, financial assistance and concessional loans to the Government of Iran;
  - vii. Transactions in public or public-guaranteed bonds;
  - viii. Import and transport of Iranian oil, petroleum products, gas and petrochemical products;
  - ix. Export of key equipment or technology for the oil, gas and petrochemical sectors;
  - x. Investment in the oil, gas and petrochemical sectors;
  - xi. Export of key naval equipment and technology;
  - xii. Design and construction of cargo vessels and oil tankers;
  - xiii. Provision of flagging and classification services;
  - xiv. Access to EU airports of Iranian cargo flights;
  - xv. Export of gold, precious metals and diamonds;
  - xvi. Delivery of Iranian banknotes and coinage;

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<sup>1</sup> The provisions of this Resolution do not constitute provisions of this JCPOA.

- xvii. Export of graphite, raw or semi-finished metals such as aluminum and steel, and export of software for integrating industrial processes;
  - xviii. Designation of persons, entities and bodies (asset freeze and visa ban) set out in Attachment 1 to Annex II; and
  - xix. Associated services for each of the categories above.
20. The EU will terminate all provisions of the EU Regulation implementing all EU proliferation-related sanctions, including related designations, 8 years after Adoption Day or when the IAEA has reached the Broader Conclusion that all nuclear material in Iran remains in peaceful activities, whichever is earlier.
21. The United States will cease the application, and will continue to do so, in accordance with this JCPOA of the sanctions specified in Annex II to take effect simultaneously with the IAEA-verified implementation of the agreed nuclear-related measures by Iran as specified in Annex V. Such sanctions cover the following areas as described in Annex II:
- i. Financial and banking transactions with Iranian banks and financial institutions as specified in Annex II, including the Central Bank of Iran and specified individuals and entities identified as Government of Iran by the Office of Foreign Assets Control on the Specially Designated Nationals and Blocked Persons List (SDN List), as set out in Attachment 3 to Annex II (including the opening and maintenance of correspondent and payable through-accounts at non-U.S. financial institutions, investments, foreign exchange transactions and letters of credit);
  - ii. Transactions in Iranian Rial;
  - iii. Provision of U.S. banknotes to the Government of Iran;
  - iv. Bilateral trade limitations on Iranian revenues abroad, including limitations on their transfer;
  - v. Purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt, including governmental bonds;
  - vi. Financial messaging services to the Central Bank of Iran and Iranian financial institutions set out in Attachment 3 to Annex II;
  - vii. Underwriting services, insurance, or reinsurance;
  - viii. Efforts to reduce Iran's crude oil sales;
  - ix. Investment, including participation in joint ventures, goods, services, information, technology and technical expertise and support for Iran's oil, gas and petrochemical sectors;
  - x. Purchase, acquisition, sale, transportation or marketing of petroleum, petrochemical products and natural gas from Iran;
  - xi. Export, sale or provision of refined petroleum products and petrochemical products to Iran;
  - xii. Transactions with Iran's energy sector;
  - xiii. Transactions with Iran's shipping and shipbuilding sectors and port operators;

- xiv. Trade in gold and other precious metals;
  - xv. Trade with Iran in graphite, raw or semi-finished metals such as aluminum and steel, coal, and software for integrating industrial processes;
  - xvi. Sale, supply or transfer of goods and services used in connection with Iran's automotive sector;
  - xvii. Sanctions on associated services for each of the categories above;
  - xviii. Remove individuals and entities set out in Attachment 3 to Annex II from the SDN List, the Foreign Sanctions Evaders List, and/or the Non-SDN Iran Sanctions Act List; and
  - xix. Terminate Executive Orders 13574, 13590, 13622, and 13645, and Sections 5 – 7 and 15 of Executive Order 13628.
22. The United States will, as specified in Annex II and in accordance with Annex V, allow for the sale of commercial passenger aircraft and related parts and services to Iran; license non-U.S. persons that are owned or controlled by a U.S. person to engage in activities with Iran consistent with this JCPOA; and license the importation into the United States of Iranian-origin carpets and foodstuffs.
23. Eight years after Adoption Day or when the IAEA has reached the Broader Conclusion that all nuclear material in Iran remains in peaceful activities, whichever is earlier, the United States will seek such legislative action as may be appropriate to terminate, or modify to effectuate the termination of, the sanctions specified in Annex II on the acquisition of nuclear-related commodities and services for nuclear activities contemplated in this JCPOA, to be consistent with the U.S. approach to other non-nuclear-weapon states under the NPT.
24. The E3/EU and the United States specify in Annex II a full and complete list of all nuclear-related sanctions or restrictive measures and will lift them in accordance with Annex V. Annex II also specifies the effects of the lifting of sanctions beginning on "Implementation Day". If at any time following the Implementation Day, Iran believes that any other nuclear-related sanction or restrictive measure of the E3/EU+3 is preventing the full implementation of the sanctions lifting as specified in this JCPOA, the JCPDA participant in question will consult with Iran with a view to resolving the issue and, if they concur that lifting of this sanction or restrictive measure is appropriate, the JCPDA participant in question will take appropriate action. If they are not able to resolve the issue, Iran or any member of the E3/EU+3 may refer the issue to the Joint Commission.
25. If a law at the state or local level in the United States is preventing the implementation of the sanctions lifting as specified in this JCPDA, the United States will take appropriate steps, taking into account all available authorities, with a view to achieving such implementation. The United States will actively encourage officials at the state or local level to take into account the changes in the U.S. policy reflected in the lifting of sanctions under this JCPDA and to refrain from actions inconsistent with this change in policy.

26. The EU will refrain from re-introducing or re-imposing the sanctions that it has terminated implementing under this JCPOA, without prejudice to the dispute resolution process provided for under this JCPOA. There will be no new nuclear-related UN Security Council sanctions and no new EU nuclear-related sanctions or restrictive measures. The United States will make best efforts in good faith to sustain this JCPOA and to prevent interference with the realisation of the full benefit by Iran of the sanctions lifting specified in Annex II. The U.S. Administration, acting consistent with the respective roles of the President and the Congress, will refrain from re-introducing or re-imposing the sanctions specified in Annex II that it has ceased applying under this JCPOA, without prejudice to the dispute resolution process provided for under this JCPOA. The U.S. Administration, acting consistent with the respective roles of the President and the Congress, will refrain from imposing new nuclear-related sanctions. Iran has stated that it will treat such a re-introduction or re-imposition of the sanctions specified in Annex II, or such an imposition of new nuclear-related sanctions, as grounds to cease performing its commitments under this JCPOA in whole or in part.
27. The E3/EU+3 will take adequate administrative and regulatory measures to ensure clarity and effectiveness with respect to the lifting of sanctions under this JCPOA. The EU and its Member States as well as the United States will issue relevant guidelines and make publicly accessible statements on the details of sanctions or restrictive measures which have been lifted under this JCPOA. The EU and its Member States and the United States commit to consult with Iran regarding the content of such guidelines and statements, on a regular basis and whenever appropriate.
28. The E3/EU+3 and Iran commit to implement this JCPOA in good faith and in a constructive atmosphere, based on mutual respect, and to refrain from any action inconsistent with the letter, spirit and intent of this JCPOA that would undermine its successful implementation. Senior Government officials of the E3/EU+3 and Iran will make every effort to support the successful implementation of this JCPOA including in their public statements.<sup>2</sup> The E3/EU+3 will take all measures required to lift sanctions and will refrain from imposing exceptional or discriminatory regulatory and procedural requirements in lieu of the sanctions and restrictive measures covered by the JCPOA.
29. The EU and its Member States and the United States, consistent with their respective laws, will refrain from any policy specifically intended to directly and adversely affect the normalisation of trade and economic relations with Iran inconsistent with their commitments not to undermine the successful implementation of this JCPOA.
30. The E3/EU+3 will not apply sanctions or restrictive measures to persons or entities for engaging in activities covered by the lifting of sanctions provided for in this JCPOA, provided that such activities are otherwise consistent with E3/EU+3 laws and regulations in effect. Following the lifting of sanctions under this JCPOA as specified in Annex II, ongoing investigations on possible

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<sup>2</sup> 'Government officials' for the U.S. means senior officials of the U.S. Administration.

infringements of such sanctions may be reviewed in accordance with applicable national laws.

31. Consistent with the timing specified in Annex V, the EU and its Member States will terminate the implementation of the measures applicable to designated entities and individuals, including the Central Bank of Iran and other Iranian banks and financial institutions, as detailed in Annex II and the attachments thereto. Consistent with the timing specified in Annex V, the United States will remove designation of certain entities and individuals on the Specially Designated Nationals and Blocked Persons List, and entities and individuals listed on the Foreign Sanctions Evaders List, as detailed in Annex II and the attachments thereto.
32. EU and E3+3 countries and international participants will engage in joint projects with Iran, including through IAEA technical cooperation projects, in the field of peaceful nuclear technology, including nuclear power plants, research reactors, fuel fabrication, agreed joint advanced R&D such as fusion, establishment of a state-of-the-art regional nuclear medical centre, personnel training, nuclear safety and security, and environmental protection, as detailed in Annex III. They will take necessary measures, as appropriate, for the implementation of these projects.
33. The E3/EU+3 and Iran will agree on steps to ensure Iran's access in areas of trade, technology, finance and energy. The EU will further explore possible areas for cooperation between the EU, its Member States and Iran, and in this context consider the use of available instruments such as export credits to facilitate trade, project financing and investment in Iran.



***IMPLEMENTATION PLAN***

34. Iran and the E3/EU+3 will implement their JCPOA commitments according to the sequence specified in Annex V. The milestones for implementation are as follows:
- i. Finalisation Day is the date on which negotiations of this JCPOA are concluded among the E3/EU+3 and Iran, to be followed promptly by submission of the resolution endorsing this JCPOA to the UN Security Council for adoption without delay.
  - ii. Adoption Day is the date 90 days after the endorsement of this JCPOA by the UN Security Council, or such earlier date as may be determined by mutual consent of the JCPOA participants, at which time this JCPOA and the commitments in this JCPOA come into effect. Beginning on that date, JCPOA participants will make necessary arrangements and preparations for the implementation of their JCPOA commitments.
  - iii. Implementation Day is the date on which, simultaneously with the IAEA report verifying implementation by Iran of the nuclear-related measures described in Sections 15.1. to 15.11 of Annex V, the EU and the United States take the actions described in Sections 16 and 17 of Annex V respectively and in accordance with the UN Security Council resolution, the actions described in Section 18 of Annex V occur at the UN level.
  - iv. Transition Day is the date 8 years after Adoption Day or the date on which the Director General of the IAEA submits a report stating that the IAEA has reached the Broader Conclusion that all nuclear material in Iran remains in peaceful activities, whichever is earlier. On that date, the EU and the United States will take the actions described in Sections 20 and 21 of Annex V respectively and Iran will seek, consistent with the Constitutional roles of the President and Parliament, ratification of the Additional Protocol.
  - v. UN Security Council resolution Termination Day is the date on which the UN Security Council resolution endorsing this JCPOA terminates according to its terms, which is to be 10 years from Adoption Day, provided that the provisions of previous resolutions have not been reinstated. On that date, the EU will take the actions described in Section 25 of Annex V.
35. The sequence and milestones set forth above and in Annex V are without prejudice to the duration of JCPOA commitments stated in this JCPOA.

***DISPUTE RESOLUTION MECHANISM***

36. If Iran believed that any or all of the E3/EU+3 were not meeting their commitments under this JCPOA, Iran could refer the issue to the Joint Commission for resolution; similarly, if any of the E3/EU+3 believed that Iran was not meeting its commitments under this JCPOA, any of the E3/EU+3 could do the same. The Joint Commission would have 15 days to resolve the issue, unless the time period was extended by consensus. After Joint Commission consideration, any participant could refer the issue to Ministers of Foreign Affairs, if it believed the compliance issue had not been resolved.

Ministers would have 15 days to resolve the issue, unless the time period was extended by consensus. After Joint Commission consideration – in parallel with (or in lieu of) review at the Ministerial level - either the complaining participant or the participant whose performance is in question could request that the issue be considered by an Advisory Board, which would consist of three members (one each appointed by the participants in the dispute and a third independent member). The Advisory Board should provide a non-binding opinion on the compliance issue within 15 days. If, after this 30-day process the issue is not resolved, the Joint Commission would consider the opinion of the Advisory Board for no more than 5 days in order to resolve the issue. If the issue still has not been resolved to the satisfaction of the complaining participant, and if the complaining participant deems the issue to constitute significant non-performance, then that participant could treat the unresolved issue as grounds to cease performing its commitments under this JCPOA in whole or in part and/or notify the UN Security Council that it believes the issue constitutes significant non-performance.

37. Upon receipt of the notification from the complaining participant, as described above, including a description of the good-faith efforts the participant made to exhaust the dispute resolution process specified in this JCPOA, the UN Security Council, in accordance with its procedures, shall vote on a resolution to continue the sanctions lifting. If the resolution described above has not been adopted within 30 days of the notification, then the provisions of the old UN Security Council resolutions would be re-imposed, unless the UN Security Council decides otherwise. In such event, these provisions would not apply with retroactive effect to contracts signed between any party and Iran or Iranian individuals and entities prior to the date of application, provided that the activities contemplated under and execution of such contracts are consistent with this JCPOA and the previous and current UN Security Council resolutions. The UN Security Council, expressing its intention to prevent the reapplication of the provisions if the issue giving rise to the notification is resolved within this period, intends to take into account the views of the States involved in the issue and any opinion on the issue of the Advisory Board. Iran has stated that if sanctions are reinstated in whole or in part, Iran will treat that as grounds to cease performing its commitments under this JCPOA in whole or in part.

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**JCPOA Annex I – Nuclear-related measures****A. GENERAL**

1. The sequence of implementation of the commitments detailed in this Annex is specified in Annex V to the Joint Comprehensive Plan of Action (JCPOA). Unless otherwise specified, the durations of the commitments in this Annex are from Implementation Day.

**B. ARAK HEAVY WATER RESEARCH REACTOR**

2. Iran will modernise the Arak heavy water research reactor to support peaceful nuclear research and radioisotopes production for medical and industrial purposes. Iran will redesign and rebuild the reactor, based on the agreed conceptual design (as attached to this Annex) to support its peaceful nuclear research and production needs and purposes, including testing of fuel pins and assembly prototypes and structural materials. The design will be such as to minimise the production of plutonium and not to produce weapon-grade plutonium in normal operation. The power of the redesigned reactor will not exceed 20 MWth. The E3/EU+3 and Iran share the understanding that the parameters in the conceptual design are subject to possible and necessary adjustments in developing the final design while fully preserving the above-mentioned purposes and principles of modernisation.
3. Iran will not pursue construction at the existing unfinished reactor based on its original design and will remove the existing calandria and retain it in Iran. The calandria will be made inoperable by filling any openings in the calandria with concrete such that the IAEA can verify that it will not be usable for a future nuclear application. In redesigning and reconstructing of the modernized Arak heavy water research reactor, Iran will maximise the use of existing infrastructure already installed at the current Arak research reactor.
4. Iran will take the leadership role as the owner and as the project manager, and have responsibility for overall implementation of the Arak modernisation project, with E3/EU+3 participants assuming responsibilities regarding the modernisation of the Arak reactor as described in this Annex. A Working Group composed of E3/EU+3 participants will be established to facilitate the redesigning and rebuilding of the reactor. An international partnership composed of Iran and the Working Group would implement the Arak modernisation project. The Working Group could be enlarged to include other countries by consensus of the participants of the Working Group and Iran. E3/EU+3 participants and Iran will conclude an official document expressing their strong commitments to the Arak modernisation project in advance of Implementation Day which would provide an assured path forward to modernise the reactor and would define the responsibilities assumed by the E3/EU+3 participants, and subsequently contracts would be concluded. The participants of the Working Group will provide assistance needed by Iran for redesigning and rebuilding the reactor, consistent with their respective national laws, in such a manner as to enable the safe and timely construction and commissioning of the modernised reactor.
5. Iran and the Working Group will cooperate to develop the final design of the modernised reactor and the design of the subsidiary laboratories to be carried

out by Iran, and review conformity with international safety standards, such that the reactor can be licensed by the relevant Iranian regulatory authority for commissioning and operation. The final design of the modernised reactor and the design of the subsidiary laboratories will be submitted to the Joint Commission. The Joint Commission will aim to complete its review and endorsement within three months after the submission of the final design. If the Joint Commission does not complete its review and endorsement within three months, Iran could raise the issue through the dispute resolution mechanism envisaged by this JCPOA.

6. The IAEA will monitor the construction and report to the Working Group for confirmation that the construction of the modernised reactor is consistent with the approved final design.
7. As the project manager, Iran will take responsibility for the construction efforts. E3/EU+3 parties will, consistent with their national laws, take appropriate administrative, legal, technical, and regulatory measures to support co-operation.

E3/EU+3 parties will support the purchase by Iran, the transfer and supply of necessary materials, equipment, instrumentation and control systems and technologies required for the construction of the redesigned reactor, through the mechanism established by this JCPOA, as well as through exploration of relevant funding contributions.
8. E3/EU+3 parties will also support and facilitate the timely and safe construction of the modernized Arak reactor and its subsidiary laboratories, upon request by Iran, through IAEA technical cooperation if appropriate, including but not limited to technical and financial assistance, supply of required materials and equipment, state-of-the-art instrumentation and control systems and equipment and support for licensing and authorization.
9. The redesigned reactor will use up to 3.67 percent enriched uranium in the form of UO<sub>2</sub> with a mass of approximately 350 kg of UO<sub>2</sub> in a full core load, with a fuel design to be reviewed and approved by the Joint Commission. The international partnership with the participation of Iran will fabricate the initial fuel core load for the reactor outside Iran. The international partnership will cooperate with Iran, including through technical assistance, to fabricate, test and license fuel fabrication capabilities in Iran for subsequent fuel core reloads for future use with this reactor. Destructive and non-destructive testing of this fuel including Post-Irradiation-Examination (PIE) will take place in one of the participating countries outside of Iran and that country will work with Iran to license the subsequent fuel fabricated in Iran for the use in the redesigned reactor under IAEA monitoring.
10. Iran will not produce or test natural uranium pellets, fuel pins or fuel assemblies, which are specifically designed for the support of the originally designed Arak reactor, designated by the IAEA as IR-40. Iran will store under IAEA continuous monitoring all existing natural uranium pellets and IR-40 fuel assemblies until the modernised Arak reactor becomes operational, at which point these natural uranium pellets and IR-40 fuel assemblies will be converted to UNH, or exchanged with an equivalent quantity of natural uranium. Iran will make the necessary technical modifications to the natural

uranium fuel production process line that was intended to supply fuel for the IR-40 reactor design, such that it can be used for the fabrication of the fuel reloads for the modernised Arak reactor.

11. All spent fuel from the redesigned Arak reactor, regardless of its origin, for the lifetime of the reactor, will be shipped out of Iran to a mutually determined location in E3/EU+3 countries or third countries, for further treatment or disposition as provided for in relevant contracts to be concluded, consistent with national laws, with the recipient party, within one year from the unloading from the reactor or whenever deemed to be safe for transfer by the recipient country.
12. Iran will submit the DIQ of the redesigned reactor to the IAEA which will include information on the planned radio-isotope production and reactor operation programme. The reactor will be operated under IAEA monitoring.
13. Iran will operate the Fuel Manufacturing Plant only to produce fuel assemblies for light water reactors and reloads for the modernized Arak reactor.

#### **C. HEAVY WATER PRODUCTION PLANT**

14. All excess heavy water which is beyond Iran's needs for the modernised Arak research reactor, the Zero power heavy water reactor, quantities needed for medical research and production of deuterate solutions and chemical compounds including, where appropriate, contingency stocks, will be made available for export to the international market based on international prices and delivered to the international buyer for 15 years. Iran's needs, consistent with the parameters above, are estimated to be 130 metric tonnes of nuclear grade heavy water or its equivalent in different enrichments prior to commissioning of the modernised Arak research reactor, and 90 metric tonnes after the commissioning, including the amount contained in the reactor.
15. Iran will inform the IAEA about the inventory and the production of the HWPP and will allow the IAEA to monitor the quantities of the heavy water stocks and the amount of heavy water produced, including through IAEA visits, as requested, to the HWPP.

#### **D. OTHER REACTORS**

16. Consistent with its plan, Iran will keep pace with the trend of international technological advancement in relying only on light water for its future nuclear power and research reactors with enhanced international cooperation including assurances of supply of necessary fuel.
17. Iran intends to ship out all spent fuel for all future and present nuclear power and research reactors, for further treatment or disposition as provided for in relevant contracts to be concluded consistent with national laws with the recipient party.

#### **E. SPENT FUEL REPROCESSING ACTIVITIES**

18. For 15 years Iran will not, and does not intend to thereafter, engage in any spent fuel reprocessing or spent fuel reprocessing R&D activities. For the purpose of this annex, spent fuel includes all types of irradiated fuel.

19. For 15 years Iran will not, and does not intend to thereafter, reprocess spent fuel except for irradiated enriched uranium targets for production of radioisotopes for medical and peaceful industrial purposes.
20. For 15 years Iran will not, and does not intend to thereafter, develop, acquire or build facilities capable of separation of plutonium, uranium or neptunium from spent fuel or from fertile targets, other than for production of radioisotopes for medical and peaceful industrial purposes.
21. For 15 years, Iran will only develop, acquire, build, or operate hot cells (containing a cell or interconnected cells), shielded cells or shielded glove boxes with dimensions less than 6 cubic meters in volume compatible with the specifications set out in Annex I of the Additional Protocol. These will be co-located with the modernised Arak research reactor, the Tehran Research Reactor, and radio-medicine production complexes, and only capable of the separation and processing of industrial or medical isotopes and non-destructive PIE. The needed equipment will be acquired through the procurement mechanism established by this JCPOA. For 15 years, Iran will develop, acquire, build, or operate hot cells (containing a cell or interconnected cells), shielded cells or shielded glove boxes with dimensions beyond 6 cubic meters in volume and specifications set out in Annex I of the Additional Protocol, only after approval by the Joint Commission.
22. The E3/EU+3 are ready to facilitate all of the destructive and non-destructive examinations on fuel elements and/or fuel assembly prototypes including PIE for all fuel fabricated in or outside Iran and irradiated in Iran, using their existing facilities outside Iran. Except for the Arak research reactor complex, Iran will not develop, build, acquire or operate hot cells capable of performing PIE or seek to acquire equipment to build/develop such a capability, for 15 years.
23. For 15 years, in addition to continuing current fuel testing activities at the TRR, Iran will undertake non-destructive post irradiation examination (PIE) of fuel pins, fuel assembly prototypes and structural materials. These examinations will be exclusively at the Arak research reactor complex. However, the E3/EU+3 will make available their facilities to conduct destructive testing with Iranian specialists, as agreed. The hot cells at the Arak research reactor in which non-destructive PIE are performed will not be physically interconnected to cells that process or handle materials for the production of medical or industrial radioisotopes.
24. For 15 years, Iran will not engage in producing or acquiring plutonium or uranium metals or their alloys, or conducting R&D on plutonium or uranium (or their alloys) metallurgy, or casting, forming, or machining plutonium or uranium metal.
25. Iran will not produce, seek, or acquire separated plutonium, highly enriched uranium (defined as 20% or greater uranium-235), or uranium-233, or neptunium-237 (except for use as laboratory standards or in instruments using neptunium-237) for 15 years.
26. If Iran seeks to initiate R&D on uranium metal based TRR fuel in small agreed quantities after 10 years and before 15 years, Iran will present its plan to, and seek approval by, the Joint Commission.

**F. ENRICHMENT CAPACITY**

27. Iran will keep its enrichment capacity at no more than 5060 IR-1 centrifuge machines in no more than 30 cascades in their current configurations in currently operating units at the Natanz Fuel Enrichment Plant (FEP) for 10 years.
28. Iran will keep its level of uranium enrichment at up to 3.67 percent for 15 years.
29. Iran will remove the following excess centrifuges and infrastructure not associated with 5060 IR-1 centrifuges in FEP, which will be stored at Natanz in Hall B of FEP under IAEA continuous monitoring:
  - 29.1. All excess centrifuge machines, including IR-2m centrifuges. Excess IR-1 centrifuges will be used for the replacement of failed or damaged centrifuges of the same type on a one-for-one basis.
  - 29.2. UF<sub>6</sub> pipework including sub headers, valves and pressure transducers at cascade level, and frequency inverters, and UF<sub>6</sub> withdrawal equipment from one of the withdrawal stations, which is currently not in service, including its vacuum pumps and chemical traps.
30. For the purpose of this Annex, the IAEA will confirm through the established practice the failed or damaged status of centrifuge machines before removal.
31. For 15 years, Iran will install gas centrifuge machines, or enrichment-related infrastructure, whether suitable for uranium enrichment, research and development, or stable isotope enrichment, exclusively at the locations and for the activities specified under this JCPOA.

**G. CENTRIFUGES RESEARCH AND DEVELOPMENT**

32. Iran will continue to conduct enrichment R&D in a manner that does not accumulate enriched uranium. For 10 years and consistent with its enrichment R&D plan, Iran's enrichment R&D with uranium will only include IR-4, IR-5, IR-6 and IR-8 centrifuges. Mechanical testing on up to two single centrifuges for each type will be carried out only on the IR-2m, IR-4, IR-5, IR-6, IR-6s, IR-7 and IR-8. Iran will build or test, with or without uranium, only those gas centrifuges specified in this JCPOA.
33. Consistent with its plan, Iran will continue working with the 164-machine IR-2m cascade at PFEP in order to complete the necessary tests until 30 November 2015 or the day of implementation of this JCPOA, whichever comes later, and after that it will take these machines out of the PFEP and store them under IAEA continuous monitoring at Natanz in Hall B of FEP.
34. Consistent with its plan, Iran will continue working with the 164-machine IR-4 cascade at PFEP in order to complete the necessary tests until 30 November 2015 or the day of implementation of this JCPOA, whichever comes later, and after that it will take these machines out of the PFEP and store them under IAEA continuous monitoring at Natanz in Hall B of FEP.
35. Iran will continue the testing of a single IR-4 centrifuge machine and IR-4 centrifuge cascade of up to 10 centrifuge machines for 10 years.



36. Iran will test a single IR-5 centrifuge machine for 10 years.
37. Iran will continue testing of the IR-6 on single centrifuge machines and its intermediate cascades and will commence testing of up to 30 centrifuge machines from one and a half years before the end of year 10. Iran will proceed from single centrifuge machines and small cascades to intermediate cascades in a logical sequence.
38. Iran will commence, upon start of implementation of the JCPOA, testing of the IR-8 on single centrifuge machines and its intermediate cascades and will commence the testing of up to 30 centrifuges machines from one and a half years before the end of year 10. Iran will proceed from single centrifuges to small cascades to intermediate cascades in a logical sequence.
39. For 10 years, Iran, consistent with the established practice, will recombine the enriched and depleted streams from the IR-6 and IR-8 cascades through the use of welded pipework on withdrawal main headers in a manner that precludes the withdrawal of enriched and depleted uranium materials and verified by the IAEA.
40. For 15 years, Iran will conduct all testing of centrifuges with uranium only at the PFEP. Iran will conduct all mechanical testing of centrifuges only at the PFEP and the Tehran Research Centre.
41. For the purpose of adapting PFEP to the R&D activities in the enrichment and enrichment R&D plan, Iran will remove all centrifuges except those needed for testing as described in the relevant paragraphs above, except for the IR-1 cascade (No. 1) as described below. For the full IR-1 cascade (No. 6), Iran will modify associated infrastructure by removing UF<sub>6</sub> pipework, including sub-headers, valves and pressure transducers at cascade level, and frequency inverters. The IR-1 cascade (No. 1) centrifuges will be kept but made inoperable, as verified by the IAEA, through the removal of centrifuge rotors and the injection of epoxy resin into the sub headers, feeding, product, and tails pipework, and the removal of controls and electrical systems for vacuum, power and cooling. Excess centrifuges and infrastructure will be stored at Natanz in Hall B of FEP under IAEA continuous monitoring. The R&D space in line No. 6 will be left empty until Iran needs to use it for its R&D programme.
42. Consistent with the activities in the enrichment and enrichment R&D plan, Iran will maintain the cascade infrastructure for testing of single centrifuges and small and intermediate cascades in two R&D lines (No. 2 and No. 3) and will adapt two other lines (No. 4 and No. 5) with infrastructure similar to that for lines No. 2 and No. 3 in order to enable future R&D activities as specified in this JCPoA. Adaptation will include modification of all UF<sub>6</sub> pipework (including removal of all sub headers except as agreed as needed for the R&D programme) and associated instrumentation to be compatible with single centrifuges and small and intermediate cascade testing instead of full scale testing.
43. Consistent with its plan and internationally established practices, Iran intends to continue R&D on new types of centrifuges through computer modelling and simulations, including at universities. For any such project to proceed to a

prototype stage for mechanical testing within 10 years, a full presentation to, and approval by, the Joint Commission is needed.

#### H. FORDOW FUEL ENRICHMENT PLANT

44. The Fordow Fuel Enrichment Plant (FFEP) will be converted into a nuclear, physics, and technology centre and international collaboration will be encouraged in agreed areas of research. The Joint Commission will be informed in advance of the specific projects that will be undertaken at Fordow.
45. Iran will not conduct any uranium enrichment or any uranium enrichment related R&D and will have no nuclear material at the Fordow Fuel Enrichment Plant (FFEP) for 15 years.
46. For 15 years, Iran will maintain no more than 1044 IR-1 centrifuge machines at one wing of the FFEP of which:
  - 46.1. Two cascades that have not experienced UF<sub>6</sub> before will be modified for the production of stable isotopes. The transition to stable isotope production of these cascades at FFEP will be conducted in joint partnership between the Russian Federation and Iran on the basis of arrangements to be mutually agreed upon. To prepare these two cascades for installation of a new cascade architecture appropriate for stable isotope production by the joint partnership, Iran will remove the connection to the UF<sub>6</sub> feed main header, and move cascade UF<sub>6</sub> pipework (except for the dump line in order to maintain vacuum) to storage in Fordow under IAEA continuous monitoring. The Joint Commission will be informed about the conceptual framework of stable isotope production at FFEP.
  - 46.2. For four cascades with all associated infrastructure remaining except for pipework that enables crossover tandem connections, two will be placed in an idle state, not spinning. The other two cascades will continue to spin until the transition to stable isotope production described in the previous subparagraph has been completed. Upon completion of the transition to stable isotope production described in the previous subparagraph, these two spinning cascades will be placed in an idle state, not spinning.
47. Iran will:
  - 47.1. remove the other 2 cascades of IR-1 centrifuges from this wing, by removing all centrifuges and cascade UF<sub>6</sub> pipework, including sub-headers, valves and pressure transducers at cascade level, and frequency inverters.
  - 47.2. also subsequently remove cascade electrical cabling, individual cascade control cabinets and vacuum pumps. All these excess centrifuges and infrastructure will be stored at Natanz in Hall B of FEP under IAEA continuous monitoring.
48. Iran will:
  - 48.1. remove all excess centrifuges and uranium enrichment related infrastructure from the other wing of the FFEP. This will include removal

of all centrifuges and UF6 pipework, including sub headers, valves and pressure gauges and transducers, and frequency inverters and converters, and UF6 feed and withdrawal stations.

- 48.2. also subsequently remove cascade electrical cabling, individual cascade control cabinets, vacuum pumps and centrifuge mounting blocks. All these excess centrifuges and infrastructure will be stored at Natanz in Hall B of FEP under IAEA continuous monitoring.
49. Centrifuges from the four idle cascades may be used for the replacement of failed or damaged centrifuges in stable isotope production at Fordow.
50. Iran will limit its stable isotope production activities with gas centrifuges to the FFEP for 15 years and will use no more than 348 IR-1 centrifuges for these activities at the FFEP. The associated R&D activities in Iran will occur at the FFEP and at Iran's declared and monitored centrifuge manufacturing facilities for testing, modification and balancing these IR-1 centrifuges.
51. The IAEA will establish a baseline for the amount of uranium legacy from past enrichment operations that will remain in Fordow. Iran will permit the IAEA regular access, including daily as requested by the IAEA, access to the FFEP in order to monitor Iran's production of stable isotopes and the absence of undeclared nuclear material and activities at the FFEP for 15 years.

#### **I. OTHER ASPECTS OF ENRICHMENT**

52. Iran will abide by its voluntary commitments as expressed in its own long term enrichment and enrichment R&D plan to be submitted as part of the initial declaration described in Article 2 of the Additional Protocol.<sup>1</sup> The IAEA will confirm on an annual basis, for the duration of the plan that the nature and scope and scale of Iran's enrichment and enrichment R&D activities are in line with this plan.
53. Iran will start to install necessary infrastructure for the IR-8 at Natanz in Hall B of FEP after year 10.
54. An agreed template for describing different centrifuge types (IR-1, IR-2m, IR-4, IR-5, IR-6, IR-6s, IR-7, IR-8) and the associated definitions need to be accomplished by implementation day.
55. An agreed procedure for measuring IR-1, IR-2m and IR-4 centrifuge performance data needs to be accomplished by implementation day.

#### **J. URANIUM STOCKS AND FUELS**

56. Iran will maintain a total enriched uranium stockpile of no more than 300 kg of up to 3.67% enriched uranium hexafluoride (or the equivalent in different chemical forms) for 15 years.
57. All enriched uranium hexafluoride in excess of 300 kg of up to 3.67% enriched UF6 (or the equivalent in different chemical forms) will be down blended to natural uranium level or be sold on the international market and delivered to the international buyer in return for natural uranium delivered to

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<sup>1</sup> Iran will permit the IAEA to share the content of the enrichment and enrichment R&D plan, as submitted as part of the initial declaration, with the Joint Commission participants.

- Iran. Iran will enter into a commercial contract with an entity outside Iran for the purchase and transfer of its enriched uranium stockpile in excess of 300 kg UF<sub>6</sub> in return for natural uranium delivered to Iran. The E3/EU+3 will facilitate, where applicable, the conclusion and implementation of this contract. Iran may choose to seek to sell excess enriched uranium to the IAEA fuel bank in Kazakhstan when the fuel bank becomes operational.
58. All uranium oxide enriched to between 5% and 20% will be fabricated into fuel plates for the Tehran Research Reactor or transferred, based on a commercial transaction, outside of Iran or diluted to an enrichment level of 3.67% or less. Scrap oxide and other forms not in plates that cannot be fabricated into TRR fuel plates will be transferred, based on a commercial transaction, outside of Iran or diluted to an enrichment level of 3.67% or less. In case of future supply of 19.75% enriched uranium oxide (U<sub>3</sub>O<sub>8</sub>) for TRR fuel plates fabrication, all scrap oxide and other forms not in plates that cannot be fabricated into TRR fuel plates, containing uranium enriched to between 5% and 20%, will be transferred, based on a commercial transaction, outside of Iran or diluted to an enrichment level of 3.67% or less within 6 months of its production. Scrap plates will be transferred, based on a commercial transaction, outside Iran. The commercial transactions should be structured to return an equivalent amount of natural uranium to Iran. For 15 years, Iran will not build or operate facilities for converting fuel plates or scrap back to UF<sub>6</sub>.
59. Russian designed, fabricated and licensed fuel assemblies for use in Russian-supplied reactors in Iran do not count against the 300 kg UF<sub>6</sub> stockpile limit. Enriched uranium in fabricated fuel assemblies from other sources outside of Iran for use in Iran's nuclear research and power reactors, including those which will be fabricated outside of Iran for the initial fuel load of the modernised Arak research reactor, which are certified by the fuel supplier and the appropriate Iranian authority to meet international standards, will not count against the 300 kg UF<sub>6</sub> stockpile limit. The Joint Commission will establish a Technical Working Group with the goal of enabling fuel to be fabricated in Iran while adhering to the agreed stockpile parameters (300 kg of up to 3.67 % enriched UF<sub>6</sub> or the equivalent in different chemical forms). This Technical Working Group will also, within one year, work to develop objective technical criteria for assessing whether fabricated fuel and its intermediate products can be readily converted to UF<sub>6</sub>. Enriched uranium in fabricated fuel assemblies and its intermediate products manufactured in Iran and certified to meet international standards, including those for the modernised Arak research reactor, will not count against the 300 kg UF<sub>6</sub> stockpile limit provided the Technical Working Group of the Joint Commission approves that such fuel assemblies and their intermediate products cannot be readily reconverted into UF<sub>6</sub>. This could for instance be achieved through impurities (e.g. burnable poisons or otherwise) contained in fuels or through the fuel being in a chemical form such that direct conversion back to UF<sub>6</sub> would be technically difficult without dissolution and purification. The objective technical criteria will guide the approval process of the Technical Working Group. The IAEA will monitor the fuel fabrication process for any fuel produced in Iran to verify that the fuel and intermediate products comport with the fuel fabrication process that was approved by the Technical Working Group. The Joint Commission will also support assistance to Iran including through IAEA

technical cooperation as appropriate, in meeting international qualification standards for nuclear fuel produced by Iran.

60. Iran will seek to enter into a commercial contract with entities outside Iran for the purchase of fuel for the TRR and enriched uranium targets. The E3/EU+3 will facilitate, as needed, the conclusion and implementation of this contract. In the case of lack of conclusion of a contract with a fuel supplier, E3/EU+3 will supply a quantity of 19.75% enriched uranium oxide (U3O8) and deliver to Iran, exclusively for the purpose of fabrication in Iran of fuel for the TRR and enriched uranium targets for the lifetime of the reactor. This 19.75% enriched uranium oxide (U3O8) will be supplied in increments no greater than approximately 5 kg and each new increment will be provided only when the previous increment of this material has been verified by the IAEA to have been mixed with aluminum to make fuel for the TRR or fabricated into enriched uranium targets. Iran will notify the E3/EU+3 within 2 year before the contingency of TRR fuel will be exhausted in order to have the uranium oxide available 6 months before the end of the 2 year period.

#### **K. CENTRIFUGE MANUFACTURING**

61. Consistent with its enrichment and enrichment R&D plan, Iran will only engage in production of centrifuges, including centrifuge rotors suitable for isotope separation or any other centrifuge components, to meet the enrichment and enrichment R&D requirements of this Annex.
62. Consistent with its plan, Iran will use the stock of IR-1 centrifuge machines in storage, which are in excess of the remaining 5060 IR-1 centrifuges in Natanz and the IR-1 centrifuges installed at Fordow, for the replacement of failed or damaged machines. Whenever during the 10 year period from the start of the implementation of the JCPOA, the level of stock of IR-1 machines falls to 500 or below, Iran may maintain this level of stock by resuming production of IR-1 machines at a rate up to the average monthly crash rate without exceeding the stock of 500.
63. Consistent with its plan, at the end of year 8, Iran will commence manufacturing of IR-6 and IR-8 centrifuges without rotors through year 10 at a rate of up to 200 centrifuges per year for each type. After year 10, Iran will produce complete centrifuges with the same rate to meet its enrichment and enrichment R&D needs. Iran will store them at Natanz in an above ground location, under IAEA continuous monitoring, until they are needed for final assembly according to the enrichment and enrichment R&D plan.

#### **L. ADDITIONAL PROTOCOL AND MODIFIED CODE 3.1**

64. Iran will notify the IAEA of provisional application of the Additional Protocol to its Safeguards Agreement in accordance with Article 17(b) of the Additional Protocol pending its entry into force, and subsequently seek ratification and entry into force, consistent with the respective roles of the President and the Majlis (Parliament).
65. Iran will notify the IAEA that it will fully implement the Modified Code 3.1 of the Subsidiary Arrangement to Iran's Safeguards Agreement as long as the Safeguards Agreement remains in force.

**M. PAST AND PRESENT ISSUES OF CONCERN**

66. Iran will complete all activities as set out in paragraphs 2, 4, 5, and 6 of the "Roadmap for Clarification of Past and Present Outstanding Issues", as verified by the IAEA in its regular updates by the Director General of the IAEA on the implementation of this Roadmap.

**N. MODERN TECHNOLOGIES AND LONG TERM PRESENCE OF IAEA**

67. For the purpose of increasing the efficiency of monitoring for this JCPOA, for 15 years or longer, for the specified verification measures:
- 67.1. Iran will permit the IAEA the use of on-line enrichment measurement and electronic seals which communicate their status within nuclear sites to IAEA inspectors, as well as other IAEA approved and certified modern technologies in line with internationally accepted IAEA practice. Iran will facilitate automated collection of IAEA measurement recordings registered by installed measurement devices and sending to IAEA working space in individual nuclear sites.
- 67.2. Iran will make the necessary arrangements to allow for a long-term IAEA presence, including issuing long-term visas, as well as providing proper working space at nuclear sites and, with best efforts, at locations near nuclear sites in Iran for the designated IAEA inspectors for working and keeping necessary equipment.
- 67.3. Iran will increase the number of designated IAEA inspectors to the range of 130-150 within 9 months from the date of the implementation of the JCPOA, and will generally allow the designation of inspectors from nations that have diplomatic relations with Iran, consistent with its laws and regulations.

**O. TRANSPARENCY RELATED TO URANIUM ORE CONCENTRATE (UOC)**

68. Iran will permit the IAEA to monitor, through agreed measures that will include containment and surveillance measures, for 25 years, that all uranium ore concentrate produced in Iran or obtained from any other source, is transferred to the uranium conversion facility (UCF) in Esfahan or to any other future uranium conversion facility which Iran might decide to build in Iran within this period.
69. Iran will provide the IAEA with all necessary information such that the IAEA will be able to verify the production of the uranium ore concentrate and the inventory of uranium ore concentrate produced in Iran or obtained from any other source for 25 years.

**P. TRANSPARENCY RELATED TO ENRICHMENT**

70. For 15 years, Iran will permit the IAEA to implement continuous monitoring, including through containment and surveillance measures, as necessary, to verify that stored centrifuges and infrastructure remain in storage, and are only used to replace failed or damaged centrifuges, as specified in this Annex.

71. Iran will permit the IAEA regular access, including daily access as requested by the IAEA, to relevant buildings at Natanz, including all parts of the FEP and PFEP, for 15 years.
72. For 15 years, the Natanz enrichment site will be the sole location for all of Iran's uranium enrichment related activities including safeguarded R&D.
73. Iran intends to apply nuclear export policies and practices in line with the internationally established standards for the export of nuclear material, equipment and technology. For 15 years, Iran will only engage, including through export of any enrichment or enrichment related equipment and technology, with any other country, or with any foreign entity in enrichment or enrichment related activities, including related research and development activities, following approval by the Joint Commission.

**Q. ACCESS**

74. Requests for access pursuant to provisions of this JCPOA will be made in good faith, with due observance of the sovereign rights of Iran, and kept to the minimum necessary to effectively implement the verification responsibilities under this JCPOA. In line with normal international safeguards practice, such requests will not be aimed at interfering with Iranian military or other national security activities, but will be exclusively for resolving concerns regarding fulfilment of the JCPOA commitments and Iran's other non-proliferation and safeguards obligations. The following procedures are for the purpose of JCPOA implementation between the E3/EU+3 and Iran and are without prejudice to the safeguards agreement and the Additional Protocol thereto. In implementing this procedure as well as other transparency measures, the IAEA will be requested to take every precaution to protect commercial, technological and industrial secrets as well as other confidential information coming to its knowledge.
75. In furtherance of implementation of the JCPOA, if the IAEA has concerns regarding undeclared nuclear materials or activities, or activities inconsistent with the JCPOA, at locations that have not been declared under the comprehensive safeguards agreement or Additional Protocol, the IAEA will provide Iran the basis for such concerns and request clarification.
76. If Iran's explanations do not resolve the IAEA's concerns, the Agency may request access to such locations for the sole reason to verify the absence of undeclared nuclear materials and activities or activities inconsistent with the JCPOA at such locations. The IAEA will provide Iran the reasons for access in writing and will make available relevant information.
77. Iran may propose to the IAEA alternative means of resolving the IAEA's concerns that enable the IAEA to verify the absence of undeclared nuclear materials and activities or activities inconsistent with the JCPOA at the location in question, which should be given due and prompt consideration.
78. If the absence of undeclared nuclear materials and activities or activities inconsistent with the JCPOA cannot be verified after the implementation of the alternative arrangements agreed by Iran and the IAEA, or if the two sides are unable to reach satisfactory arrangements to verify the absence of undeclared nuclear materials and activities or activities inconsistent with the JCPOA at the

specified locations within 14 days of the IAEA's original request for access, Iran, in consultation with the members of the Joint Commission, would resolve the IAEA's concerns through necessary means agreed between Iran and the IAEA. In the absence of an agreement, the members of the Joint Commission, by consensus or by a vote of 5 or more of its 8 members, would advise on the necessary means to resolve the IAEA's concerns. The process of consultation with, and any action by, the members of the Joint Commission would not exceed 7 days, and Iran would implement the necessary means within 3 additional days.

#### **R. CENTRIFUGE COMPONENT MANUFACTURING TRANSPARENCY**

79. Iran and the IAEA will take the necessary steps for containment and surveillance on centrifuge rotor tubes and bellows for 20 years.
80. In this context:
  - 80.1. Iran will provide the IAEA with an initial inventory of all existing centrifuge rotor tubes and bellows and subsequent reports on changes in such inventory and will permit the IAEA to verify the inventory by item counting and numbering, and through containment and surveillance, of all rotor tubes and bellows, including in all existing and newly produced centrifuges.
  - 80.2. Iran will declare all locations and equipment, namely flow-forming machines, filament-winding machines and mandrels that are used for production of centrifuge rotor tubes or bellows, and will permit the IAEA to implement continuous monitoring, including through containment and surveillance on this equipment, to verify that this equipment is being used to manufacture centrifuges only for the activities specified in this JCPOA.

#### **S. OTHER URANIUM ISOTOPE SEPARATION ACTIVITIES**

81. For 10 years, Iran's uranium isotope separation-related research and development or production activities will be exclusively based on gaseous centrifuge technology.<sup>2</sup> Iran will permit IAEA access to verify that uranium isotope separation production and R&D activities are consistent with this Annex.

#### **T. ACTIVITIES WHICH COULD CONTRIBUTE TO THE DESIGN AND DEVELOPMENT OF A NUCLEAR EXPLOSIVE DEVICE**

82. Iran will not engage in the following activities which could contribute to the development of a nuclear explosive device:
  - 82.1. Designing, developing, acquiring, or using computer models to simulate nuclear explosive devices.

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<sup>2</sup> For the purpose of this Annex, non-gaseous centrifuge uranium isotope separation-related research and development or production will include laser isotope separation systems, electromagnetic isotope separation systems, chemical exchange systems, gaseous diffusion systems, vortex and aerodynamic systems, and other such processes that separate uranium isotopes.



- 82.2. Designing, developing, fabricating, acquiring, or using multi-point explosive detonation systems suitable for a nuclear explosive device, unless approved by the Joint Commission for non-nuclear purposes and subject to monitoring
- 82.3. Designing, developing, fabricating, acquiring, or using explosive diagnostic systems (streak cameras, framing cameras and flash x-ray cameras) suitable for the development of a nuclear explosive device, unless approved by the Joint Commission for non-nuclear purposes and subject to monitoring.
- 82.4. Designing, developing, fabricating, acquiring, or using explosively driven neutron sources or specialized materials for explosively driven neutron sources.

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## Attachment: Arak conceptual design

### Fundamental Principles:

- Maximize use of the current infrastructure of original design of Arak research reactor, designated by the IAEA as IR-40, according to their respective ratings.
- Modernizing of the original design in order to be a multi-purpose research reactor comprising radio-isotope production, structural materials and fuel (pins and assembly prototypes) testing and able to conduct other neutronic experiments which demand high neutron fluxes (more than  $10^{14}$ ).
- Using heavy water as coolant, moderator and reflector. Light water would be utilized as an annular ring around the compact new core for safety reasons if necessary.
- Around 78 fuel assemblies in a tight hexagonal grid spacing with the following preliminary characteristics will be loaded.
- Up to 3.67 percent enriched  $UO_2$ , in the improved assembly design, will be used as fuel.
- Power will not exceed to 20 MWth.
- Adding different types of beam tubes to the existing beam tubes which being extended to the edge of the new compact core.
- Having one central channel in the center of the new core with passive cooling system for the purpose of structural materials and fuel pins and assembly prototypes testing with neutron flux beyond  $2 \cdot 10^{14}$ , twelve in-core irradiation channels (IIC) inside the core and twelve lateral irradiation channels (LIC) just next to the outer ring of fuel assemblies.
- The location of the in-core and lateral irradiation channels should be designed and fixed to meet the best anticipated performances.
- Consistent with relevant section of Annex 1, subsidiary laboratories are part of the modernization project of the Arak Research Reactor. In Addition, Annex III reinforce design and construction of subsidiary laboratories.
- The highest tolerable pressure for the first and second loop is 0.33 Mpa (at the interance of the reactor pit).
- The highest possible flow rate for coolant is 610 kg/s at the pressure of 0.33 MPa in the main piping system and 42 Kg/sec for Moderator with the same conditions.

**Preliminary Characteristics:**

<b>Core Parameters</b>	<b>Values</b>
Power (MW)	20
Number of fuel assemblies	~ 78
Active length (cm)	~ 110
Lattice configuration	Hexagonal
Fuel pellets Material	UO <sub>2</sub>
Fuel enrichment level	Up to 3.67 %
Clad material	Zr Alloys
Burnable poison	Yes, if necessary
Lattice pitch (cm)	~ 11
Coolant medium	D <sub>2</sub> O
Moderator medium	D <sub>2</sub> O
Reflector medium	D <sub>2</sub> O
Reflector thickness (cm)	~ 50
Purity of D2O	~ 99.8%
Mass of D2O (mtons)	~ 60-70
Yearly makeup	Yes
K <sub>eff</sub>	< 1.25
Core Excess reactivity (pcm)	< 20000
Cycle length (days) <small>approximativ</small>	~ 250
<sup>239</sup> Pu at EoC (g)	~ 850
<sup>239</sup> Pu purity at EoC	~ 78%
<sup>235</sup> U consumption	~ 60%
Maximum Thermal Flux, E<0.625ev	~ 3•10 <sup>14</sup>
Maximum Fast Flux, E>0.625ev	~ 1•10 <sup>14</sup>
Minimum Thermal Flux, E<0.625ev	~ 1•10 <sup>14</sup>
Minimum Fast Flux, E>0.625ev	~ 1•10 <sup>14</sup>
Fluid velocity in channels (m/s)	~ 3.8
Channel mass flow rate (kg/s)	~ 2.4
Working pressure (MPa)	0.33
Fluid inlet temperature (°C)	~ 47
Fluid outlet temperature (°C)	~ 78
Core material	Mainly S.S. 304
Core wall Thichness (mm)	~ 30
Fuel Pellet Diameter (cm)	~0.65
Inner Clad Diameter (cm)	~ 0.67
Outer Clad Diameter (cm)	~ 0.8
Number of pins per assembly	12
Mass of UO2 in full core load (Kg)	~ 350
Core diameter (cm)	~ 240

## JCPOA Annex II – Sanctions-related commitments

The sequence of implementation of the commitments detailed in this Annex is specified in Annex V (Implementation Plan) to this Joint Comprehensive Plan of Action (JCPOA).

### A. European Union<sup>1</sup>

1. The EU and EU Member States commit to terminate all provisions of Council Regulation (EU) No 267/2012 (as subsequently amended) implementing all nuclear-related sanctions or restrictive measures as specified in Sections 1.1-1.10 below, to terminate all provisions of Council Decision 2010/413/CFSP (as subsequently amended), as specified in Sections 1.1-1.10 below, and to terminate or amend national implementing legislation as required, in accordance with Annex V:

#### 1.1. **Financial, banking and insurance measures**<sup>2</sup>

- 1.1.1 Prohibition and authorisation regimes on financial transfers to and from Iran (Article 10 of Council Decision 2010/413/CFSP; Articles 30, 30a, 30b and 31 of Council Regulation (EU) No 267/2012);
- 1.1.2. Sanctions on banking activities (Article 11 of Council Decision 2010/413/CFSP; Article 33 of Council Regulation (EU) No 267/2012);
- 1.1.3. Sanctions on insurance (Article 12 of Council Decision 2010/413/CFSP; Article 35 of Council Regulation (EU) No 267/2012);
- 1.1.4. Sanctions on financial messaging services (Article 20(12) of Council Decision 2010/413/CFSP; Article 23(4) of Council Regulation (EU) No 267/2012);
- 1.1.5. Sanctions on financial support for trade with Iran (Article 8 of Council Decision 2010/413/CFSP);
- 1.1.6. Sanctions on grants, financial assistance and concessional loans (Article 9 of Council Decision 2010/413/CFSP);
- 1.1.7. Sanctions on Government of Iran public-guaranteed bonds (Article 13 of Council Decision 2010/413/CFSP; Article 34 of Council Regulation (EU) No 267/2012); and
- 1.1.8. Sanctions on associated services<sup>3</sup> for each of the categories above (see the references above).

<sup>1</sup> For the purposes of EU legislation, “Iranian person, entity or body” means:

- (i) the State of Iran or any public authority thereof;
- (ii) any natural person in, or resident in, Iran;
- (iii) any legal person, entity or body having its registered office in Iran;
- (iv) any legal person, entity or body, inside or outside Iran, owned or controlled directly or indirectly by one or more of the above mentioned persons or bodies.

<sup>2</sup> The headings and subheadings in this Annex are for descriptive purposes only.

<sup>3</sup> For the purposes of this Annex, the term “associated services” means any service – including technical assistance, training, insurance, re-insurance, brokering, transportation or financial service – necessary and ordinarily incident to the underlying activity for which sanctions have been lifted pursuant to this JCPOA.

**1.2. Oil, gas and petrochemical sectors**

- 1.2.1. Sanctions on the import of oil and gas from Iran (Articles 3a, 3c and 3e of Council Decision 2010/413/CFSP; Articles 11, 12 and 14a, and Annexes IV and IVA of Council Regulation (EU) No 267/2012);
- 1.2.2. Sanctions on the import of Iranian petrochemical products (Articles 3b and 3d of Council Decision 2010/413/CFSP; Articles 13 and 14, and Annex V of Council Regulation (EU) No 267/2012);
- 1.2.3. Sanctions on the export of key equipment for the oil, gas and petrochemical sectors (Articles 4, 4a and 4b of Council Decision 2010/413/CFSP; Articles 8, 9 and 10, and Annexes VI and VIA of Council Regulation (EU) No 267/2012);
- 1.2.4. Sanctions on investment in the oil, gas and petrochemical sectors (Articles 6, 6a and 7 of Council Decision 2010/413/CFSP; Articles 17(1), 17(2)(b) and (c), 17(3), 17(4), 17(5), 20 and 21 of Council Regulation (EU) No 267/2012); and
- 1.2.5. Sanctions on associated services for each of the categories above (see the references above).

**1.3. Shipping, shipbuilding and transport sectors**

- 1.3.1. Sanctions related to shipping and shipbuilding (Articles 4g, 4h, 8a, 18a and 18b of Council Decision 2010/413/CFSP; Articles 10a, 10b, 10c, 37a, and 37b, and Annex VIB of Council Regulation (EU) No 267/2012);
- 1.3.2. Sanctions related to the transport sector (Articles 15, 16, 17 and 18 of Council Decision 2010/413/CFSP; Articles 36 and 37 of Council Regulation (EU) No 267/2012); and
- 1.3.3. Sanctions on associated services for each of the categories above (see the references above).

**1.4. Gold, other precious metals, banknotes and coinage**

- 1.4.1. Sanctions on gold, precious metals and diamonds, banknotes and coinage (Articles 4c and 4d of Council Decision 2010/413/CFSP; Articles 15 and 16, and Annex VII of Council Regulation (EU) No 267/2012); and
- 1.4.2. Sanctions on associated services for each of the categories above (see the references above).

**1.5. Nuclear proliferation-related measures**

- 1.5.1. Sanctions related to proliferation-sensitive nuclear activities (goods and technology, investment and specialised training) (Articles 1(1) (a), (b), (d), (e), (2), (3) and (4), 2, 3, 5, 14 and 21 of Council Decision 2010/413/CFSP; Articles 2, 3, 4, 5, 6, 7, 17(1) and (2)(a), 18, 19 and 22, and Annexes I, II and III of Council Regulation (EU) No 267/2012); and
- 1.5.2. Sanctions on associated services for the category above (see the references above).

**1.6. Metals**

- 1.6.1. Sanctions on metals (Articles 4e and 4f of Council Decision 2010/413/CFSP; Articles 15a, 15b and 15c, and Annex VIIB of Council Regulation (EU) No 267/2012); and
- 1.6.2. Sanctions on associated services for the category above (see the references above).

**1.7. Software**

- 1.7.1. Sanctions on software (Articles 4i and 4j of Council Decision 2010/413/CFSP; Articles 10d, 10e and 10f, and Annex VIIA of Council Regulation (EU) No 267/2012); and
- 1.7.2. Sanctions on associated services for the category above (see the references above).

**1.8. Arms**

- 1.8.1. Sanctions on arms (Articles 1(1)(c), (3) and (4), and 3 of Council Decision 2010/413/CFSP; Articles 5(1)(a) and (c), 17(1) and (2)(a), and 19 of Council Regulation (EU) No 267/2012); and
- 1.8.2. Sanctions on associated services for the category above (see the references above).

**1.9. Listing of persons, entities and bodies (asset freeze and visa ban)**

- 1.9.1. Asset freeze and visa ban measures applicable to:
  - 1.9.1.1. listed Iranian banks and financial institutions, including the Central Bank of Iran;
  - 1.9.1.2. listed persons, entities and bodies related to the oil, gas and petrochemical sectors;
  - 1.9.1.3. listed persons, entities and bodies related to shipping, shipbuilding and transport;
  - 1.9.1.4. other listed persons, entities and bodies not related to proliferation-sensitive nuclear-, arms- and ballistic missile-related activities;
  - 1.9.1.5. listed persons, entities and bodies related to proliferation-sensitive nuclear-, arms- and ballistic missile-related activities; and
  - 1.9.1.6. entities and individuals listed by the UN Security Council, as set out in Attachment 1, part I to this Annex for categories 1.9.1.1-1.9.1.4, Attachment 2, part I to this Annex for category 1.9.1.5, and Parts II of Attachments 1 and 2 to this Annex for category 1.9.1.6 (Articles 19 and 20, and Annexes I and II to Council Decision 2010/413/CFSP; Articles 23, 24, 25, 26, 27, 28, 28a, 28b and 29, and Annexes VIII and IX to Council Regulation (EU) No 267/2012).

**1.10. Other provisions**

1.10.1. The commitment in Section 1 covers all remaining provisions of Council Decision 2010/413/CFSP and Council Regulation (EU) No 267/2012 not specified above.

1.10.1.1. Definitions (Article 1 of Council Regulation (EU) No 267/2012); and

1.10.1.2. General and final provisions (Articles 22, 23, 24, 25, 26, 26a, 27 and 28 of Council Decision 2010/413/CFSP; Articles 38, 39, 40, 41, 42, 43, 43a, 44, 45, 46, 47, 48, 49, 50 and 51, and Annex X of Council Regulation (EU) No 267/2012).

2. The EU represents that the provisions listed in Section 1 above constitute the full and complete list of all EU nuclear-related sanctions or restrictive measures. These sanctions or restrictive measures will be lifted in accordance with Annex V.

**3. Effects of the lifting of EU economic and financial sanctions**

3.1. As a result of the lifting of sanctions specified in Section 1 above, the following activities, including associated services, will be allowed, beginning on implementation day, in accordance with this JCPOA and provided that such activities are otherwise consistent with EU and EU Member States' laws and regulations in effect:<sup>4</sup>

**3.2. Financial, banking and insurance measures (See Sections 1.1.1 to 1.1.8)**

3.2.1. Transfers of funds between EU persons, entities or bodies, including EU financial and credit institutions, and Iranian persons, entities or bodies, including Iranian financial and credit institutions, without the requirement for authorisation or notification;

3.2.2. Opening of new branches, subsidiaries or representative offices of Iranian banks in the territories of EU Member States; and the establishment of new joint ventures, or the taking of an ownership interest or the establishment of new correspondent banking relationships by Iranian banks with EU banks; and opening by EU persons, including EU financial and credit institutions, of representative offices, subsidiaries, joint ventures or bank accounts in Iran;

3.2.3. Provision of insurance or reinsurance to Iran or the Government of Iran, an Iranian legal person, entity or body, or a natural person or a legal person, entity or body acting on their behalf or at their direction;

3.2.4. Supply of specialised financial messaging services to any Iranian natural or legal persons, entities or bodies, including those listed in Attachment 1 to this Annex;

3.2.5. Entering into commitments by EU Member States to provide financial support for trade with Iran, including the granting of export credits,

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<sup>4</sup> Unless specifically provided otherwise, the sanctions lifting described in this Section does not apply to transactions that involve persons still subject to restrictive measures and is without prejudice to sanctions that may apply under legal provisions other than those referred to in Section 1. Nothing in this JCPOA reflects a change in Iran's position on EU sanctions.

- guarantees or insurance; and into commitments for grants, financial assistance and concessional loans to the Government of Iran; and
- 3.2.6. Sale or purchase of public or public-guaranteed bonds to and from Iran, the Government of Iran, the Central Bank of Iran, or Iranian banks and financial institutions or persons acting on their behalf.
- 3.3. Oil, gas and petrochemical sectors (See Sections 1.2.1 to 1.2.5)**
- 3.3.1. Import, purchase, swap or transport of Iranian crude oil and petroleum products, natural gas or petrochemical products and related financing;
- 3.3.2. Sale, supply, transfer or export of equipment or technology, technical assistance, including training, used in the sectors of the oil, gas and petrochemical industries in Iran covering exploration, production and refining of oil and natural gas, including liquefaction of natural gas, to any Iranian person, in or outside Iran, or for use in Iran; and
- 3.3.3. Granting of any financial loan or credit to, the acquisition or extension of a participation in, and the creation of any joint venture with, any Iranian person that is engaged in the oil, gas and petrochemical sectors in Iran or outside Iran.
- 3.4. Shipping, shipbuilding and transport sectors (See Sections 1.3.1 to 1.3.3)**
- 3.4.1. Sale, supply, transfer or export of naval equipment and technology for ship building, maintenance or refit, to Iran or to any Iranian persons engaged in this sector; the design, construction or the participation in the design or construction of cargo vessels and oil tankers for Iran or for Iranian persons; the provision of vessels designed or used for the transport or storage of oil and petrochemical products to Iranian persons, entities or bodies; and the provision of flagging and classification services, including those pertaining to technical specification, registration and identification numbers of any kind, to Iranian oil tankers and cargo vessels;
- 3.4.2. Access to the airports under the jurisdiction of EU Member States of all cargo flights operated by Iranian carriers or originating from Iran;
- 3.4.3. Cessation of inspection, seizure and disposal by EU Member States of cargoes to and from Iran in their territories with regard to items which are no longer prohibited; and
- 3.4.4. Provision of bunkering or ship supply services, or any other servicing of vessels, to Iranian-owned or Iranian-contracted vessels not carrying prohibited items; and the provision of fuel, engineering and maintenance services to Iranian cargo aircraft not carrying prohibited items.
- 3.5. Gold, other precious metals, banknotes and coinage (See Sections 1.4.1 to 1.4.2)**
- 3.5.1. Sale, supply, purchase, export, transfer or transport of gold and precious metals as well as diamonds, and provision of related brokering, financing and security services, to, from or for the Government of Iran, its public bodies, corporations and agencies, or the Central Bank of Iran; and
- 3.5.2. Delivery of newly printed or minted or unissued Iranian denominated banknotes and coinage to, or for the benefit of the Central Bank of Iran.



- 3.6. Metals (See Sections 1.6.1 to 1.6.2)**
- 3.6.1. Sale, supply, transfer or export of graphite and raw or semi-finished metals, such as aluminum and steel to any Iranian person, entity or body or for use in Iran, in connection with activities consistent with this JCPOA.
- 3.7. Software (See Sections 1.7.1 to 1.7.2)**
- 3.7.1. Sale, supply, transfer or export of software for integrating industrial processes, including updates, to any Iranian person, entity or body, or for use in Iran, in connection with activities consistent with this JCPOA,
- 3.8. Listing of persons, entities and bodies (asset freeze and visa ban) (See Section 1.9.1)**
- 3.8.1. As a result of delisting as specified in this Annex, releasing of all funds and economic resources which belong to, and making available funds or economic resources to, the persons, entities and bodies, including Iranian banks and financial institutions, the Central Bank of Iran, listed in Attachment 1 to this Annex; and
- 3.8.2. As a result of delisting as specified in this Annex, entry into, or transit through the territories of EU Member States of individuals listed in Attachment 1 to this Annex.

**B. United States<sup>5</sup>**

4. The United States commits to cease the application of, and to seek such legislative action as may be appropriate to terminate, or modify to effectuate the termination of, all nuclear-related sanctions<sup>6</sup> as specified in Sections 4.1-4.9 below, and to terminate Executive Orders 13574, 13590, 13622 and 13645, and Sections 5-7 and 15 of Executive Order 13628, in accordance with Annex V.<sup>7</sup>

**4.1. Financial and banking measures**

- 4.1.1. Sanctions on transactions with individuals and entities set out in Attachment 3 to this Annex, including: the Central Bank of Iran (CBI) and other specified Iranian financial institutions; the National Iranian Oil Company (NIOC),<sup>8</sup> Naftiran Intertrade Company (NICO), National Iranian Tanker Company (NITC) and other specified individuals and entities identified as Government of Iran by the Office of Foreign Assets Control; and certain designated individuals and entities on the Specially Designated Nationals and Blocked Persons List (SDN List) (Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA) Section 104(c)(2)(E)(ii)(I); National Defense Authorization Act for Fiscal Year 2012 (NDAA) Sections 1245(d)(1) and (3); Iran Freedom and Counter-Proliferation Act of 2012 (IFCA) Sections 1244(c)(1) and (d), 1245(a)(1)(A), (a)(1)(C)(i)(II) and (c), 1246(a) and 1247(a); Sections 1(a)(i) and 5(a) of Executive Order (E.O.) 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);

<sup>5</sup> For the purposes of U.S. legislation, "Iranian person" means (A) an individual who is a citizen or national of Iran; and (B) an entity organised under the laws of Iran or otherwise subject to the jurisdiction of the Government of Iran.

<sup>6</sup> The sanctions that the United States will cease to apply, and subsequently terminate, or modify to effectuate the termination of, pursuant to its commitment under Section 4 are those directed towards non-U.S. persons. For the purposes of Sections 4 and 6-7 of this JCPOA, the term "non-U.S. person" means any individual or entity, excluding (i) any United States citizen, permanent resident alien, entity organised under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States, and (ii) any entity owned or controlled by a U.S. person. For the purposes of (ii) of the preceding sentence, an entity is "owned or controlled" by a U.S. person if the U.S. person: (i) holds a 50 percent or greater equity interest by vote or value in the entity; (ii) holds a majority of seats on the board of directors of the entity; or (iii) otherwise controls the actions, policies, or personnel decisions of the entity. U.S. persons and U.S.-owned or -controlled foreign entities will continue to be generally prohibited from conducting transactions of the type permitted pursuant to this JCPOA, unless authorised to do so by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC).

<sup>7</sup> All citations to statutes and Executive orders included in this JCPOA refer to the statute or Executive order as amended as of the conclusion date of this JCPOA, including: the Iran Sanctions Act of 1996 (ISA), as amended by Section 102 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA) and Sections 201-207 and 311 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (TRA); CISADA, as amended by Sections 214-216, 222, 224, 311-312, 402-403 and 605 of TRA and Section 1249 of the Iran Freedom and Counter-Proliferation Act of 2012 (IFCA); the National Defense Authorization Act for Fiscal Year 2012 (NDAA), as amended by Sections 503-504 of TRA and Section 1250 of IFCA; Executive Order (E.O.) 13622, as amended by Section 15 of E.O. 13628 and Section 16 of E.O. 13645. The citations listed in Section 4 include authorities under which secondary sanctions will no longer apply as a result of actions described in Section 4.8.1.

<sup>8</sup> Removal of NIOC from the SDN List, as provided for in Section 4.8.1, will include resolution of related designations and determinations.

- 4.1.2. Sanctions on the Iranian Rial (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 1(a), 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.1.3. Sanctions on the provision of U.S. banknotes to the Government of Iran (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1) and (d), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.1.4. Bilateral trade limitations on Iranian revenues held abroad, including limitations on their transfer (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1), (d) and (h)(2), 1246(a) and 1247(a); Sections 1(a)(i)-(ii), 2(a)(i) and 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.1.5. Sanctions on the purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt, including governmental bonds (NDAA Sections 1245(d)(1) and (3); Iran Threat Reduction and Syria Human Rights Act of 2012 (TRA) Section 213(a); IFCA Sections 1244(c)(1) and (d), 1246(a) and 1247(a); Sections 1(a)(i) and 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.1.6. Sanctions on financial messaging services to the CBI and Iranian financial institutions set out in Attachment 3 to this Annex (NDAA Sections 1245(d)(1) and (3); TRA Section 220; IFCA Sections 1244(c)(1) and (d), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645); and
- 4.1.7. Sanctions on associated services<sup>9</sup> for each of the categories above (see individual citation references above).

#### **4.2. Insurance measures**

- 4.2.1. Sanctions on the provision of underwriting services, insurance, or re-insurance in connection with activities consistent with this JCPOA, including activities with individuals and entities set forth in Attachment 3 to this Annex (Iran Sanctions Act of 1996 (ISA) Section 5(a)(7); NDAA Sections 1245(d)(1) and (3); TRA Sections 211(a) and 212(a); IFCA Sections 1244(c)(1) and (d), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645).

#### **4.3. Energy and petrochemical sectors**

- 4.3.1. Efforts to reduce Iran's crude oil sales, including limitations on the quantities of Iranian crude oil sold and the nations that can purchase Iranian crude oil (ISA Section 5(a)(7); NDAA Sections 1245(d)(1) and (3); TRA Section 212(a); IFCA Sections 1244(c)(1) and (d), 1246(a) and 1247(a); Section 1 of E.O. 13574, Sections 1(a)(i)-(ii), 2(a)(i) and 5(a) of E.O. 13622, Section 5 of E.O. 13628, and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.3.2. Sanctions on investment, including participation in joint ventures, goods, services, information, technology and technical expertise and support for Iran's oil, gas, and petrochemical sectors (ISA Sections 5(a)(1)-(2) and

<sup>9</sup> See footnote 3 for the meaning of "associated services".

- (4)-(8); TRA Section 212(a); IFCA Sections 1244(c)(1), (d) and (h)(2), 1245(a)(1)(B), (a)(1)(C)(i)(I)-(II), (a)(1)(C)(ii)(I)-(II) and (c), 1246(a) and 1247(a); Section 1 of E.O. 13574, Section 1 of E.O. 13590, Sections 1(a)(i)-(ii), 2(a)(i)-(iii) and 5(a) of E.O. 13622, and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.3.3. Sanctions on the purchase, acquisition, sale, transportation, or marketing of petroleum, petrochemical products and natural gas from Iran (NDAA Sections 1245(d)(1) and (3); TRA Section 212(a); IFCA Sections 1244(c)(1), (d) and (h)(2), 1246(a) and 1247(a); Sections 1(a)(i)-(iii), 2(a)(i)-(ii) and 5(a) of E.O. 13622, and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.3.4. Sanctions on the export, sale or provision of refined petroleum products and petrochemical products to Iran (ISA Section 5(a)(3); NDAA Sections 1245(d)(1) and (3); TRA Section 212(a); IFCA Sections 1244(c)(1) and (d), 1246(a) and 1247(a); Section 1 of E.O. 13574, Sections 1(a)(i) and 5(a) of E.O. 13622, Section 5 of E.O. 13628, and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.3.5. Sanctions on transactions with Iran's energy sector including with NIOC, NICO and NITC (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1), (d) and (h)(2), 1246(a) and 1247(a); TRA Section 212(a); Sections 1(a)(i)-(iii), 2(a)(i)-(ii) and 5(a) of E.O. 13622, and Sections 2(a)(i) and 3(a)(i) of E.O. 13645); and
- 4.3.6. Sanctions on associated services for each of the categories above (see individual citation references above).
- 4.4. Shipping, shipbuilding and port sectors**
- 4.4.1. Sanctions on transactions with Iran's shipping and shipbuilding sectors and port operators including IRISL, South Shipping Line, and NITC, and the port operator(s) of Bandar Abbas<sup>10</sup> (TRA Sections 211(a) and 212(a); IFCA Sections 1244(c)(1) and (d), 1245(a)(1)(B), (a)(1)(C)(i)(I)-(II), (a)(1)(C)(ii)(I)-(II) and (c), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645); and
- 4.4.2. Sanctions on associated services for each of the categories above (see individual citation references above).
- 4.5. Gold and other precious metals**
- 4.5.1. Sanctions on Iran's trade in gold and other precious metals (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1), 1245(a)(1)(A) and (c), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645); and
- 4.5.2. Sanctions on associated services for each of the categories above (see individual citation references above).
- 4.6. Software and metals**
- 4.6.1. Sanctions on trade with Iran in graphite, raw or semi-finished metals such as aluminum and steel, coal, and software for integrating industrial processes,

<sup>10</sup> This commitment in Section 4.4.1 is based on the port operator(s) of Bandar Abbas no longer being controlled by a person on the SDN List.

in connection with activities consistent with this JCPOA, including trade with individuals and entities set forth in Attachments 3 and 4 to this Annex (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1), 1245(a)(1)(B)-(C) and (c), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645); and

- 4.6.2. Sanctions on associated services for each of the categories above (see individual citation references above).

**4.7. Automotive sector**

- 4.7.1. Sanctions on the sale, supply or transfer of goods and services used in connection with Iran's automotive sector (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1), 1245(a)(1)(B), (a)(1)(C)(i)(II), (a)(1)(C)(ii)(II) and (c), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i), 3(a)(i)-(ii), 5 and 6 of E.O. 13645); and

- 4.7.2. Sanctions on associated services for each of the categories above (see individual citation references above).

**4.8. Designations and other sanctions listings**

- 4.8.1. Removal of individuals and entities set out in Attachments 3 and 4 to this Annex from the Specially Designated Nationals and Blocked Persons List (SDN List), the Foreign Sanctions Evaders List, and/or the Non-SDN Iran Sanctions Act List (Removal of designations and/or sanctions imposed under ISA Section 5(a), IFCA Section 1244(d)(1) and TRA Section 212; and removals pursuant to the International Emergency Economic Powers Act of certain persons listed pursuant to E.O. 13382, E.O. 13608, E.O. 13622, and E.O. 13645).

**4.9. Nuclear proliferation-related measures**

- 4.9.1. Sanctions under the Iran, North Korea and Syria Nonproliferation Act on the acquisition of nuclear-related commodities and services for nuclear activities contemplated in the JCPOA, to be consistent with the U.S. approach to other non-nuclear-weapon states under the NPT;
- 4.9.2. Sanctions on joint ventures relating to the mining, production, or transportation of uranium (ISA Section 5(b)(2)); and
- 4.9.3. Exclusion of Iranian citizens from higher education coursework related to careers in nuclear science, nuclear engineering or the energy sector (TRA Section 501).

**5. Other trade measures**

- 5.1. The United States commits to:<sup>11</sup>

- 5.1.1. Allow for the sale of commercial passenger aircraft and related parts and services to Iran by licensing the (i) export, re-export, sale, lease or transfer to Iran of commercial passenger aircraft for exclusively civil aviation end-use,

<sup>11</sup> To give effect to the measures described in this Section 5.1, the United States will license activities that do not involve any person on the SDN List and are otherwise consistent with applicable U.S. laws and regulations, including but not limited to the Export Administration Act, the Federal Food, Drug and Cosmetic Act and the Iran-Iraq Arms Nonproliferation Act.

- (ii) export, re-export, sale, lease or transfer to Iran of spare parts and components for commercial passenger aircraft, and (iii) provision of associated serviced, including warranty, maintenance, and repair services and safety-related inspections, for all the foregoing, provided that licensed items and services are used exclusively for commercial passenger aviation;<sup>12</sup>
- 5.1.2. License non-U.S. entities that are owned or controlled by a U.S. person<sup>13</sup> to engage in activities with Iran that are consistent with this JCPOA; and
- 5.1.3. License the importation into the United States of Iranian-origin carpets and foodstuffs, including pistachios and caviar.
6. The United States represents that the provisions listed in Section 4 above constitute the full and complete list of all U.S. nuclear-related sanctions. These sanctions will be lifted in accordance with Annex V.
7. **Effects of the lifting of U.S. economic and financial sanctions:**
- 7.1. As a result of the lifting of sanctions specified in Section 4 above, beginning on implementation day such sanctions, including associated services, would not apply to non-U.S. persons who carry out the following or that:<sup>14</sup>
- 7.2. **Financial and banking measures<sup>15</sup> (See Sections 4.1.1 to 4.1.7)**
- Engage in activities, including financial and banking transactions, with the Government of Iran, the Central Bank of Iran, Iranian financial institutions and other Iranian persons specified in Attachment 3 to this Annex, including the provision of loans, transfers, accounts (including the opening and maintenance of correspondent and payable through accounts at non-U.S. financial institutions), investments, securities, guarantees, foreign exchange (including Rial related transactions), letters of credit and commodity futures or options, the provision of specialised financial messaging services and facilitation of direct or indirect access thereto, the purchase or acquisition by

<sup>12</sup> Licenses issued in furtherance of Section 5.1.1 will include appropriate conditions to ensure that licensed activities do not involve, and no licensed aircraft, goods, or services are re-sold or re-transferred to, any person on the SDN list. Should the United States determine that licensed aircraft, goods, or services have been used for purposes other than exclusively civil aviation end-use, or have been re-sold or re-transferred to persons on the SDN List, the United States would view this as grounds to cease performing its commitments under Section 5.1.1 in whole or in part.

<sup>13</sup> For the purposes of Section 5.1.2 of this JCPOA, a non-U.S. entity is owned or controlled by a U.S. person if the U.S. person: (i) holds a 50 per cent or greater equity interest by vote or value in the entity; (ii) holds a majority of seats on the board of directors of the entity; or (iii) otherwise controls the actions, policies, or personnel decisions of the entity.

<sup>14</sup> Unless specifically provided otherwise, the sanctions lifting described in this Section does not apply to transactions that involve persons on the SDN List and is without prejudice to sanctions that may apply under legal provisions other than those cited in Section 4. Nothing in this JCPOA reflects a change in Iran's position on U.S. sanctions.

<sup>15</sup> For the purposes of the cessation of application of the provisions set out in Sections 4.1.1-4.1.7, the effects described for non-U.S. financial institutions extend to the activities outside of U.S. jurisdiction of international financial institutions.

the Government of Iran of U.S. bank notes, and the purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt.<sup>16</sup>

**7.3. Insurance measures (See Section 4.2.1)**

Provide underwriting services, insurance, or re-insurance in connection with activities consistent with this JCPOA, including activities with individuals and entities set forth in Attachment 3 to this Annex, including underwriting services, insurance, or re-insurance in connection with activities in the energy, shipping, and shipbuilding sectors of Iran, for the National Iranian Oil Company (NIOC) or the National Iranian Tanker Company (NITC), or for vessels that transport crude oil, natural gas, liquefied natural gas, petroleum and petrochemical products to or from Iran.

**7.4. Energy and petrochemical sectors (See Sections 4.3.1 to 4.3.6)**

Are part of the energy sector of Iran; purchase, acquire, sell, transport or market petroleum, petroleum products (including refined petroleum products), petrochemical products or natural gas (including liquefied natural gas) to or from Iran; provide to Iran support, investment (including through joint ventures), goods, services (including financial services) and technology that can be used in connection with Iran's energy sector, the development of its petroleum resources, its domestic production of refined petroleum products and petrochemical products; or engage in activities with Iran's energy sector, including NIOC, NITC, and NICO).

**7.5. Shipping, shipbuilding and port sectors (See Sections 4.4.1 to 4.4.2)**

Are part of the shipping or shipbuilding sectors of Iran; own, operate, control or insure a vessel used to transport crude oil, petroleum products (including refined petroleum products), petrochemical products or natural gas (including liquefied natural gas) to or from Iran; operate a port in Iran, engage in activities with, or provide financial services and other goods and services used in connection with, the shipping and shipbuilding sectors of Iran or a port operator in Iran (including the port operator(s) of Bandar Abbas<sup>17</sup>), including port services, such as bunkering and inspection, classification, and financing, and the sale, leasing, and provision of vessels to Iran, including to the Islamic Republic of Iran Shipping Lines (IRISL), NITC, and South Shipping Line Iran or their affiliates.

**7.6. Gold and other precious metals (See Sections 4.5.1 to 4.5.2)**

Sell, supply, export or transfer, directly or indirectly, to or from Iran, gold and other precious metals, or conduct or facilitate a financial transaction or

<sup>16</sup> Non-U.S., non-Iranian financial institutions engaging in transactions with Iranian financial institutions (including the Central Bank of Iran) not appearing on the SDN List will not be exposed to sanctions as a result of those Iranian financial institutions engaging in transactions or banking relationships involving Iranian individuals and entities, including financial institutions, on the SDN List, provided that the non-U.S., non-Iranian financial institution does not conduct or facilitate, and is not otherwise involved in, those specific transactions or banking relationships with the Iranian individuals and entities, including financial institutions, on the SDN List.

<sup>17</sup> The effects described in Section 7.5 with respect to the port operator(s) of Bandar Abbas are based on the port operator(s) of Bandar Abbas no longer being controlled by a person on the SDN List.

provide services for the foregoing including security, insurance and transportation.

**7.7. Software and metals (See Sections 4.6.1 to 4.6.2)**

Sell, supply, or transfer, directly or indirectly, graphite, raw or semi-finished metals such as aluminum and steel, coal, and software for integrating industrial processes, to or from Iran in connection with activities consistent with this JCPOA, including trade with individuals and entities set forth in Attachment 3 to this Annex, and the sale, supply, or transfer of such materials to the energy, petrochemical, shipping and shipbuilding sectors of Iran, and Iranian ports, or conduct or facilitate a financial transaction or provide services for the foregoing, including insurance and transportation.

**7.8. Automotive sector (See Sections 4.7.1 to 4.7.2)**

Conduct or facilitate financial or other transactions for the sale, supply or transfer to Iran of goods and services used in connection with the automotive sector of Iran.

**7.9. Designations and other sanctions listings (See Section 4.8.1)**

The removal of designations and/or sanctions as described in Section 4.8.1, ceasing the application of secondary sanctions for transactions with individuals and entities set out in Attachment 3 to this Annex; and unblocking of property and interests in property within U.S. jurisdiction for individuals and entities set out in Attachment 3 to this Annex.



**ATTACHMENT 1 - PART I**

LIST OF PERSONS, ENTITIES AND BODIES SET OUT IN ANNEX II TO  
COUNCIL DECISION 2010/413/CFSP AND ANNEX IX TO COUNCIL  
REGULATION (EU) NO 267/2012

ACENA SHIPPING COMPANY LIMITED  
ADVANCE NOVEL  
AGHAJARI OIL & GAS PRODUCTION COMPANY  
AGHAZADEH, Reza  
AHMADIAN, Mohammad  
AKHAVAN-FARD, Massoud  
ALPHA EFFORT LTD  
ALPHA KARA NAVIGATION LIMITED  
ALPHA NARI NAVIGATION LIMITED  
ARIAN BANK  
ARVANDAN OIL & GAS COMPANY  
ASHTHAD SHIPPING COMPANY LTD  
ASPASIS MARINE CORPORATION  
ASSA CORPORATION  
ASSA CORPORATION LTD  
ATLANTIC INTERMODAL  
AVRASYA CONTAINER SHIPPING LINES  
AZARAB INDUSTRIES  
AZORES SHIPPING COMPANY ALIAS AZORES SHIPPING FZE LLC  
BANCO INTERNACIONAL DE DESARROLLO CA  
BANK KARGOSHAE  
BANKMELLAT  
BANK MELLI IRAN INVESTMENT COMPANY  
BANK MELLI IRAN ZAO  
BANK MELLI PRINTING AND PUBLISHING COMPANY  
BANK MELLI,  
BANK OF INDUSTRY AND MINE  
BANK REFAH KARGARAN  
BANK TEJARAT  
BATENI, Naser  
BEST PRECISE LTD  
BETA KARA NAVIGATION LTD  
BIIS MARITIME LIMITED  
BIS MARITIME LIMITED  
BONAB RESEARCH CENTER  
BRAIT HOLDING SA  
BRIGHT JYOTI SHIPPING  
BRIGHT SHIP FZC  
BUSHEHR SHIPPING COMPANY LIMITED  
BYFLEET SHIPPING COMPANY LTD  
CEMENT INVESTMENT AND DEVELOPMENT COMPANY  
CENTRAL BANK OF IRAN  
CHAPLET SHIPPING LIMITED  
COBHAM SHIPPING COMPANY LTD

CONCEPT GIANT LTD  
COOPERATIVE DEVELOPMENT BANK  
CRYSTAL SHIPPING FZE  
DAJMAR, Mohammad Hossein  
DAMALIS MARINE CORPORATION  
DARYA' CAPITAL' ADMINISTRATION GMBH  
DARYADELALAN SEFID KHAZAR SHIPPING COMPANY  
DELTA KARA' NAVIGATION LTD  
DELTA NARI NAVIGATION LTD  
DIAMOND SHIPPING SERVICES  
DORKING SHIPPING COMPANY LTD  
EAST OIL & GAS PRODUCTION COMPANY  
EDBI EXCHANGE COMPANY  
EDBI STOCK BROKERAGE COMPANY  
EFFINGHAM SHIPPING COMPANY LTD  
EIGHTH OCEAN ADMINISTRATION GMBH  
EIGHTH OCEAN GMBH & CO. KG  
ELBRUS LTD  
ELCHO HOLDING LTD  
ELEGANT TARGET DEVELOPMENT LIMITED  
ELEVENTH OCEAN ADMINISTRATION GMBH  
ELEVENTH OCEAN GMBH & CO. KG  
EMKA COMPANY  
EPSILON NARI NAVIGATION LTD  
E-SAIL A.K.A.E-SAIL SHIPPING COMPANY  
ETA NARI NAVIGATION LTD  
ETERNAL EXPERT LTD.  
EUROPÄISCH-IRANISCHE HANDELSBANK  
EXPORT DEVELOPMENT BANK OF IRAN  
FAIRWAY SHIPPING  
FAQIHIAN, Dr Hoseyn  
FARNHAM SHIPPING COMPANY LTD  
FASIRUS MARINE CORPORATION  
FATSA  
FIFTEENTH OCEAN ADMINISTRATION GMBH  
FIFTEENTH OCEAN GMBH & CO. KG  
FIFTH OCEAN ADMINISTRATION GMBH  
FIFTH OCEAN GMBH & CO. KG  
FIRST ISLAMIC INVESTMENT BANK  
FIRST OCEAN ADMINISTRATION GMBH  
FIRST OCEAN GMBH & CO. KG  
FIRST PERSIAN EQUITY FUND  
FOURTEENTH OCEAN ADMINISTRATION GMBH  
FOURTEENTH OCEAN GMBH & CO. KG  
FOURTH OCEAN ADMINISTRATION GMBH  
FOURTH OCEAN GMBH & CO. KG  
FUTURE BANK BSC  
GACHSARAN OIL & GAS COMPANY  
GALLIOT MARITIME INCORPORATION  
GAMMA' KARA' NAVIGATION LTD

GIANT KING LIMITED  
GOLDEN CHARTER DEVELOPMENT LTD.  
GOLDEN SUMMIT INVESTMENTS LTD.  
GOLDEN WAGON DEVELOPMENT LTD.  
GOLPARVAR, Gholam Hossein  
GOMSHALL SHIPPING COMPANY LTD  
GOOD LUCK SHIPPING COMPANY LLC  
GRAND TRINITY LTD.  
GREAT EQUITY INVESTMENTS LTD.  
GREAT METHOD LTD  
GREAT PROSPECT INTERNATIONAL LTD.  
HAFIZ DARYA SHIPPING LINES  
HANSEATIC TRADE TRUST & SHIPPING GMBH  
HARVEST SUPREME LTD.  
HARZARU SHIPPING  
HELIOTROPE SHIPPING LIMITED  
HELIX SHIPPING LIMITED  
HK INTERTRADE COMPANY LTD  
HONG TU LOGISTICS PRIVATE LIMITED  
HORSHAM SHIPPING COMPANY LTD  
IFOLD SHIPPING COMPANY LIMITED  
INDUS MARITIME INCORPORATION  
INDUSTRIAL DEVELOPMENT & RENOVATION ORGANIZATION  
INSIGHT WORLD LTD  
INTERNATIONAL SAFE OIL  
IOTA NARI NAVIGATION LIMITED  
IRAN ALUMINIUM COMPANY  
IRAN FUEL CONSERVATION ORGANIZATION  
IRAN INSURANCE COMPANY  
IRAN LIQUEFIED NATURAL GAS CO.  
IRANIAN OFFSHORE ENGINEERING & CONSTRUCTION CO  
IRANIAN OIL COMPANY LIMITED  
IRANIAN OIL PIPELINES AND TELECOMMUNICATIONS COMPANY  
(IOPTC)  
IRANIAN OIL TERMINALS COMPANY  
IRANO MISR SHIPPING COMPANY  
IRINVESTSHIP LTD  
IRISL (MALTA) LTD  
IRISL EUROPE GMBH  
IRISL MARINE SERVICES AND ENGINEERING COMPANY  
IRISL MARITIME TRAINING INSTITUTE  
IRITAL SHIPPING SRL  
ISI MARITIME LIMITED  
ISIM AMIN LIMITED  
ISIM ATR LIMITED  
ISIM OLIVE LIMITED  
ISIM SAT LIMITED  
ISIM SEA CHARIOT LTD  
ISIM SEA CRESCENT LTD  
ISIM SININ LIMITED

ISIM TAJ MAHAL LTD  
ISIM TOUR COMPANY LIMITED  
ISLAMIC REPUBLIC OF IRAN SHIPPING LINES  
JACKMAN SHIPPING COMPANY  
KALANAFT  
KALAN KISH SHIPPING COMPANY LTD  
KAPPA NARI NAVIGATION LTD  
KARA SHIPPING AND CHARTERING GMBH  
KAROON OIL & GAS PRODUCTION COMPANY  
KAVERI MARITIME INCORPORATION  
KAVERI SHIPPING LLC  
KEY CHARTER DEVELOPMENT LTD.  
KHALILIPOUR, Said Esmail  
KHANCHI, Ali Reza  
KHAZAR EXPL & PROD CO  
KHAZAR SHIPPING LINES  
KHEIBAR COMPANY  
KING PROSPER INVESTMENTS LTD.  
KINGDOM NEW LTD  
KINGSWOOD SHIPPING COMPANY LIMITED  
KISH SHIPPING LINE MANNING COMPANY  
LAMBDA NARI NAVIGATION LIMITED  
LANCING SHIPPING COMPANY LIMITED  
LOGISTIC SMART LTD  
LOWESWATER LTD  
MACHINE SAZI ARAK  
MAGNA CARTA LIMITED  
MALSHIP SHIPPING AGENCY  
MARBLE SHIPPING LIMITED  
MAROUN OIL & GAS COMPANY  
MASJED-SOLEYMAN OIL & GAS COMPANY  
MASTER SUPREME INTERNATIONAL LTD.  
MAZANDARAN CEMENT COMPANY  
MEHR CAYMAN LTD.  
MELLAT BANK SB CJSC  
MELLI AGROCHEMICAL COMPANY PJS  
MELLI BANK PLC  
MELLI INVESTMENT HOLDING INTERNATIONAL  
MELODIOUS MARITIME INCORPORATION  
METRO SUPREME INTERNATIONAL LTD.  
MIDHURST SHIPPING COMPANY LIMITED (MALTA)  
MILL DENE LTD  
MINISTRY OF ENERGY  
MINISTRY OF PETROLEUM  
MODALITY LTD  
MODERN ELEGANT DEVELOPMENT LTD.  
MOUNT EVEREST MARITIME INCORPORATION  
NAFTIRAN INTERTRADE COMPANY  
NAFTIRAN INTERTRADE COMPANY SRL  
NAMJOO, Majid

NARI SHIPPING AND CHARTERING GMBH & CO. KG  
NARMADA SHIPPING  
NATIONAL IRANIAN DRILLING COMPANY  
NATIONAL IRANIAN GAS COMPANY  
NATIONAL IRANIAN OIL COMPANY  
NATIONAL IRANIAN OIL COMPANY NEDERLAND (A.K.A.: NIOC  
NETHERLANDS REPRESENTATION OFFICE)  
NATIONAL IRANIAN OIL COMPANY PTE LTD  
NATIONAL IRANIAN OIL COMPANY, INTERNATIONAL AFFAIRS LIMITED  
NATIONAL IRANIAN OIL ENGINEERING AND CONSTRUCTION COMPANY  
(NIOEC)  
NATIONAL IRANIAN OIL PRODUCTS DISTRIBUTION COMPANY (NIOPDC)  
NATIONAL IRANIAN OIL REFINING AND DISTRIBUTION COMPANY  
NATIONAL IRANIAN TANKER COMPANY  
NEUMAN LTD  
NEW DESIRE LTD  
NEW SYNERGY  
NEWHAVEN SHIPPING COMPANY LIMITED  
NINTH OCEAN ADMINISTRATION GMBH  
NINTH OCEAN GMBH & CO. KG  
NOOR AFZA GOSTAR  
NORTH DRILLING COMPANY  
NUCLEAR FUEL PRODUCTION AND PROCUREMENT COMPANY  
OCEAN CAPITAL ADMINISTRATION GMBH  
OCEAN EXPRESS AGENCIES PRIVATE LIMITED  
ONERBANK ZAO  
OXTED SHIPPING COMPANY LIMITED  
PACIFIC SHIPPING  
PARS SPECIAL ECONOMIC ENERGY ZONE  
PARTNER CENTURY LTD  
PEARL ENERGY COMPANY LTD  
PEARL ENERGY SERVICES, SA  
PERSIA INTERNATIONAL BANK PLC  
PETRO SUISSE  
PETROIRAN DEVELOPMENT COMPANY LTD  
PETROLEUM ENGINEERING & DEVELOPMENT COMPANY  
PETROPARS INTERNATIONAL FZE  
PETROPARS IRAN COMPANY  
PETROPARS LTD.  
PETROPARS OILFIELD SERVICES COMPANY  
PETROPARS OPERATION & MANAGEMENT COMPANY  
PETROPARS RESOURCES ENGINEERING LTD  
PETROPARS UK LIMITED  
PETWORTH SHIPPING COMPANY LIMITED  
POST BANK OF IRAN  
POWER PLANTS' EQUIPMENT MANUFACTURING COMPANY (SAAKHTE  
TAJHIZATE NIROOGAHI)  
PROSPER METRO INVESTMENTS LTD.  
RASTKHAH, Engineer Naser  
REIGATE SHIPPING COMPANY LIMITED

RESEARCH INSTITUTE OF NUCLEAR SCIENCE & TECHNOLOGY  
REZVANIYANZADEH, Mohammad Reza  
RISHI MARITIME INCORPORATION  
SACKVILLE HOLDINGS LTD  
SAFIRAN PAYAM DARYA SHIPPING COMPANY  
SALEHI, Ali Akbar  
SANFORD GROUP  
SANTEXLINES  
SECOND OCEAN ADMINISTRATION GMBH  
SECOND OCEAN GMBH & CO. KG  
SEIBOW LOGISTICS LIMITED  
SEVENTH OCEAN ADMINISTRATION GMBH  
SEVENTH OCEAN GMBH & CO. KG  
SHALLONLTD  
SHEMAL CEMENT COMPANY  
SHINE STAR LIMITED  
SHIPPING COMPUTER SERVICES COMPANY  
SILVER UNIVERSE INTERNATIONAL LTD.  
SINA BANK  
SINO ACCESS HOLDINGS  
SINOSE MARITIME  
SISCO SHIPPING COMPANY LTD  
SIXTEENTH OCEAN ADMINISTRATION GMBH  
SIXTEENTH OCEAN GMBH & CO. KG  
SIXTH OCEAN ADMINISTRATION GMBH  
SIXTH OCEAN GMBH & CO. KG  
SMART DAY HOLDINGS LTD  
SOLTANI, Behzad  
SORINET COMMERCIAL TRUST (SCT)  
SOROUSH SARAMIN ASATIR  
SOUTH WAY SHIPPING AGENCY CO. LTD  
SOUTH ZAGROS OIL & GAS PRODUCTION COMPANY  
SPARKLE BRILLIANT DEVELOPMENT LIMITED  
SPRINGTHORPE LIMITED  
STATIRA MARITIME INCORPORATION  
SUREH (NUCLEAR REACTORS FUEL COMPANY)  
SYSTEM WISE LTD  
TAMALARIS CONSOLIDATED LTD  
TENTH OCEAN ADMINISTRATION GMBH  
TENTH OCEAN GMBH & CO. KG  
TEU FEEDER LIMITED  
THETA NARI NAVIGATION  
THIRD OCEAN ADMINISTRATION GMBH  
THIRD OCEAN GMBH & CO. KG  
THIRTEENTH OCEAN ADMINISTRATION GMBH  
THIRTEENTH OCEAN GMBH & CO. KG  
TOP GLACIER COMPANY LIMITED  
TOP PRESTIGE TRADING LIMITED  
TRADE CAPITAL BANK  
TRADE TREASURE

TRUE HONOUR HOLDINGS LTD  
TULIP SHIPPING INC  
TWELFTH OCEAN ADMINISTRATION GMBH  
TWELFTH OCEAN GMBH & CO. KG  
UNIVERSAL TRANSPORTATION LIMITATION UTL  
VALFAJR 8TH SHIPPING LINE  
WEST OIL & GAS PRODUCTION COMPANY  
WESTERN SURGE SHIPPING COMPANY LIMITED  
WISE LING SHIPPING COMPANY LIMITED  
ZANJANI, Babak  
ZETA NERI NAVIGATION

**ATTACHMENT 1 - PART II**

LIST OF PERSONS, ENTITIES AND BODIES SET OUT IN ANNEX I TO  
COUNCIL DECISION 2010/413/CFSP AND ANNEX VIII TO COUNCIL  
REGULATION (EU) NO 267/2012

AGHA-JANI, Dawood  
ALAI, Amir Moayyed  
ASGARPOUR, Behman  
ASHIANI, Mohammad Fedai  
ASHTIANI, Abbas Rezaee  
ATOMIC ENERGY ORGANISATION OF IRAN (AEOI)  
BAKHTIAR, Haleh  
BEHZAD, Morteza  
ESFAHAN NUCLEAR FUEL RESEARCH AND PRODUCTION CENTRE  
(NFRPC) AND ESFAHAN NUCLEAR TECHNOLOGY CENTRE (ENTC)  
FIRST EAST EXPORT BANK, P.L.C.:  
HOSSEINI, Seyyed Hussein  
IRANO HIND SHIPPING COMPANY  
IRISL BENELUX NV  
JABBER IBN HAYAN  
KARAJ NUCLEAR RESEARCH CENTRE  
KAVOSHYAR COMPANY  
LEILABADI, Ali Hajinia  
MESBAH ENERGY COMPANY  
MODERN INDUSTRIES TECHNIQUE COMPANY  
MOHAJERANI, Hamid-Reza  
MOHAMMADI, Jafar  
MONAJEMI, Ehsan  
NOBARI, Houshang  
NOVIN ENERGY COMPANY  
NUCLEAR RESEARCH CENTER FOR AGRICULTURE AND MEDICINE  
PARS TRASH COMPANY  
PISHGAM (PIONEER) ENERGY INDUSTRIES  
QANNADI, Mohammad  
RAHIMI, Amir  
RAHIQI, Javad  
RASHIDI, Abbas  
SABET, M. Javad Karimi  
SAFDARI, Seyed Jaber  
SOLEYMANI, Ghasem  
SOUTH SHIPPING LINE IRAN (SSL)  
TAMAS COMPANY



**ATTACHMENT 2 - PART I**

LIST OF PERSONS, ENTITIES AND BODIES SET OUT IN ANNEX II TO COUNCIL DECISION 2010/413/CFSP AND ANNEX IX TO COUNCIL REGULATION (EU) NO 267/2012

AEROSPACE INDUSTRIES ORGANISATION, AIO  
AL YASIN, Javad  
ALUMINAT  
ANSARBANK  
ARAN MODERN DEVICES  
ARASFARAYANDE  
ARFAPAIN COMPANY  
ARFEH COMPANY  
ARIANIKAN,  
ARMED FORCES GEOGRAPHICAL ORGANISATION  
ASHTIAN TABLO  
BABAEI, Davoud  
BALS ALMAN  
BANK SADERAT IRAN  
BANK SADERAT PLC  
BARGH AZARAKSH  
BEHNAM SAHRIYARI TRADING COMPANY  
BONYAD TAAVON SEPAH  
BORBORUDI, Sayed Shamsuddin  
DANESHJOO, Kamran  
DARVISH-VAND, IRGC Brigadier-General Javad  
ELECTRONIC COMPONENTS INDUSTRIES  
ESNICO (EQUIPMENT SUPPLIER FOR NUCLEAR INDUSTRIES CORPORATION)  
ETEMAD AMIN INVEST CO MOBIN  
EYVAZ TECHNIC  
FADAVI, Rear Admiral Ali  
FAJR AVIATION COMPOSITE INDUSTRIES  
FARAH, IRGC Brigadier-General Seyyed Mahdi  
FARASEPEHR ENGINEERING COMPANY  
FATAH, Parviz  
GHANI SAZI URANIUM COMPANY  
HAERI, Engineer Mojtaba  
HIRBOD CO  
HOSEYNITASH, IRGC Brigadier-General Ali  
HOSSEINI NEJAD TRADING CO.  
INSTITUTE OF APPLIED PHYSICS  
IRAN AIRCRAFT INDUSTRIES  
IRAN AIRCRAFT MANUFACTURING COMPANY  
IRAN CENTRIFUGE TECHNOLOGY COMPANY  
IRAN COMMUNICATIONS INDUSTRIES  
IRAN COMPOSITES INSTITUTE  
IRAN ELECTRONICS INDUSTRIES  
IRAN MARINE INDUSTRIAL COMPANY

IRANPOOYA  
IRAN SAFFRON COMPANY OR IRANSAFFRON CO.  
IRANIAN AVIATION INDUSTRIES ORGANIZATION  
IRGC AIR FORCE  
IRGC QODS FORCE  
IRGC-AIR FORCE AL-GHADIR MISSILE COMMAND  
ISFAHAN OPTICS  
ISLAMIC REVOLUTIONARY GUARD CORPS  
JAFARI, Milad  
JAVEDAN MEHR TOOS  
JELVESAZAN COMPANY  
KARANIR  
KARIMIAN, Ali  
KHALAAFARIN PARS  
KHANSARI, Majid  
MAAA SYNERGY  
MACPAR MAKINA SAN VE TIC  
MAHMUDZADEH, Ebrahim  
MARINE INDUSTRIES  
MAROU SANAT  
MATSA (MOHANDESI TOSEH SOKHT ATOMI COMPANY)  
MECHANIC INDUSTRIES GROUP  
MEHR BANK  
MINISTRY OF DEFENSE AND SUPPORT FOR ARMED FORCES LOGISTICS  
MOBIN SANJESH  
MODERN TECHNOLOGIES FZC  
MOHAMMADI, Mohammad  
MOHAMMADLU, Brigadier-General Beik  
MOVASAGHNIA, Mohammad Reza  
MULTIMAT LC VE DIS TICARET PAZARLAMA LIMITED SIRKETI  
NACCACHE, Anis  
NADERI, Brigadier-General Mohammad  
NAJJAR, IRGC Brigadier-General Mostafa Mohammad  
NAQDI, BrigGen Mohammad Reza  
NASERI, Mohammad Sadegh  
NASERIN VAHID  
NEDA INDUSTRIAL GROUP  
NEKANOVIN  
NOAVARAN POOYAMOJ  
NOURI, Ali Ashraf  
OIL INDUSTRY PENSION FUND INVESTMENT COMPANY  
ORGANISATION OF DEFENSIVE INNOVATION AND RESEARCH  
PAKPUR, BrigGen Mohammad  
PARCHIN CHEMICAL INDUSTRIES  
PARTO SANAT CO  
PASSIVE DEFENSE ORGANIZATION  
PAYAPARTO  
QASEMI, Rostam (a.k.a. Rostam GHASEMI)  
RAAD IRAN  
RAKA

RESEARCH CENTRE FOR EXPLOSION AND IMPACT  
ROSMACHIN  
SAIDI, Hojatoleslam Ali  
SALAMI, BrigGen Hossein  
SAMAN NASB ZAYENDEH ROOD; SAMAN NASBZAINDE ROOD  
SAMAN TOSE'E ASIA  
SAMEN INDUSTRIES  
SCHILLER NOVIN  
SEPANIR OIL AND GAS ENERGY ENGINEERING COMPANY  
SHAFI'I RUDSARI, Rear Admiral Mohammad  
SHAHID AHMAD KAZEMI INDUSTRIAL GROUP  
SHAHID BEHESHTI UNIVERSITY  
SHAKHESE BEHBUD SANAT  
SHAMS, Abolghassem Mozaffari  
SHAMSHIRI, IRGC Brigadier-General Ali  
SHARIF UNIVERSITY OF TECHNOLOGY  
SHETAB G.  
SHETAB GAMAN  
SHETAB TRADING  
SHIRAZ ELECTRONICS INDUSTRIES  
SIMATEC DEVELOPMENT COMPANY  
SOL AT SANA, Abdollah  
SOLTANI, Hamid  
STATE PURCHASING ORGANISATION  
STEP STANDART TEKNIK PARCA SAN VE TIC A.S.  
SUN MIDDLE EAST FZ COMPANY  
SURENA (A.K.A. SAKHD VA RAH-AN- DA-ZI)  
TABA (IRAN CUTTING TOOLS MANUFACTURING COMPANY - TABA  
TOWLID ABZAR BORESHI IRAN)  
TAGHTIRAN  
TAJHIZ SANAT SHAYAN  
TECHNOLOGY COOPERATION OFFICE OF THE IRANIAN PRESIDENT'S  
OFFICE  
TEST TAFSIR  
TIDEWATER  
TOSSE SILOOHA  
TURBINE ENGINEERING MANUFACTURING  
VAHIDI, IRGC Brigadier-General Ahmad  
WEST SUN TRADE GMBH  
Y.A.S. CO. LTD  
YARSANAT  
YASAPART  
ZADEH, Amir Ali Haji

**ATTACHMENT 2 - PART II**

LIST OF PERSONS, ENTITIES AND BODIES SET OUT IN ANNEX I TO  
COUNCIL DECISION 2010/413/CFSP AND ANNEXES VIII TO COUNCIL  
REGULATION (EU) NO 267/2012

7TH OF TIR.  
ABBASI-DAVANI, Fereidoun  
ABZAR BORESH KAVEH CO.  
AGHAJANI, Azim  
AHMADIAN, Ali Akbar  
AMIN INDUSTRIAL COMPLEX  
AMMUNITION AND METALLURGY INDUSTRIES GROUP  
ARMAMENT INDUSTRIES GROUP  
BAHMANYAR, Bahmanyar Morteza  
BANK SEPAH  
BANK SEPAH INTERNATIONAL  
BARZAGANI TEJARAT TAVANMAD SACCAL COMPANIES  
BEHINEH TRADING CO.  
CRUISE MISSILE INDUSTRY GROUP  
DASTJERDI, Ahmad Vahid  
DEFENCE INDUSTRIES ORGANISATION (DIO)  
DEFENSE TECHNOLOGY AND SCIENCE RESEARCH CENTER  
DERAKHSHANDEH, Ahmad  
DOOSTAN INTERNATIONAL COMPANY  
ELECTRO SANAM COMPANY  
ESLAMI, Mohammad  
ESMAELI, Reza-Gholi  
ETTEHAD TECHNICAL GROUP  
FAJR INDUSTRIAL GROUP  
FAKHRIZADEH-MAHABADI, Mohsen  
FARASAKHT INDUSTRIES  
FARAYAND TECHNIQUE  
FATER (OR FAATER) INSTITUTE  
GHARAGAHESAZANDEGIGHAEM  
GHORB KARBALA  
GHORB NOOH  
HARA COMPANY  
HEJAZI, Mohammad  
HOJATI, Mohsen  
IMENSAZAN CONSULTANT ENGINEERS INSTITUTE  
INDUSTRIAL FACTORIES OF PRECISION (IFP) MACHINERY  
JOZA INDUSTRIAL CO.  
KALA-ELECTRIC  
KAVEH CUTTING TOOLS COMPANY  
KETABACHI, Mehرداد Akhlaghi  
KHATAM AL-ANBIYA CONSTRUCTION HEADQUARTERS  
KHORASAN METALLURGY INDUSTRIES  
M. BABAIE INDUSTRIES  
MAKIN

MALEK ASHTAR UNIVERSITY  
MALEKI, Naser  
MINISTRY OF DEFENSE LOGISTICS EXPORT  
MIZAN MACHINERY MANUFACTURING A.K.A.: 3MG  
NAQDI, Mohammad Reza  
NEJAD NOURI, Mohammad Mehdi  
NIRU BATTERY MANUFACTURING COMPANY  
OMRAN SAHEL  
ORIENTAL OIL KISH  
PARCHIN CHEMICAL INDUSTRIES  
PARS AVIATION SERVICES COMPANY  
PEJMAN INDUSTRIAL SERVICES CORPORATION  
QODS AERONAUTICS INDUSTRIES  
RAH SAHEL  
RAHAB ENGINEERING INSTITUTE  
REZAIE, Morteza  
SABALAN COMPANY  
SAD IMPORT EXPORT COMPANY  
SAFARI, Morteza  
SAFAVI, Yahya Rahim  
SAFETY EQUIPMENT PROCUREMENT (SEP)  
SAHAND ALUMINUM PARTS INDUSTRIAL COMPANY  
SAHEL CONSULTANT ENGINEERS  
SALIMI, Hosein  
SANAM INDUSTRIAL GROUP  
SEPANIR  
SEPASAD ENGINEERING COMPANY  
SHAHID BAGHERI INDUSTRIAL GROUP (SBIG)  
SHAHID HEMMAT INDUSTRIAL GROUP (SHIG)  
SHAHID KARRAZI INDUSTRIES  
SHAHID SATARRI INDUSTRIES  
SHAHID SAYYADE SHIRAZI INDUSTRIES  
SHO' A' AVIATION.  
SOLEIMANI, Qasem  
SPECIAL INDUSTRIES GROUP  
TABATABAEI, Ali Akbar  
TIZPARS  
YA MAHDI INDUSTRIES GROUP  
YAS AIR  
YAZD METALLURGY INDUSTRIES  
ZAHEDI, Mohammad Reza  
ZOLQADR, General

**ATTACHMENT 3**

IRANIAN FINANCIAL INSTITUTIONS AND INDIVIDUAL AND ENTITIES IDENTIFIED AS GOVERNMENT OF IRAN (GOI) ON THE SDN LIST; DESIGNATED ENTITIES AND INDIVIDUALS ON THE SDN LIST AND ENTITIES AND INDIVIDUALS LISTED ON THE FSE LIST; INDIVIDUALS AND ENTITIES SANCTIONED UNDER ISA; BLOCKED PROPERTY OF THE FOREGOING

AA ENERGY FZCO\*  
 ABAN AIR  
 ADVANCE NOVEL LIMITED  
 AFZALI, Ali  
 AGHA-JANI, Dawood  
 AL AQILI GROUP LLC  
 AL AQILI, Mohamed Saeed  
 AL FIDA INTERNATIONAL GENERAL TRADING  
 AL HILAL EXCHANGE  
 ALPHA EFFORT LIMITED  
 AMERI, Teymour  
 AMIN INVESTMENT BANK\*  
 ANTARES SHIPPING COMPANY NV  
 ARASH SHIPPING ENTERPRISES LIMITED\*  
 ARIAN BANK  
 ARTA SHIPPING ENTERPRISES LIMITED\*  
 ASAN SHIPPING ENTERPRISE LIMITED\*  
 ASCOTEC HOLDING GMBH\*  
 ASCOTEC JAPAN K.K.\*  
 ASCOTEC MINERAL & MACHINERY GMBH\*  
 ASCOTEC SCIENCE & TECHNOLOGY GMBH\*  
 ASCOTEC STEEL TRADING GMBH\*  
 ASHTEAD SHIPPING COMPANY LIMITED  
 ASIABANK  
 ASIA ENERGY GENERAL TRADING (LLC)\*  
 ASIA MARINE NETWORK PTE. LTD.  
 ASSA CO. LTD.  
 ASSA CORP.  
 ATLANTIC INTERMODAL  
 ATOMIC ENERGY ORGANIZATION OF IRAN  
 AZORES SHIPPING COMPANY LL FZE  
 BAHADORI, Masoud\*  
 BANCO INTERNACIONAL DE DESARROLLO, C.A.  
 BANDAR IMAM PETROCHEMICAL COMPANY\*  
 BANK KARGOSHAEE  
 BANK KESHAVARZI IRAN\*

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\* Denotes Iranian financial institutions and individuals and entities identified as GOI by the Office of Foreign Assets Control (OFAC). U.S. persons and foreign entities owned or controlled by a U.S. person will continue to be prohibited from transactions with these individuals and entities, pursuant to the Iranian Transactions and Sanctions Regulations.

BANK MARKAZI JOMHOURI ISLAMI IRAN\*  
BANK MASKAN\*  
BANK MELLAT\*  
BANK MELLI IRAN INVESTMENT COMPANY  
BANK MELLI IRAN\*  
BANK MELLI PRINTING AND PUBLISHING CO.  
BANK OF INDUSTRY AND MINE (OF IRAN)\*  
BANK REFAH KARGARAN\*  
BANK SEPAH INTERNATIONAL PLC  
BANK SEPAH\*  
BANK TEJARAT\*  
BANK TORGVOVOY KAPITAL ZAO\*  
BANK-E SHAHR\*  
BATENI, Naser  
BAZARGAN, Farzad\*  
BEHSAZ KASHANE TEHRAN CONSTRUCTION CO.\*  
BEHZAD, Morteza Ahmadali  
BELFAST GENERAL TRADING LLC  
BEST PRECISE LIMITED  
BIIS MARITIME LIMITED  
BIMEH IRAN INSURANCE COMPANY (U.K.) LIMITED\*  
BLUE TANKER SHIPPING SA\*  
BMIIC INTERNATIONAL GENERAL TRADING LTD  
BOU ALI SINA PETROCHEMICAL COMPANY\*  
BREYELLER STAHL TECHNOLOGY GMBH & CO. KG\*  
BUSHEHR SHIPPING COMPANY LIMITED  
BYFLEET SHIPPING COMPANY LIMITED  
CAMBIS, Dimitris\*  
CASPIAN MARITIME LIMITED\*  
CAUCASUS ENERGY  
CEMENT INVESTMENT AND DEVELOPMENT COMPANY  
CENTRAL INSURANCE OF IRAN  
CISCO SHIPPING COMPANY CO. LTD.  
COBHAM SHIPPING COMPANY LIMITED  
COMMERCIAL PARS OIL CO.\*  
CONCEPT GIANT LIMITED  
CREDIT INSTITUTION FOR DEVELOPMENT\*  
CRYSTAL SHIPPING FZE  
CYLINDER SYSTEM L.T.D.\*  
DAJMAR, Mohhammad Hossein  
DANESH SHIPPING COMPANY LIMITED\*  
DARYA CAPITAL ADMINISTRATION GMBH  
DAVAR SHIPPING CO LTD\*  
DENA TANKERS FZE\*  
DERAKHSHANDEH, AHMAD  
DETTIN SPA  
DEY BANK\*  
DFS WORLDWIDE  
DIVANDARI, Ali  
DORKING SHIPPING COMPANY LIMITED

EDBI EXCHANGE COMPANY  
EDBI STOCK BROKERAGE COMPANY  
EFFINGHAM SHIPPING COMPANY LIMITED  
EGHTESAD NOVIN BANK\*  
EIGHTH OCEAN ADMINISTRATION GMBH  
EIGHTH OCEAN GMBH & CO. KG  
ELEVENTH OCEAN ADMINISTRATION GMBH  
ELEVENTH OCEAN GMBH & CO. KG  
ESFAHAN NUCLEAR FUEL RESEARCH AND PRODUCTION CENTER  
ESLAMI, Mansour  
EUROPAISCH-IRANISCHE HANDELSBANK AG\*  
EUROPEAN OIL TRADERS  
EVEREX  
EXECUTION OF IMAM KHOMEINI'S ORDER\*  
EXPORT DEVELOPMENT BANK OF IRAN\*  
EZATI, Ali  
FAIRWAY SHIPPING LTD  
FAL OIL COMPANY LIMITED  
FARNHAM SHIPPING COMPANY LIMITED  
FARSOUDEH, Houshang  
FAYLACAPETROLEUM  
FERLAND COMPANY LIMITED  
FIFTEENTH OCEAN GMBH & CO. KG  
FIFTH OCEAN ADMINISTRATION GMBH  
FIFTH OCEAN GMBH & CO. KG  
FIRST EAST EXPORT BANK, P.L.C.  
FIRST ISLAMIC INVESTMENT BANK LTD.  
FIRST OCEAN ADMINISTRATION GMBH  
FIRST OCEAN GMBH & CO. KG  
FIRST PERSIA EQUITY FUND  
FOURTEENTH OCEAN GMBH & CO. KG  
FOURTH OCEAN ADMINISTRATION GMBH  
FOURTH OCEAN GMBH & CO. KG  
FUTURE BANK B.S.C.\*  
GALLIOT MARITIME INC  
GARBIN NAVIGATION LTD\*  
GEORGIAN BUSINESS DEVELOPMENT  
GHADIR INVESTMENT COMPANY\*  
GHAED BASSIR PETROCHEMICAL PRODUCTS COMPANY\*  
GHALEBANI, Ahmad\*  
GHARZOLHASANEH RESALAT BANK\*  
GHAVAMIN BANK\*  
GHEZEL AYAGH, Alireza  
GOLDEN RESOURCES TRADING COMPANY L.L.C.\*  
GOLDENTEX FZE  
GOLPARVAR, Gholamhossein  
GOMSHALL SHIPPING COMPANY LIMITED  
GOOD LUCK SHIPPING L.L.C.  
GRACE BAY SHIPPING INC\*  
GREAT BUSINESS DEALS



GREAT METHOD LIMITED  
HADI SHIPPING COMPANY LIMITED\*  
HAFIZ DARYA SHIPPING CO  
HARAZ SHIPPING COMPANY LIMITED\*  
HATEF SHIPPING COMPANY LIMITED\*  
HEKMAT IRANIAN BANK\*  
HERCULES INTERNATIONAL SHIP\*  
HERMIS SHIPPING SA\*  
HIRMAND SHIPPING COMPANY LIMITED\*  
HODA SHIPPING COMPANY LIMITED\*  
HOMA SHIPPING COMPANY LIMITED\*  
HONAR SHIPPING COMPANY LIMITED\*  
HONG KONG INTERTRADE COMPANY\*  
HORMOZ OIL REFINING COMPANY\*  
HORSHAM SHIPPING COMPANY LIMITED  
HOSSEINPOUR, Houshang  
HTTS HANSEATIC TRADE TRUST AND SHIPPING, GMBH  
IDEAL SUCCESS INVESTMENTS LIMITED  
IFIC HOLDING AG\*  
IHAG TRADING GMBH\*  
IMPIRE SHIPPING COMPANY\*  
INDUS MARITIME INC  
INDUSTRIAL DEVELOPMENT AND RENOVATION ORGANIZATION OF  
IRAN\*  
INTERNATIONAL SAFE OIL  
INTRA CHEM TRADING GMBH\*  
IRAN & SHARGH COMPANY\*  
IRAN & SHARGH LEASING COMPANY\*  
IRAN AIR  
IRAN FOREIGN INVESTMENT COMPANY\*  
IRAN INSURANCE COMPANY\*  
IRAN O HIND SHIPPING COMPANY  
IRAN O MISR SHIPPING COMPANY  
IRAN PETROCHEMICAL COMMERCIAL COMPANY\*  
IRAN ZAMIN BANK\*  
IRANAIR TOURS  
IRANIAN MINES AND MINING INDUSTRIES DEVELOPMENT AND  
RENOVATION ORGANIZATION\*  
IRANIAN OIL COMPANY (U.K.) LIMITED\*  
IRANIAN-VENEZUELAN BI-NATIONAL BANK/ JOINT IRAN-VENEZUELA  
BANK\*  
IRASCO S.R.L.\*  
IRINVESTSHIP LTD.  
IRISL (MALTA) LIMITED  
IRISL (UK) LTD.  
IRISL CHINA SHIPPING CO., LTD.  
IRISL EUROPE GMBH  
IRISL MARINE SERVICES & ENGINEERING COMPANY  
IRISL MULTIMODAL TRANSPORT CO.  
IRITAL SHIPPING SRL COMPANY

ISI MARITIME LIMITED  
ISIM AMIN LIMITED  
ISIM ATR LIMITED  
ISIM OLIVE LIMITED  
ISIM SAT LIMITED  
ISIM SEA CHARIOT LIMITED  
ISIM SEA CRESCENT LIMITED  
ISIM SININ LIMITED  
ISIM TAJ MAHAL LIMITED  
ISIM TOUR LIMITED  
ISLAMIC REGIONAL COOPERATION BANK\*  
ISLAMIC REPUBLIC OF IRAN SHIPPING LINES  
JABBER IBN HAYAN  
JAM PETROCHEMICAL COMPANY  
JASHNSAZ, Scifollah\*  
JUPITER SEAWAYS SHIPPING\*  
KADDOURI, Abdelhak  
KAFOLATBANK\*  
KALA LIMITED\*  
KALA PENSION TRUST LIMITED\*  
KARAFARIN BANK\*  
KASB INTERNATIONAL LLC\*  
KAVERI MARITIME INC  
KAVOSHYAR COMPANY  
KERMAN SHIPPING CO LTD  
KHALILI, Jamshid  
KHAVARMIANEH BANK\*  
KHAZAR SEA SHIPPING LINES  
KISH INTERNATIONAL BANK\*  
KISH PROTECTION & INDEMNITY  
KONING MARINE CORP\*  
KONT INVESTMENT BANK  
KONT KOSMETIK  
KSN FOUNDATION  
KUO OIL PTE. LTD  
LANCELIN SHIPPING COMPANY LIMITED  
LEADING MARITIME PTE. LTD.  
LEILABADI, Ali Hajinia  
LISSOME MARINE SERVICES LLC  
LOGISTIC SMART LIMITED  
LOWESWATER LIMITED  
MACHINE SAZI ARAK CO. LTD\*  
MAHAB GHODSS CONSULTING ENGINEERING COMPANY\*  
MAHD AVI, Ali  
MALSHIP SHIPPING AGENCY LTD.  
MARANER HOLDINGS LIMITED  
MARBLE SHIPPING LIMITED  
MARJAN PETROCHEMICAL COMPANY\*  
MAZANDARAN CEMENT COMPANY  
MAZANDARAN TEXTILE COMPANY

MCS ENGINEERING\*  
MCS INTERNATIONAL GMBH\*  
MEHR CAYMAN LTD.  
MEHR IRAN CREDIT UNION BANK\*  
MEHRAN SHIPPING COMPANY LIMITED\*  
MELLAT BANK SB CJSC  
MELLAT INSURANCE COMPANY\*  
MELLI AGROCHEMICAL COMPANY, P.J.S.  
MELLI BANK PLC  
MELLI INVESTMENT HOLDING INTERNATIONAL  
MELODIOUS MARITIME INC  
MERSAD SHIPPING COMPANY LIMITED\*  
MESBAH ENERGY COMPANY  
METAL & MINERAL TRADE S.A.R.L.\*  
MID OIL ASIA PTE LTD  
MILL DENE LIMITED  
MINAB SHIPPING COMPANY LIMITED\*  
MINES AND METALS ENGINEERING GMBH\*  
MIR BUSINESS BANK ZA'O  
MOALLEMINSURANCECOMPANY  
MOBIN PETROCHEMICAL COMPANY\*  
MODABER\*  
MODALITY LIMITED  
MOGHA'DDAMI FARD, Mohammad  
MOHADDES, Seyed Mahmoud\*  
MOINIE, Mohammad\*  
MONSOON SHIPPING LTD\*  
MOUNT EVEREST MARITIME INC  
MSP KALA NAFT CO. TEHRAN\*  
N.I.T.C. REPRESENTATIVE OFFICE\*  
NABIPOUR, Ghasem  
NAFTIRAN INTERTRADE CO. (NICO) LIMITED\*  
NAFTIRAN INTERTRADE CO. (NICO) SARL\*  
NAFTIRAN TRADING SERVICES CO. (NTS) LIMITED\*  
NARI SHIPPING AND CHARTERING GMBH & CO. KG  
NASIRBEIK, Anahita  
NATIONAL IRANIAN OIL COMPANY PTE LTD\*  
NATIONAL IRANIAN OIL COMPANY\*  
NATIONAL IRANIAN TANKER COMPANY LLC\*  
NATIONAL IRANIAN TANKER COMPANY\*  
NATIONAL PETROCHEMICAL COMPANY\*  
NAYEBI, Pourya  
NEFERTITI SHIPPING COMPANY  
NEUMAN LIMITED  
NEW DESIRE LIMITED  
NEW YORK GENERAL TRADING  
NEW YORK MONEY EXCHANGE  
NICO ENGINEERING LIMITED\*  
NIKOUSOKHAN, Mahmoud\*  
NIKSIMA FOOD AND BEVERAGE JLT

NINTH OCEAN ADMINISTRATION GMBH  
 NINTH OCEAN GMBH & CO. KG  
 NIOC INTERNATIONAL AFFAIRS (LONDON) LIMITED\*  
 NIZAMI, Anwar Kamal  
 NOOR AFZAR GOSTAR COMPANY  
 NOOR ENERGY (MALAYSIA) LTD.\*  
 NOURI PETROCHEMICAL COMPANY\*  
 NOVIN ENERGY COMPANY  
 NPC INTERNATIONAL LIMITED\*  
 NUCLEAR RESEARCH CENTER FOR AGRICULTURE AND MEDICINE  
 NUCLEAR SCIENCE AND TECHNOLOGY RESEARCH INSTITUTE  
 OCEAN CAPITAL ADMINISTRATION GMBH  
 OIL INDUSTRY INVESTMENT COMPANY\*  
 OMID REY CIVIL & CONSTRUCTION COMPANY\*  
 ONE CLASS PROPERTIES (PTY) LTD.\*  
 ONE VISION INVESTMENTS 5(PTY) LTD.\*  
 ONERBANK ZAO\*  
 ORCHIDEA GULF TRADING  
 P.C.C. (SINGAPORE) PRIVATE LIMITED\*  
 PACIFIC SHIPPING DMCEST  
 PAJAND, Mohammad Hadi  
 PARDIS INVESTMENT COMPANY\*  
 PARS MCS\*  
 PARS OIL AND GAS COMPANY\*  
 PARS OIL CO.\*  
 PARS PETROCHEMICAL COMPANY\*  
 PARS PETROCHEMICAL SHIPPING COMPANY\*  
 PARS TRASH COMPANY  
 PARS'AEI, Reza\*  
 PARSIAN BANK\*  
 PARTNER CENTURY LIMITED  
 PARVARESH, Farhad Ali  
 PASARGAD BANK\*  
 PEARL ENERGY COMPANY LTD.  
 PEARL ENERGY SERVICES, SA  
 PERSIA INTERNATIONAL BANK PLC  
 PERSIA OIL & GAS INDUSTRY DEVELOPMENT CO.\*  
 PETRO ENERGY INTERTRADE COMPANY\*  
 PETRO ROYAL FZE\*  
 PETRO SUISSE INTERTRADE COMPANY SA\*  
 PETROCHEMICAL COMMERCIAL COMPANY (U.K.) LIMITED\*  
 PETROCHEMICAL COMMERCIAL COMPANY FZE\*  
 PETROCHEMICAL COMMERCIAL COMPANY INTERNATIONAL\*  
 PETROIRAN DEVELOPMENT COMPANY (PEDCO) LIMITED\*  
 PETROLEOS DE VENEZUELA S.A. (PDVSA)  
 PETROPARS INTERNATIONAL FZE\*  
 PETROPARS LTD.\*  
 PETROPARS UK LIMITED\*  
 PIONEER ENERGY INDUSTRIES COMPANY  
 POLAT, Muzaffer

POLINEX GENERAL TRADING LLC\*  
POLYNAR COMPANY\*  
POST BANK OF IRAN\*  
POURANSARI, Hashem\*  
PROTON PETROCHEMICALS SHIPPING LIMITED\*  
PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYABUKOVYNA  
QANNADI, Mohammad  
QULANDARY, Azizullah Asadullah  
RAHIQI, Javad  
RASOOL, Seyed Alaeddin Sadat  
REY INVESTMENT COMPANY\*  
REY NIRU ENGINEERING COMPANY\*  
REYCO GMBH.\*  
REZVANIANZADEH, Mohammed Reza  
RISHI MARITIME INC  
RISHMAK PRODUCTIVE & EXPORTS COMPANY\*  
ROYAL ARYA CO.\*  
ROYAL OYSTER GROUP  
ROYAL-MED SHIPPING AGENCY LTD  
SABET, Javad Karimi  
SACKVILLE HOLDINGS LIMITED  
SADAF PETROCHEMICAL ASSALUYEH COMPANY\*  
SAFDARI, Seyed Jaber  
SAFIRAN PAYAM DARYA SHIPPING COMPANY  
SAMANBANK\*  
SAMAN SHIPPING COMPANY LIMITED\*  
SAMBOUK SHIPPING FZC\*  
SANDFORD GROUP LIMITED  
SANTEX LINES LIMITED  
SARKANDI, Ahmad  
SARMAYEH BANK\*  
SARV SHIPPING COMPANY LIMITED\*  
SECOND OCEAN ADMINISTRATION GMBH  
SECOND OCEAN GMBH & CO. KG  
SEIBOW LIMITED  
SEIBOW LOGISTICS LIMITED  
SEIFI, Asadollah  
SEPID SHIPPING COMPANY LIMITED\*  
SEVENTH OCEAN ADMINISTRATION GMBH  
SEVENTH OCEAN GMBH & CO. KG  
SEYYEDI, Seyed Nasser Mohammad\*  
SEYYEDI, Seyedeh Hanieh Seyed Nasser Mohammad  
SHAHID TONDGOOYAN PETROCHEMICAL COMPANY\*  
SHALLON LIMITED  
SHAZAND PETROCHEMICAL COMPANY\*  
SHERE SHIPPING COMPANY LIMITED  
SHIPPING COMPUTER SERVICES COMPANY  
SHOMAL CEMENT COMPANY  
SIMA GENERAL TRADING CO FZE\*  
SIMA SHIPPING COMPANY LIMITED\*

SINA BANK\*  
SINA SHIPPING COMPANY LIMITED\*  
SINGA TANKERS PTE. LTD.  
SINO ACCESS HOLDINGS LIMITED  
SINOSE MARITIME PTE. LTD.  
SIQIRIYA MARITIME CORP.  
SIXTH OCEAN ADMINISTRATION GMBH  
SIXTH OCEAN GMBH & CO. KG  
SMART DAY HOLDINGS GROUP LIMITED  
SOKOLENKO, Vitaly  
SORINET COMMERCIAL TRUST (SCT) BANKERS  
SOROUSH SARZAMIN ASATIR SHIP MANAGEMENT COMPANY  
SOUTH SHIPPING LINE IRAN  
SPEEDY SHIP FZC  
SPRINGTHORPE LIMITED  
STARRY SHINE INTERNATIONAL LIMITED  
SWISS MANAGEMENT SERVICES SARL\*  
SYNERGY GENERAL TRADING FZE\*  
SYSTEM WISE LIMITED  
TABATABAEI, Seyyed Mohammad Ali Khatibi\*  
TABRIZ PETROCHEMICAL COMPANY\*  
TADBIR BROKERAGE COMPANY\*  
TADBIR CONSTRUCTION DEVELOPMENT COMPANY\*  
TADBIR ECONOMIC DEVELOPMENT GROUP\*  
TADBIR ENERGY DEVELOPMENT GROUP CO.\*  
TADBIR INVESTMENT COMPANY\*  
TAFAZOLI, Ahmad  
TALAI, Mohamad  
TAMAS COMPANY  
TAT BANK\*  
TC SHIPPING COMPANY LIMITED\*  
TENTH OCEAN GMBH & CO. KG  
THE EXPLORATION AND NUCLEAR RAW MATERIALS PRODUCTION  
COMPANY  
THE NUCLEAR REACTORS FUEL COMPANY  
THIRD OCEAN ADMINISTRATION GMBH  
THIRD OCEAN GMBH & CO. KG  
THIRTEENTH OCEAN GMBH & CO. KG  
TONGHAM SHIPPING CO LTD  
TOP GLACIER COMPANY LIMITED  
TOP PRESTIGE TRADING LIMITED  
TOSEE EQTESAD AYANDEHSAZAN COMPANY\*  
TOSEE TAAVON BANK\*  
TOURISM BANK\*  
TRADE TREASURE LIMITED  
TRUE HONOUR HOLDINGS LIMITED  
TWELFTH OCEAN ADMINISTRATION GMBH  
TWELFTH OCEAN GMBH & CO. KG  
UPPERCOURT SHIPPING COMPANY LIMITED  
VALFAJR 8TH SHIPPING LINE CO SSK

VOBSTER SHIPPING COMPANY LTD  
WEST SUN TRADE GMBH\*  
WIPPERMANN, Ulrich  
WOKING SHIPPING INVESTMENTS LIMITED  
YASINI, Seyed Kamal  
YAZDI, Bahareh Mirza Hossein  
ZADEH, Hassan Jalil  
ZANJANI, Babak Morteza  
ZARIN RAFSANJAN CEMENT COMPANY\*  
ZEIDI, Hossein  
ZHUHAI ZHENRONG COMPANY  
ZIRACCHIAN ZADEH, Mahmoud\*

BLOCKED PROPERTY	PROPERTY OF	TYPE	IMO NUMBER
EP-CFD	IRAN AIR	Aircraft	
EP-CFE	IRAN AIR	Aircraft	
EP-CFH	IRAN AIR	Aircraft	
EP-CFI	IRAN AIR	Aircraft	
EP-CFJ	IRAN AIR	Aircraft	
EP-CFK	IRAN AIR	Aircraft	
EP-CFL	IRAN AIR	Aircraft	
EP-CFM	IRAN AIR	Aircraft	
EP-CFO	IRAN AIR	Aircraft	
EP-CFP	IRAN AIR	Aircraft	
EP-CFQ	IRAN AIR	Aircraft	
EP-CFR	IRAN AIR	Aircraft	
EP-IAA	IRAN AIR	Aircraft	
EP-IAB	IRAN AIR	Aircraft	
EP-IAC	IRAN AIR	Aircraft	
EP-IAD	IRAN AIR	Aircraft	
EP-IAG	IRAN AIR	Aircraft	
EP-IAH	IRAN AIR	Aircraft	
EP-IAI	IRAN AIR	Aircraft	
EP-IAM	IRAN AIR	Aircraft	
EP-IBA	IRAN AIR	Aircraft	
EP-IBB	IRAN AIR	Aircraft	
EP-IBC	IRAN AIR	Aircraft	
EP-IBD	IRAN AIR	Aircraft	
EP-IBG	IRAN AIR	Aircraft	
EP-IBH	IRAN AIR	Aircraft	
EP-IBI	IRAN AIR	Aircraft	
EP-IBJ	IRAN AIR	Aircraft	
EP-IBK	IRAN AIR	Aircraft	
EP-IBL	IRAN AIR	Aircraft	
EP-IBM	IRAN AIR	Aircraft	
EP-IBN	IRAN AIR	Aircraft	
EP-IBP	IRAN AIR	Aircraft	
EP-IBQ	IRAN AIR	Aircraft	
EP-IBS	IRAN AIR	Aircraft	
EP-IBT	IRAN AIR	Aircraft	
EP-IBV	IRAN AIR	Aircraft	
EP-IBZ	IRAN AIR	Aircraft	
EP-ICD	IRAN AIR	Aircraft	
EP-ICE	IRAN AIR	Aircraft	
EP-ICF	IRAN AIR	Aircraft	
EP-IDA	IRAN AIR	Aircraft	

\* Denotes blocked property of individual and entities identified as GOI by the Office of Foreign Assets Control. U.S. persons and foreign entities owned or controlled by a U.S. person will continue to be prohibited from transactions with these individuals and entities, pursuant to the Iranian Transactions and Sanctions Regulations.



EP-IDD	IRAN AIR	Aircraft	
EP-IDF	IRAN AIR	Aircraft	
EP-IDG	IRAN AIR	Aircraft	
EP-IEB	IRAN AIR	Aircraft	
EP-IEC	IRAN AIR	Aircraft	
EP-IED	IRAN AIR	Aircraft	
EP-IEE	IRAN AIR	Aircraft	
EP-IEF	IRAN AIR	Aircraft	
EP-IEG	IRAN AIR	Aircraft	
EP-IRK	IRAN AIR	Aircraft	
EP-IRL	IRAN AIR	Aircraft	
EP-IRM	IRAN AIR	Aircraft	
EP-IRN	IRAN AIR	Aircraft	
EP-IRR	IRAN AIR	Aircraft	
EP-IRS	IRAN AIR	Aircraft	
EP-IRT	IRAN AIR	Aircraft	
EP-MDD	IRAN AIR	Aircraft	
EP-MDE	IRAN AIR	Aircraft	
UR-BXI	IRAN AIR	Aircraft	
UR-BXL	IRAN AIR	Aircraft	
UR-BXM	IRAN AIR	Aircraft	
UR-CGS	IRAN AIR	Aircraft	
UR-CGT	IRAN AIR	Aircraft	
UR-CHW	IRAN AIR	Aircraft	
UR-CHX	IRAN AIR	Aircraft	
UR-CHY	IRAN AIR	Aircraft	
UR-CHZ	IRAN AIR	Aircraft	
UR-CJQ	IRAN AIR	Aircraft	
UR-BHJ	PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYA	Aircraft	
UR-BXN	PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYA	Aircraft	
UR-CIX	PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYA	Aircraft	
UR-CIY	PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYA	Aircraft	
UR-CJA	PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYA	Aircraft	
UR-CJK	PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYA	Aircraft	
RIONA	HAFIZ DARYA SHIPPING CO	Vessel	9349588
MIRZA KOHEK KHAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	7027899
ASSA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	7632814
AMITEES	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	7632826
HORMUZ2	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	7904580
PARMIDA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8105284
BARSAM	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8107581
PANTEA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8108559

IRAN AKHAVAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8113009
SARINA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8203608
SABRINA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8215742
ATTRIBUTE	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309593
ALIAS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309608
AQUARIAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309610
ADVENTIST	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309622
AGEAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309634
ANGEL	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309646
AGILE	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309658
AJAX	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309672
ACROBAT	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309684
SHADFAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309696
AMPLIFY	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309701
IRAN HORMUZ 21	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8314263
IRAN HORMUZ 22	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8314275
IRAN HORMUZ 23	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8319782
IRAN SHALAK	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8319940
IRAN YOUSHA T	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8319952
AEROLITE	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320121
ADRIAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320133
NAGHMEH	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320145
RONAK	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320157
ACCURATE	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320169
TABANDEH	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320171
GULAFSHAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320183
ALAMEDA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320195
IRANPARAK	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8322064
IRANCHARAK	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8322076
IRAN HORMUZ 25	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8422072
IRAN HORMUZ 26	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8422084
DORITA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8605234
IRAN SHALAMCHEH	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8820925
AAJ	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8984484
IRAN HORMUZ 12	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9005596
IRAN KONG	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9007582
VISTA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9010711
VIANA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9010723
IRAN HORMUZ 14	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9020778
HAMD	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9036052
SOBHAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9036935
SATTAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9040479
ABBA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9051624
BEHDAD	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9051636
PARSHAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9051648
VALERIAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9051650
NEGEEN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9071519
ATTAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9074092

PARIN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9076478
TEEN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9101649
GOWHAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9103087
IRANDALEER	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9118551
PATRIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9137210
NARDIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9137246
KADOS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9137258
ZOMOROUD	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9138044
BRELYAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9138056
NILDA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9165786
JOVITA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9165798
MANOLA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9165803
GLADIOLUS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9165815
ELYANA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9165827
NEGAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9165839
SAVIZ	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9167253
GLOXINIA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9167265
NESHAT	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9167277
BEHSHAD	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9167289
JAIRAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9167291
IRAN SHAHED	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9184691
GOLSAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9193185
ZARSAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9193197
ARVIN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9193202
ARTAVAND	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9193214
TERESA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9209324
GABRIELA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9209336
SARITA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9209348
SILVER CRAFT	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9209350
MAHNAM	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9213387
TERMEH	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9213399
MAHSAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9226944
HAMADAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9226956
TARADIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9245304
PARMIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9245316
ZAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9260160
ZIVAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9260172
VALILI	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9270646
SHAMIM	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9270658
IRAN SHAHR-E-KORD	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9270684
IRAN KASHAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9270696
SININ	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9274941
PARMIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9283007
AZARGOUN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9283019
SALIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9283021
GOLBON	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9283033
PARDIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9284142
TANDIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9284154

SHERE	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9305192
UPPERCOURT	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9305207
TONGHAM	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9305219
VOBSTER	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9305221
GOLAFRUZ	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9323833
ADALIA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9328900
SHABGOUN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9346524
AGATA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9346536
BENITA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9346548
MARISOL	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9349576
ORIANA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9349590
MERCEDES	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9349667
RAMONA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9349679
GILDA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9367982
SANIA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9367994
SARIR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9368003
SOMIA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9368015
GLORY	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9369710
ARIES	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9369722
ABTIN 1	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9379636
ARSHAM	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9386500
PARSHAD	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9387786
HAADI	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9387798
RAAZI	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9387803
SAEI	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9387815
ARTMAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9405930
BASKAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9405942
BAHJAT	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9405954
HAAMI	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9405966
SHAADI	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9405978
SHAYAN 1	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9420356
TABAN 1	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9420368
YARAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9420370
AMIN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9422366
AVANG	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9465746
KIAZAND	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9465758
BATIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9465760
WARTA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9465849
SALIM	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9465851
ARDAVAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9465863
NAMI	LISSOME MARINE SERVICES LLC	Vessel	8419178
GAS CAMELLIA	LISSOME MARINE SERVICES LLC	Vessel	8803381
TESS	LISSOME MARINE SERVICES LLC	Vessel	8913564
KATERINA 1	LISSOME MARINE SERVICES LLC	Vessel	9031959
MARIA	LISSOME MARINE SERVICES LLC	Vessel	9110626
SUN OCEAN	LISSOME MARINE SERVICES LLC	Vessel	9408358
YOUNES *	NATIONAL IRANIAN TANKER COMPANY	Vessel	8212465
YOUSEF *	NATIONAL IRANIAN TANKER COMPANY	Vessel	8316106

YAGHOUB <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8316168
TOLOU <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8318178
VALFAJR2 <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8400103
BADR <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8407345
BANEH <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8508462
SARDASHT <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8517231
MARIVAN <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8517243
BRIGHT <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9005235
CARIBO <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9011246
AURA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9013749
BICAS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9077850
MAHARLIKA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9079066
NAPOLI <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9079078
NYOS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9079080
NAINITAL <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9079092
NATIVE LAND <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9079107
ATLANTIC <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9107655
SPARROW <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9171450
SWALLOW <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9171462
SUPERIOR <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9172038
SPOTLESS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9172040
SABRINA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9172052
DESTINY <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9177155
HUMANITY <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9180281
ORIENTAL <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9183934
SHONA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9187629
ABELIA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9187631
ALERT <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9187643
SUNDIAL <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9187655
SILVER CLOUD <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9187667
HUWAYZEH <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9212888
HORIZON <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9212890
HAPPINESS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9212905
MARINA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9212917
HALISTIC <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9212929
DELVAR <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9218454
DAYLAM <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9218466
DAMAVAND <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9218478
DENA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9218480
DARAB <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9218492
IRAN FAZEL <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9283746
FIANGA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9283760
IRAN FAHIM <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9286140
IRAN FALAGH <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9286152
DECESIVE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9356593
SANCHI <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9356608
MAJESTIC <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357183
SUCCESS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357353

SUNEAST <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357365
SPLENDOUR <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357377
COURAGE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357389
HONESTY <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357391
AMBER <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357406
DAL LAKE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357717
JUSTICE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357729
HYDRA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9362059
DOVE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9362061
ZEUS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9362073
IMICO NEKA 455 <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9404546
IMICO NEKA 456 <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9404558
IMICO NEKA 457 <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9404560
SUNSHINE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569205
DOJIRAN <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569619
ATLANTIS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569621
FORTUN <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569633
SALALEH <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569645
SMOOTH <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569657
SK YLINE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569669
INFINITY <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569671
DEMOS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569683
YANGZHOU DAYANG DY905 <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9575424
SUNRISE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9615092
ANTHEM	SIQIRIYA MARITIME CORP	Vessel	8310669
JAFFNA	SIQIRIYA MARITIME CORP	Vessel	8609515
OLYSA	SIQIRIYA MARITIME CORP	Vessel	9001605

**ATTACHMENT 4**

ABBASI-DAVANI, Fereidoun  
ADVANCE ELECTRICAL AND INDUSTRIAL TECHNOLOGIES SL  
ALUMINAT  
ANDISHEH ZOLAL  
ARIA NIKAN MARINE INDUSTRY  
BUJAR, Farhad  
DAYENI, Mahmoud Mohammadi  
EYVAZ TECHNIC MANUFACTURING COMPANY  
FAKHRIZADEH-MAHABADI, Mohsen  
FARATECH  
FARAYAND TECHNIQUE  
FULMEN GROUP  
IMANIRAD, Arman  
IMANIRAD, Mohammad Javad  
IRAN CENTRIFUGE TECHNOLOGY COMPANY  
IRANPOOYA  
JAHAN TECH ROOYAN PARS  
JAVEDAN MEHR TOOS  
KAHVARIN, Iradj Mohammadi  
KALAYE ELECTRIC COMPANY  
KHAKI, Parviz  
MANDEGAR BASPAR KIMIYA COMPANY  
MAROSANATCOMPANY  
MODERN INDUSTRIES TECHNIQUE COMPANY  
NEDA INDUSTRIAL GROUP  
NEKANOVIN  
PARTO SANAT CO.  
PAYAPARTOV CO.  
PENTANE CHEMISTRY INDUSTRIES  
PETRO GREEN  
PISHRO SYSTEMS RESEARCH COMPANY  
POUYA CONTROL  
PUNTI, Pere  
RAHIMYAR, Amir Hossein  
SIMATIC DEVELOPMENT CO  
TAGHTIRAN KASHAN COMPANY  
TANIDEH, Hossein  
TARH O PALAYESH  
THE ORGANIZATION OF DEFENSIVE INNOVATION AND RESEARCH  
TOWLID ABZAR BORESHI IRAN  
WISSER, Gerhard  
YASAPART  
ZOLAL IRAN COMPANY

## JCPOA Annex III - Civil Nuclear Cooperation

### A. General

1. Iran and E3/EU+3 decided to co-operate, among others, including through IAEA technical cooperation, where appropriate, and without prejudice to the existing bilateral agreements, in different areas of civil nuclear co-operation to be developed within the framework of this JCPOA, as detailed in this Annex. In this context, the Joint Commission will also support assistance to Iran, including through IAEA technical cooperation projects, as appropriate.
2. All civil nuclear cooperation projects under this JCPOA will be mutually determined by the participating states and will be consistent with the JCPOA and the national laws and regulations of the participating parties.
3. The civil nuclear and scientific cooperation projects envisioned between Iran and the E3/EU+3 as part of this JCPOA may be undertaken in a variety of formats, with a variety of potential participants. A given project undertaken by the E3/EU+3 will not necessarily include participation by all E3/EU+3 parties:
  - 3.1. bilateral or multilateral cooperation arrangements with Iran. Such arrangements would be mutually determined by the participating states.
  - 3.2. projects under the auspices of the IAEA, either through IAEA technical co-operation projects including through Project and Supply Agreements.
  - 3.3. through International Science and Technology Centres.

Specifically, E3/EU+3 parties will undertake, to develop nuclear co-operation with Iran, in particular within the following areas:

### B. Reactors, Fuels and Associated Technologies, Facilities and Processes

#### 4. Modern light water power and research reactors and associated equipment, technologies and facilities

E3/EU+3 parties, as appropriate, will facilitate Iran's acquisition of light-water research and power reactors, for research, development and testing, and for the supply of electricity and desalination, with arrangements for the assured supply of nuclear fuel and the removal of spent fuel as provided for in relevant contracts, for each reactor provided. This may include the following areas for co-operation:

- 4.1. Construction as well as effective and safe operation of new light water power reactors and associated equipment, according to Generation III+ requirements, including small and medium sized nuclear reactors, including joint design and manufacturing, as appropriate.
- 4.2. Construction of state of the art light water moderated multipurpose research reactors capable of testing fuel pins, assembly prototypes and structural materials with associated related facilities, including joint design and manufacturing, as appropriate.
- 4.3. Supply of state-of-the-art instrumentation and control systems for the above research and power reactors, including joint design and manufacturing, as appropriate;



- 4.4. Supply of nuclear simulation and calculation codes and software solutions with regard to the above areas, including joint development, as appropriate;
- 4.5. Supply of first and second loop main equipment as well as core of the above research and power reactors, including joint design and manufacturing, as appropriate;
- 4.6. On-the-job training on fuel management scenarios and reshuffling for the above research and power nuclear reactors;
- 4.7. Joint technical review of Iran's current nuclear reactors, upon the request by Iran, in order to upgrade current equipment and systems, including concerning nuclear safety;

## **5. Arak Modernisation Project**

- 5.1. As described in Section B of Annex I, an international partnership composed of E3/EU+3 parties and Iran, which may subsequently be enlarged to include mutually determined third countries will be established, to support and facilitate the redesign and rebuilding of the IR-40 reactor at Arak into a modernised, not exceeding 20MWth, heavy-water moderated and cooled research reactor, based on the agreed conceptual design (as attached to Annex I).
- 5.2. Iran will take the leadership role as the owner and as the project manager, and have responsibility for overall implementation of the Arak modernisation project. A Working Group composed of E3/EU+3 participants will be established to support and facilitate the redesigning and rebuilding of the reactor. An international partnership composed of Iran and the Working Group would implement the Arak modernisation project, with E3/EU+3 participants assuming responsibilities as described in Annex I. The Working Group could be enlarged to include other countries by consensus of the participants of the Working Group and Iran. E3/EU+3 participants and Iran will conclude an official document expressing their strong commitments to the Arak modernisation project in advance of Implementation Day which would provide an assured path forward to modernise the reactor and would define the responsibilities assumed by the E3/EU+3 participants, especially in the key areas such as redesign, design review and certification, reactor core manufacturing, fuel design, fabrication and supply, safety and security, spent fuel treatment or disposition, as well as concerning the supply of materials, equipment, instrumentation and control systems, and subsequently contracts would be concluded. The participants of the Working Group will provide assistance needed by Iran for redesigning and rebuilding the reactor, consistent with their respective national laws, in such a manner as to enable the safe and timely construction and commissioning of the modernised reactor.
- 5.3. Iran and the Working Group will cooperate to develop the final design of the modernised reactor and the design of the subsidiary laboratories to be carried out by Iran, and review conformity with international safety standards, such that the reactor can be licensed by the relevant Iranian regulatory authority for commissioning and operation.
- 5.4. Iran will continue to assume the primary responsibility for financing the modernisation project. Additional funding arrangements for the project, including for IAEA projects supporting the Arak modernisation project, will be

determined based on the official document and contracts to be subsequently concluded.

## 6. Nuclear Fuel

- 6.1. E3/EU+3 parties, as appropriate, will support assistance to Iran, including through the IAEA, as appropriate, in meeting international qualification standards for nuclear fuel fabricated by Iran.
- 6.2. E3/EU+3 parties will seek to cooperate regarding the supply of modern fuels, including, as appropriate, joint design and fabrication, the relevant licenses and fabrication technologies and equipment and related infrastructure, for current and future nuclear research and power reactors, including technical assistance on purification processes, forming and metallurgical activities for different types of nuclear fuel clads and cladding for the modernised Arak heavy water research reactor.

## C. Research and Development (R&D) Practices

7. To implement other aspects of this JCPOA and in support of a broader opening of scientific engagements between the E3/EU+3 and Iran, the E3/EU+3 and Iran will seek cooperation and scientific exchange in the field of nuclear science and technology:
  - 7.1. Accelerator-based nuclear physics and nuclear astrophysics research, and stable isotope production in international collaboration at the nuclear, physics, and technology centre at the Fordow facility. Iran will request from the E3/EU+3 and other interested parties specific proposals for cooperative international nuclear, physics, and technology projects and will host an international workshop to review these proposals. The goal is to realise international collaborative projects within a few years. The transitioning to stable isotope production of two cascades will be conducted in a joint partnership between the Russian Federation and Iran on the basis of arrangements to be mutually agreed upon.
  - 7.2. Plasma physics and nuclear fusion;
  - 7.3. Research reactor applications at the TRR, modernized Arak reactor, or at other future research reactors in Iran, such as:
    - 7.3.1. Training
    - 7.3.2. Radio-isotope production and utilization
    - 7.3.3. Nuclear desalination
    - 7.3.4. Neutron transmutation doping
    - 7.3.5. Neutron activation analysis
    - 7.3.6. Neutron capture therapy
    - 7.3.7. Neutron imaging and materials characterization studies using neutron beams
  - 7.4. E3/EU+3 parties and Iran could also explore co-operation in the following additional areas:

- 7.4.1. Design, manufacture and/or assembly of in-core measuring instrumentation and technologies;
- 7.4.2. Nuclear instrumentation and control, systems and electronics design, manufacture and/or assembly;
- 7.4.3. Fusion technology and plasma physics and related infrastructure and facilitating contribution of Iran to the International Thermonuclear Experimental Reactor (ITER) Project and/or similar projects, including relevant IAEA technical cooperation projects;
- 7.4.4. Neutrino astronomy;
- 7.4.5. Design and manufacturing, and supply, of different types of accelerators and supply of related equipment including through relevant IAEA technical cooperation projects;
- 7.4.6. Data acquisition and processing software and interface equipment;

**D. Nuclear Safety, Safeguards and Security**

**8. Nuclear safety**

E3/EU+3 parties, and possibly other states, as appropriate, are prepared to cooperate with Iran to establish a Nuclear Safety Centre in Iran, engage in workshops and training events in Iran to support interactions between Iranian nuclear regulatory authorities and those from the E3/EU+3 and elsewhere to, among other things, share lessons learned on establishing and maintaining regulatory independence and effectiveness, and training on implementing nuclear safety culture and best practices; facilitate exchanges and visits to nuclear regulatory authorities and nuclear power plants outside of Iran focusing on best practices for safe operation; and enhance and strengthen domestic emergency preparedness and severe accident management capability.

Provide support and assistance to enable Iran to join relevant conventions on nuclear safety and security, e.g. through workshops or seminars furthering accession to such commitments. Such workshops or seminars could also take place under the auspices of the IAEA.

E3/EU+3 parties, and possibly other states, as appropriate, will co-operate with Iran in the following areas of nuclear safety, as well as in other areas to be mutually agreed:

- 8.1. Conclusion of bilateral/multilateral agreements with related organisations and research centres;
- 8.2. Supply of valid codes, instruments and equipment related to nuclear safety;
- 8.3. Facilitate exchange of knowledge and experience in the area of nuclear safety;
- 8.4. Enhance and strengthen domestic emergency preparedness and severe accident management capability;
- 8.5. Arrange on-the-job training and apprenticeship courses for reactor and facility operators, regulatory authority personnel and related supportive organizations in the area of nuclear safety inside and outside of Iran;

- 8.6. Establish a Nuclear Safety Centre in Iran, which shall be equipped with necessary tools, techniques and equipment, in order to support and facilitate technical and professional training and exchange of lessons-learned for reactor and facility operators, regulatory authority personnel and related supportive organizations;

#### **9. Nuclear Safeguards**

E3/EU+3 parties, and possibly other states, as appropriate, are prepared to cooperate with Iran on the effective and efficient implementation of IAEA safeguards and transparency measures in Iran. Co-operation in the following areas can be envisaged:

- 9.1. Cooperation in the form of on-the-job trainings and workshops to strengthen nuclear material accounting and control process, human resource development, and quality assurance/quality control processes;
- 9.2. E3/EU+3 parties, and other states, as appropriate, are prepared to cooperate with Iran for the effective and efficient implementation of IAEA safeguards and transparency measures in Iran.
- 9.3. This cooperation could take the form of training and workshops to strengthen Iran's safeguards regulatory authority, nuclear material accounting and control processes, human resource development, and quality assurance/quality control processes.

#### **10. Nuclear Security**

E3/EU+3 parties, and possibly other states, as appropriate, are prepared to cooperate with Iran on the implementation of nuclear security guidelines and best practices. Co-operation in the following areas can be envisaged:

- 10.1. Co-operation in the form of training courses and workshops to strengthen Iran's ability to prevent, protect and respond to nuclear security threats to nuclear facilities and systems as well as to enable effective and sustainable nuclear security and physical protection systems;
- 10.2. Co-operation through training and workshops to strengthen Iran's ability to protect against, and respond to nuclear security threats, including sabotage, as well as to enable effective and sustainable nuclear security and physical protection systems.

#### **E. Nuclear Medicine and Radioisotopes, Associated Technologies, Facilities and Processes**

11. E3/EU+3 parties, as appropriate, are prepared to cooperate with Iran to improve the utilization of nuclear medicine in Iran in order to enhance Iran's expertise in diagnostic imaging and radiotherapy, increase the availability of medical radioisotopes for diagnosis and treatment of Iranian citizens, and facilitate Iran's participation in the broader international scientific and nuclear medicine community. Such cooperation may include:
- 11.1. Upgrades to the infrastructure associated with existing cyclotron facilities, including for medical radioisotopes production.

- 11.2. Facilitating Iranian acquisition of a new cyclotron, and associated radio-pharmacy equipment, for medical radioisotopes production.
- 11.3. Acquisition of state-of-the-art diagnostic imaging and radiotherapy equipment for existing or new nuclear medicine centers, including co-operation between hospitals for the treatment of individual patients.
- 11.4. Cooperation on occupational and patient dosimetry procedures.
- 11.5. Improved target utilization to increase radioisotope production.
- 11.6. Acquisition of radioisotope sources for brachy therapy, and radiotherapy instrument calibration, and other medical and industrial applications.
- 11.7. Supply of state-of-the art radio-medicine center and necessary laboratories.

**F. Waste Management and Facility Decommissioning**

12. E3/EU+3 parties, as appropriate, are prepared to cooperate with Iran in the safe, effective, and efficient management and disposition of nuclear and radiological wastes derived from Iran's nuclear fuel cycle activities and nuclear medicine, radioisotope production and/or consumption activities.
13. E3/EU+3 parties, as appropriate, are prepared to cooperate with Iran in areas of safe, effective, and environmentally friendly best practices for facility decontamination and decommissioning, including co-operation on long term storage facilities for the repository of low and medium level waste.
14. E3/EU+3 parties, as appropriate, are prepared to facilitate exchanges and visits to relevant sites and locations outside of Iran related to effective waste management and best practices.
15. E3/EU+3 parties, as appropriate, will facilitate the supply of appropriate equipment and systems for waste management and depository facilities in Iran.

**G. Other projects**

16. Other projects may be implemented between the relevant E3/EU+3 parties and Iran, as mutually determined by the participants in the JCPOA, including in the following areas:
  - 16.1. Construction of nuclear desalination and associated infrastructure in Iran;
  - 16.2. Development of laser technology for medical applications (e.g. for eye surgery);

## JCPOA Annex IV – Joint Commission

### 1. Establishment, Composition, and Coordinator

- 1.1. The Joint Commission is established to carry out the functions assigned to it in the JCPOA, including its Annexes.
- 1.2. The Joint Commission is comprised of representatives of Iran and the E3/EU+3 (China, France, Germany, the Russian Federation, the United Kingdom, and the United States, with the High Representative of the Union for Foreign Affairs and Security Policy), together, the JCPOA participants.
- 1.3. The Joint Commission may establish Working Groups in particular areas, as appropriate.
- 1.4. The High Representative of the Union for Foreign Affairs and Security Policy ('High Representative'), or his/her designated representative will serve as the Coordinator of the Joint Commission.

### 2. Functions

- 2.1. The Joint Commission will perform the following functions:
  - 2.1.1. Review and approve the final design for the modernized heavy water research reactor and the design of the subsidiary laboratories prior to the commencement of construction, and review and approve the fuel design for the modernized heavy water research reactor as provided for in Section B of Annex I;
  - 2.1.2. Review and approve, upon request by Iran, development, acquisition, construction or operation of hot cells (containing a cell or interconnected cells), shielded cells or shielded glove boxes with dimensions beyond 6 cubic meters in volume and specifications set out in Annex I of the Additional Protocol, as provided for in paragraph 21 of Annex I;
  - 2.1.3. Review and approve plans submitted by Iran to initiate R&D on uranium metal based TRR fuel, as provided for in paragraph 26 of Annex I;
  - 2.1.4. Review and approve, upon request by Iran, projects on new types of centrifuges to proceed to a prototype stage for mechanical testing, as provided for in paragraph 43 of Annex I;
  - 2.1.5. Receive information in advance about the specific projects that will be undertaken at Fordow, as provided for in paragraph 44 of Annex I;
  - 2.1.6. Receive information about the conceptual framework of stable isotope production at Fordow, as provided for in paragraph 46.1 of Annex I;
  - 2.1.7. Assess and then approve, upon request by Iran, that fuel assemblies manufactured in Iran and their intermediate products cannot be readily reconverted into UF<sub>6</sub>, based on the objective technical criteria, with the goal of enabling fuel to be fabricated in Iran, as provided in paragraph 59 of Annex I;

- 2.1.8. Support assistance to Iran, including through IAEA technical cooperation as appropriate, in meeting international qualification standards for nuclear fuel produced by Iran, as provided for in paragraph 59 of Annex I;
- 2.1.9. Review and approve in advance, upon request by Iran, engagement by Iran, including through export of any enrichment or enrichment related equipment and technology, with any other country, or with any foreign entity in enrichment and enrichment related activities, including related research and development, as provided for in paragraph 73 in Annex I;
- 2.1.10. Provide consultation, and advise on the necessary means in the context of access as specified in paragraph 78 of Annex I;
- 2.1.11. Review and approve in advance, upon request by Iran, the design, development, fabrication, acquisition, or use for non-nuclear purposes of multi-point explosive detonation systems suitable for a nuclear explosive device and explosive diagnostic systems (streak cameras, framing cameras and flash x-ray cameras) suitable for the development of a nuclear explosive device, as provided for in paragraphs 82.2 and 82.3 of Annex I;
- 2.1.12. Review and consult to address issues arising from the implementation of sanctions lifting as specified in this JCPOA and its Annex II;
- 2.1.13. Review and decide on proposals for nuclear-related transfers to or activities with, Iran, in accordance with Section 6 of this Annex and the United Nations Security Council resolution endorsing this JCPOA;
- 2.1.14. Review, with a view to resolving, any issue that a JCPOA participant believes constitutes nonperformance by another JCPOA participant of its commitments under the JCPOA, according to the process outlined in the JCPOA;
- 2.1.15. Adopt or modify, as necessary, procedures to govern its activities;
- 2.1.16. Consult and provide guidance on other implementation matters that may arise under the JCPOA.

### **3. Procedures**

- 3.1. The Joint Commission will meet on a quarterly basis and at any time upon request of a JCPOA participant to the Coordinator. The Coordinator will convene a meeting of the Joint Commission to be held no later than one week following receipt of such a request, except for consultations in accordance with Section Q of Annex I and any other matter that the Coordinator and/or a JCPOA participant deem urgent, in which case the meeting will be convened as soon as possible and not later than three calendar days from receipt of the request.
- 3.2. Meetings of the Joint Commission will be held in New York, Vienna, or Geneva as appropriate. The host country should facilitate entry formalities for those attending such meetings.
- 3.3. The Joint Commission may decide by consensus to invite observers to attend its meetings.
- 3.4. Except as provided in Section 6 of this Annex which will be subject to the confidentiality procedure of the UN, the work of the Joint Commission is

confidential and may be shared only among JCPOA participants and observers as appropriate, unless the Joint Commission decides otherwise.

#### **4. Decisions**

- 4.1. Except as stated otherwise in this Annex, decisions by the Joint Commission are to be made by consensus.
- 4.2. Each JCPOA participant will have one vote. Decisions of the Joint Commission are to be taken by the Representative or the Deputy Representative or other such alternate as the JCPOA participant may designate.
- 4.3. The vote of each JCPOA participant will be made known to all other JCPOA participants if any JCPOA participant requests a recorded vote.
- 4.4. Matters before the Joint Commission pursuant to Section Q of Annex I are to be decided by consensus or by affirmative vote of five JCPOA participants. There is no quorum requirement.
- 4.5. The Coordinator will not take part in decision-making on nuclear-related transfers and activities as set out in Section 6 of this Annex.

#### **5. Other**

- 5.1. Each JCPOA participant will be responsible for its own costs of participating in the Joint Commission, unless the Joint Commission decides otherwise.
- 5.2. JCPOA participants may request that the Coordinator circulates a notification to the other JCPOA participants at any time. Upon such a request, the Coordinator will circulate such notification without delay to all JCPOA participants.

#### **6. Procurement Working Group**

- 6.1. With the purpose of establishing a procurement channel, the Joint Commission will, except as otherwise provided by the United Nations Security Council resolution endorsing this JCPOA, review and decide on proposals by states seeking to engage in:
  - 6.1.1. the supply, sale or transfer directly or indirectly from their territories, or by their nationals or using their flag vessels or aircraft to, or for the use in or benefit of, Iran, and whether or not originating in their territories, of all items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.12/Part 1, and, if the end-use will be for Iran's nuclear programme set out in this JCPOA or other non-nuclear civilian end-use, all items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.9/Part 2 (or the most recent version of these documents as updated by the Security Council), as well as any further items if the relevant State determines that they could contribute to activities inconsistent with the JCPOA; and,
  - 6.1.2. the provision to Iran of any technical assistance or training, financial assistance, investment, brokering or other services related to the supply, sale, transfer, manufacture, or use of the items, materials, equipment, goods and technology described in subparagraph (a) above;



- 6.1.3. acquisition by Iran of an interest in a commercial activity in another State involving uranium mining, production or use of nuclear materials and technologies as listed in INFCIRC/254/Rev.12/Part 1, and such investments in territories under their jurisdiction by Iran, its nationals, and entities incorporated in Iran or subject to its jurisdiction, or by individuals or entities acting on their behalf or direction, or by entities owned or controlled by them.
- 6.2. The Joint Commission will discharge its responsibility for reviewing and making recommendations on proposals for nuclear-related transfers to or activities with Iran through a Procurement Working Group.
- 6.3. Each E3+3 State and Iran will participate in the Procurement Working Group. The High Representative will serve as the Coordinator of the Procurement Working Group.
- 6.4. Except as otherwise provided by the Joint Commission or the United Nations Security Council resolution endorsing this JCPOA, the Procurement Working Group will consider proposals according to the following process:
  - 6.4.1. Upon receipt of a proposal, including all necessary supporting information, by a State seeking to engage in transfers and activities referenced in Section 6.1, the Coordinator will forward the proposal, through appropriate means, without delay to the Procurement Working Group and, when the proposal relates to items, material, equipment, goods and technology intended to be used in nuclear activities authorized by the JCPOA, to the IAEA. The Procurement Working Group will have up to 30 working days to consider and decide on the proposal.
  - 6.4.2. "Necessary supporting information" for purposes of Section 6.4.1 means: (a) a description of the item; (b) the name, address, telephone number, and email address of the exporting entity; (c) the name, address, telephone number, and email address of the importing entity; (d) a statement of the proposed end-use and end use location, along with an end-use certification signed by the AEOI or the appropriate authority of Iran attesting the stated end-use; (e) export license number if available; (f) contract date, if available; and (g) details on transportation, if available; provided that if any of the export license number, contract date, or details on transportation are not available as of the time of submittal of the proposal, such information will be provided as soon as possible and in any event as condition of approval prior to shipment of the item.
  - 6.4.3. Each participant in the Procurement Working Group will have to communicate to the Coordinator, within 20 working days, whether it approves or rejects the proposal. The timeline for consideration may be extended for an additional period of 10 working days at the request of a participant of the Procurement Working Group.
  - 6.4.4. The proposal will be recommended for approval as soon as the Coordinator receives formal approvals from all the Procurement Working Group Participants or if, at the end of the 30 working day period, the Coordinator has received no disapprovals from any of the Procurement Working Group Participants. If at the end of the 30 working day period, the proposal has

not been recommended for approval, the proposal may, at the request of at least two Working Group Participants within 5 working days, be referred to the Joint Commission, which would decide on approval of the proposal by consensus within 10 working days. Otherwise the proposal will be recommended for disapproval. The disapproving JCPOA participant(s) should provide relevant information regarding the disapproval to the Joint Commission as appropriate, taking into account the need to protect confidential information.

- 6.4.5. The Coordinator will communicate the recommendation of the Joint Commission to the United Nations Security Council no later than 35 working days, or in case of referral to the Joint Commission no later than 45 working days from the date the Coordinator transmitted the proposal and all necessary supporting information to the Procurement Working Group.
- 6.4.6. Except as decided otherwise by consensus, the Procurement Working Group will meet every three weeks for reviewing the proposals. When some of the proposals to be reviewed relate to items, material, equipment, goods and technology intended to be used in nuclear activities authorized by the JCPOA, the IAEA may be invited to attend the meeting as an observer.
- 6.5. All JCPOA participants will act in accordance with the procurement channel and will only engage in transfers and activities referenced in Section 6.1 following approval by the Joint Commission and the United Nations Security Council. Iran will not use, acquire, or seek to procure the items, materials, equipment, goods, and technology referred to in Section 6.1 of this Annex for nuclear activities which are inconsistent with this JCPOA.
- 6.6. Any JCPOA participant may refer a procurement-related activity to the Joint Commission under the dispute settlement mechanism if it is concerned that such activity is inconsistent with this JCPOA.
- 6.7. Iran will provide to the IAEA access to the locations of intended use of all items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.12/Part 1 (or the most recent version of these documents as updated by the Security Council) imported following the procedure under Section 6 of this Annex.
- 6.8. Iran will permit the exporting state to verify the end-use of all items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.9/Part 2 (or the most recent version of these documents as updated by the Security Council) imported following the procedure under Section 6 of this Annex. Upon request of the exporting state, or if the Joint Commission deems necessary when approving a proposal for transfer, the Joint Commission will provide expertise to the exporting state, including experts, as needed, to participate in the end-use verification.
- 6.9. The Procurement Working Group will respond to requests for guidance on procurement activities from third parties, as communicated by the Coordinator. The Procurement Working Group will endeavor to respond to

such requests for guidance within 9 working days from the date the Coordinator submits it to the Procurement Working Group.

- 6.10. The Joint Commission will report to the United Nations Security Council at least every 6 months on the status of the Procurement Working Group's decisions and on any implementation issues.

**7. Working Group on Implementation of Sanctions Lifting**

- 7.1. The Joint Commission will discharge its responsibilities for reviewing and consulting on issues related to the implementation of sanctions lifting as specified in this JCPOA assisted by a working group on the implementation of sanctions lifting.
- 7.2. The Joint Commission participants will participate in this working group. The High Representative will serve as coordinator of this working group.
- 7.3. If at any time following the implementation day Iran believes that any other nuclear-related sanction or restrictive measure including related designations of the E3/EU+3 is preventing the full implementation of the sanctions lifting as specified in this JCPOA, the JCPOA participant in question will consult with Iran with a view to resolving the issue. If they are not able to resolve the issue, Iran or any member of the E3/EU+3 may refer the issue to the working group.
- 7.4. The participants of the working group will review and consult, with a view to resolving the issue within 30 working days.
- 7.5. If after involvement of the working group, the issue remains unresolved, any participant of the JCPOA may refer it to the Joint Commission.

## JCPOA Annex V - Implementation Plan<sup>1</sup>

1. This Annex describes the sequence of the actions specified in Annexes I and II to this JCPOA.
- A. Finalisation Day**
  2. Upon conclusion of the negotiations of this JCPOA, the E3/EU+3 (China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the High Representative of the European Union for Foreign Affairs and Security Policy) and Iran will endorse this JCPOA.
  3. Promptly after the conclusion of the negotiations of this JCPOA, the proposed UN Security Council resolution referred to in Section 18 of this Annex will be submitted to the UN Security Council for adoption without delay.
  4. The EU will promptly endorse the UN Security Council resolution referred to above through Council Conclusions.
  5. Iran and the IAEA will start developing necessary arrangements to implement all transparency measures provided for in this JCPOA so that such arrangements are completed, in place, and ready for implementation on Implementation Day.
- B. Adoption Day**
  6. Adoption Day will occur 90 days after the endorsement of this JCPOA by the UN Security Council through the resolution referred to above, or at an earlier date by mutual consent of all JCPOA participants, at which point this JCPOA comes into effect.
  7. Beginning on Adoption Day, JCPOA participants will make necessary arrangements and preparations, including legal and administrative preparations, for the implementation of their JCPOA commitments.
  8. Iran will officially inform the IAEA that, effective on Implementation Day, Iran will provisionally apply the Additional Protocol, pending its ratification by the Majlis (Parliament), and will fully implement the modified code 3.1.
  9. Iran will implement paragraph 66 from Section M on “Past and Present Issues of Concern” of Annex I.
  10. The EU and its Member States will adopt an EU Regulation, taking effect as of Implementation Day, terminating all provisions of the EU Regulation implementing all nuclear-related economic and financial EU sanctions as specified in Section 16.1 of this Annex, simultaneously with the IAEA-verified implementation by Iran of agreed nuclear-related measures.
  11. The United States, acting pursuant to Presidential authorities, will issue waivers, to take effect upon Implementation Day, ceasing the application of the statutory nuclear-related sanctions as specified in Sections 17.1 to 17.2 of this Annex. The President will also take action to direct that all appropriate

<sup>1</sup> This Annex is only for the purpose of determining the sequence of implementation of the commitments described in this JCPOA and annexes thereto and does not restrict or expand the scope of these commitments.

additional measures be taken to implement the cessation of application of sanctions as specified in Sections 17.1 to 17.4 of this Annex, including the termination of Executive orders as specified in Section 17.4, and the licensing of activities as specified in Section 17.5.

12. E3/EU+3 participants and Iran will begin discussions on an official document to be concluded in advance of Implementation Day which will express strong commitments of the E3/EU+3 participants to the Arak Heavy Water Reactor modernisation project and define the responsibilities assumed by the E3/EU+3 participants.
13. The EU, its Member States and the United States will begin consultation as appropriate with Iran regarding relevant guidelines and publicly accessible statements on the details of sanctions or restrictive measures to be lifted under this JCPOA.

**C. Implementation Day**

14. Implementation Day will occur upon the IAEA-verified implementation by Iran of the nuclear-related measures described in paragraph 15 below, and, simultaneously, the E3/EU+3 taking the actions described in paragraphs 16 and 17 below, and with the actions described in paragraph 18 below taking place at the UN level in accordance with the UN Security Council resolution.
15. **Iran will implement the nuclear-related measures as specified in Annex I:**
  - 15.1. Paragraphs 3 and 10 from Section B on “Arak Heavy Water Research Reactor”;
  - 15.2. Paragraphs 14 and 15 from Section C on “Heavy Water Production Plant”;
  - 15.3. Paragraphs 27, 28, 29, 29.1 and 29.2 from Section F on “Enrichment Capacity”;
  - 15.4. Paragraphs 32, 33, 34, 35, 36, 37, 38, 39, 40, 41 and 42 from Section G on “Centrifuges Research and Development”;
  - 15.5. Paragraphs 45, 46, 46.1, 46.2, 47.1, 48.1 from Section H on “Fordow Fuel Enrichment Plant”;
  - 15.6. Paragraphs 52, 54 and 55 from Section I on “Other Aspects of Enrichment”;
  - 15.7. Paragraphs 57 and 58 from Section J on “Uranium Stocks and Fuels”;
  - 15.8. Paragraph 62 from Section K on “Centrifuge Manufacturing”;
  - 15.9. Complete the modalities and facilities-specific arrangements to allow the IAEA to implement all transparency measures provided for in Annex I;
  - 15.10. Paragraphs 64 and 65 from Section L on “Additional Protocol and Modified Code 3.1”;
  - 15.11. Paragraphs 80.1 and 80.2 from Section R on “Centrifuge Component Manufacturing Transparency”; and
  - 15.12. Within one year from Implementation Day, Iran will have completed the measures specified in paragraphs 47.2 and 48.2 of Section H on “Fordow Fuel Enrichment Plant”.

**16. The European Union will:**

- 16.1. Terminate the provisions of Council Regulation (EU) No 267/2012 and suspend the corresponding provisions of Council Decision 2010/413/CFSP specified in Sections 1.1.1-1.1.3; 1.1.5-1.1.8; 1.2.1-1.2.5; 1.3.1, 1.3.2 (in so far as it concerns Articles 16 and 17 of Council Decision 2010/413/CFSP) and 1.3.3; 1.4.1 and 1.4.2; 1.10.1.2 (in so far as it concerns Articles 39, 43, 43a of Council Regulation (EU) No 267/2012) of Annex II. EU Member States will terminate or amend national implementing legislation as required.
- 16.2. Amend the provisions of Council Regulation (EU) No 267/2012 and the corresponding provisions of Council Decision 2010/413/CFSP specified in Sections 1.6.1-1.7.2 of Annex II, in connection with activities consistent with this JCPOA.
- 16.3. Remove individuals and entities set forth in Attachment 1 to Annex II of this JCPOA from Annexes VIII and IX to Council Regulation (EU) 267/2012. Suspend the provisions of Council Decision 2010/413/CFSP specified in Section 1.9.1 of Annex II in relation to individuals and entities set forth in Attachment 1 to Annex II.
- 16.4. Amend the provisions of Council Regulation (EU) No 267/2012 and Council Decision 2010/413/CFSP specified in Sections 1.5.1 and 1.5.2 of Annex II to implement the relevant provisions of the UN Security Council resolution referred to above.

**17. The United States will:<sup>2</sup>**

- 17.1. Cease the application of the sanctions set forth in Sections 4.1-4.5 and 4.7 of Annex II, with the exception of Section 211(a) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (TRA);
- 17.2. Cease the application of the sanctions set forth in Section 4.6 of Annex II, in connection with activities consistent with this JCPOA, including trade with individuals and entities set forth in Attachment 3 to Annex II;
- 17.3. Remove individuals and entities set forth in Attachment 3 to Annex II from the Specially Designated Nationals and Blocked Persons List (SDN List), the Foreign Sanctions Evaders List (FSE List), and/or the Non-SDN Iran Sanctions Act List as set forth in Section 4.8.1 of Annex II;
- 17.4. Terminate Executive Orders 13574, 13590, 13622, 13645 and Sections 5-7 and 15 of Executive Order 13628 as set forth in Section 4 of Annex II; and
- 17.5. License activities as set forth in Section 5 of Annex II.

**18. UN Security Council**

- 18.1. In accordance with the UN Security Council resolution endorsing this JCPOA, the provisions imposed in UN Security Council resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010) and 2224 (2015) will be terminated subject to re-imposition in the event of significant non-performance by Iran of JCPOA commitments, and specific

<sup>2</sup> The sanctions that the United States will cease to apply are those directed towards non-U.S. persons, as described in Section 4 of Annex II.

restrictions, including restrictions regarding the transfer of proliferation sensitive goods will apply.<sup>3</sup>

- 18.2. The E3/EU+3 will take appropriate measures to implement the new UNSC resolution.

**D. Transition Day**

19. Transition Day will occur 8 years from Adoption Day or upon a report from the Director General of the IAEA to the IAEA Board of Governors and in parallel to the UN Security Council stating that the IAEA has reached the Broader Conclusion that all nuclear material in Iran remains in peaceful activities, whichever is earlier.

**20. The European Union will:**

- 20.1. Terminate the provisions of Council Regulation (EU) No 267/2012 and suspend the corresponding provisions of Council Decision 2010/413/CFSP specified in Sections 1.1.4, 1.3.2 (in so far as it concerns Articles 15 and 18 of Council Decision and Articles 36 and 37 of Council Regulation); 1.5.1 and 1.5.2 (in so far as it concerns Ballistic Missiles restrictions); 1.6.1-1.9.1 of Annex II.
- 20.2. Remove individuals and entities set forth in Attachment 2 to Annex II from Annexes VIII and IX to Council Regulation (EU) 267/2012.
- 20.3. Remove individuals and entities set forth in Attachment 1 to Annex II from Annexes I and II to Council Decision 2010/413/CFSP.
- 20.4. Terminate all provisions in Council Decision 2010/413/CFSP suspended on Implementation Day.

**21. The United States will:**

- 21.1. Seek such legislative action as may be appropriate to terminate, or modify to effectuate the termination of, the statutory sanctions set forth in Sections 4.1-4.5, 4.7 and 4.9 of Annex II;
- 21.2. Seek such legislative action as may be appropriate to terminate, or modify to effectuate the termination of, the statutory sanctions described in Section 4.6 of Annex II, in connection with activities consistent with this JCPOA, including trade with individuals and entities set forth in Attachments 3 and 4 to Annex II, and
- 21.3. Remove individuals and entities set out in Attachment 4 to Annex II from the SDN List and/or the FSE List as set forth in Section 4.8.1 of Annex II.

**22. Iran will:**

- 22.1. Seek, consistent with the Constitutional roles of the President and Parliament, ratification of the Additional Protocol.

**E. UNSCR Termination Day**

23. UNSCR (UN Security Council resolution) Termination Day will occur in accordance with the terms of the UN Security Council resolution endorsing

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<sup>3</sup> The provisions of this Resolution do not constitute provisions of this JCPOA.

the JCPOA, which is 10 years from Adoption Day, provided that the provisions of previous resolutions have not been reinstated.

24. On UNSCR Termination Day, the provisions and measures imposed in that resolution would terminate and the UN Security Council would no longer be seized of the Iran nuclear issue.
25. **The European Union will:**
  - 25.1. Terminate all remaining provisions of Council Regulation (EU) No 267/2012 and Council Decision 2010/413/CFSP.

**F. Other**

26. The terminations described in this Annex V are without prejudice to other JCPOA commitments that would continue beyond such termination dates.



## Annex B: Statement

### Statement

China, France, Germany, the Russian Federation, the United Kingdom, the United States, and the European Union have concluded with Iran a Joint Comprehensive Plan of Action (JCPOA) to reach a comprehensive, long-term and proper solution to the Iranian nuclear issue. To improve transparency and create an atmosphere conducive to the full implementation of the JCPOA, China, France, Germany, the Russian Federation, the United Kingdom, the United States, and the European Union have set forth below certain provisions. Their participation in the JCPOA is contingent upon the United Nations Security Council adopting a new resolution that would, acting under Article 41 of the UN Charter: terminate resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010), and 2224 (2015); require States to comply with the provisions in this statement for their respective durations; and facilitate, in cooperation with the Joint Commission established in the JCPOA, implementation of the JCPOA as provided in paragraphs 2 and 6(a) below.

As provided by a resolution so deciding, the following provisions would apply on the date on which the IAEA Director General submits a report verifying that Iran has taken the actions specified in paragraph 15.1-15.11 of Annex V of the JCPOA:

1. The term “all States” as used in this document, and as incorporated in the resolution, means “all States without exception.”
2. All States may participate in and permit the following activities provided that approval is provided in advance, on a case-by-case basis, by the Security Council:
  - (a) the supply, sale or transfer directly or indirectly from their territories, or by their nationals or using their flag vessels or aircraft to, or for the use in or benefit of, Iran, and whether or not originating in their territories, of all items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.12/Part 1 and INFCIRC/254/Rev.9/Part 2 (or the most recent versions of these documents, as updated by the Security Council), as well as any further items if the State determines that they could contribute to reprocessing or enrichment-related or heavy water-related activities inconsistent with the JCPOA;
  - (b) the provision to Iran of any technical assistance or training, financial assistance, investment, brokering or other services, and the transfer of financial resources or services, related to the supply, sale, transfer, manufacture or use of the items, materials, equipment, goods and technology described in subparagraph (a) above; and
  - (c) acquisition by Iran of an interest in a commercial activity in another State involving uranium mining or production or use of nuclear materials and technology as listed in INFCIRC/254/Rev.12/Part 1, and such investment in territories under their jurisdiction by Iran, its nationals, and entities incorporated in Iran or subject to its jurisdiction, or by individuals or entities acting on their behalf or at their direction, or by entities owned or controlled by them,

*except that* approval in advance by the Security Council shall not be required for the supply, sale, or transfer to Iran of equipment covered by B.1 of INFCIRC/254/Rev.12/Part 1 when such equipment is for light water reactors, low-enriched uranium covered by A.1.2 of INFCIRC/254/Rev.12/Part 1 when it is incorporated in assembled nuclear fuel elements for such reactors, as well as items, materials, equipment, goods and technology set out in INFCIRC/254/Rev. 9/Part 2 only when for exclusive use in light water reactors.

For any items, materials, equipment, goods and technology that are approved by the Security Council pursuant to subparagraph (a) above, or are supplied, sold, or transferred subject to the exception stated above, States are to ensure that: (a) the requirements, as appropriate, of the Guidelines as set out in the referenced INFCIRC have been met; (b) they have obtained and are in a position to exercise effectively a right to verify the end-use and end-use location of any supplied item; (c) they notify the Security Council within ten days of the supply, sale or transfer; and (d) in the case of supplied items, materials, equipment, goods and technology listed in the referenced INFCIRCs, they also notify the IAEA within ten days of the supply, sale or transfer.

*And except also* that approval in advance by the Security Council is not required for the supply, sale, or transfer of items, materials, equipment, goods and technology, and the provision of any related technical assistance, training, financial assistance, investment, brokering or other services, that is directly related to the necessary modification of two cascades at the Fordow facility for stable isotope production, the export of Iran's enriched uranium in excess of 300 kilograms in return for natural uranium, and the modernization of the Arak reactor based on the agreed conceptual design and, subsequently, on the agreed final design of such reactor, provided that Member States ensure that: (a) all such activities are undertaken strictly in accordance with the JCPOA; (b) they notify the Security Council and Joint Commission ten days in advance of such activities; (c) the requirements, as appropriate, of the Guidelines as set out in the referenced INFCIRC have been met; (d) they have obtained and are in a position to exercise effectively a right to verify the end-use and end-use location of any supplied item; and (e) in case of supplied items, materials, equipment, goods and technology listed in the referenced INFCIRCs, they also notify the IAEA within ten days of the supply, sale or transfers.

This paragraph shall apply until the date ten years after JCPOA Adoption Day, as defined in the JCPOA, except if the IAEA submits a report confirming the Broader Conclusion before that date, then the requirement to obtain approval in advance by the Security Council shall be suspended immediately and, beginning on the date of this suspension, the exceptions provided for in this paragraph shall continue to apply and all States may participate in and permit the activities set forth in this paragraph if they notify the Security Council and the Joint Commission at least ten working days in advance of each such activity on a case-by-case basis.

3. Iran is called upon not to undertake any activity related to ballistic missiles designed to be capable of delivering nuclear weapons, including launches using such ballistic missile technology, until the date eight years after the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier.

4. All States may participate in and permit the activities described below *provided* that the Security Council decides in advance on a case-by-case basis to permit such activity:
  - (a) the supply, sale or transfer directly or indirectly from their territories, or by their nationals or using their flag vessels or aircraft to or from Iran, or for the use in or benefit of Iran, and whether or not originating in their territories, of all items, materials, equipment, goods and technology set out in S/2015/546 and of any items, materials, equipment, goods and technology that the State determines could contribute to the development of nuclear weapon delivery systems; and
  - (b) the provision to Iran of any technology or technical assistance or training, financial assistance, investment, brokering or other services, and the transfer of financial resources or services, or Iran's acquisition of an interest in any commercial activity in another State, related to the supply, sale, transfer, manufacture or use of the items, materials, equipment, goods and technology described in subparagraph a of this paragraph or related to the activities described in paragraph 3.

*provided* that in the event of an approval by the Security Council: (a) the contract for delivery of such items or assistance include appropriate end-user guarantees; and (b) Iran commit not to use such items for development of nuclear weapon delivery systems.

This paragraph shall apply until the date eight years after the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier.

5. All States may participate in and permit, *provided* that the Security Council decides in advance on a case-by-case basis to approve: the supply, sale or transfer directly or indirectly from or through their territories, or by their nationals or individuals subject to their jurisdiction, or using their flag vessels or aircraft, and whether or not originating in their territories, to Iran, or for the use in or benefit of Iran, of any battle tanks, armoured combat vehicles, large caliber artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems, as defined for the purpose of the United Nations Register of Conventional Arms, or related materiel, including spare parts, and the provision to Iran by their nationals or from or through their territories of technical training, financial resources or services, advice, other services or assistance related to the supply, sale, transfer, manufacture, maintenance, or use of arms and related materiel described in this subparagraph.

This paragraph shall apply until the date five years after the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier.

6. All States are to:
  - (a) Take the necessary measures to ensure that any activities described in paragraphs 2, 4, and 5 occur on their territories, or involving their nationals or individuals subject to their jurisdiction, or involving their flag vessels or aircraft, only pursuant to the relevant terms of those paragraphs, and also to prevent and prohibit any activities inconsistent

with these provisions, until the date ten years after the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier;

- (b) Take the necessary measures to prevent, except as decided otherwise by the UN Security Council in advance on a case-by-case basis, the supply, sale, or transfer of arms or related materiel from Iran by their nationals or using their flag vessels or aircraft, and whether or not originating in the territory of Iran, until the date five years after the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier;
- (c) For eight years after the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier, continue to freeze the funds, other financial assets and economic resources which are on their territories at the date of adoption of the JCPOA, and freeze the funds, other financial assets and economic resources which are on their territories at any time thereafter, that are owned or controlled by the individuals and entities that were specified on the list established and maintained by the Committee pursuant to resolution 1737 (2006) as of the date of adoption of the new resolution, with the exception of those individuals and entities specified in Attachment hereto, or that may be de-listed by the Security Council, and freeze those of additional individuals and entities that may be designated by the Security Council as: having engaged in, directly associated with or provided support for Iran's proliferation-sensitive nuclear activities undertaken contrary to Iran's commitments in the JCPOA or the development of nuclear weapon delivery systems, including through the involvement in procurement of prohibited items, goods, equipment, materials and technology specified in this statement; having assisted designated individuals or entities in evading or acting inconsistently with the JCPOA or the new resolution; having acted on behalf or at the direction of designated individuals or entities; or having been owned or controlled by designated individuals or entities, including through illicit means.
- (d) For eight years from the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier, ensure that any funds, financial assets or economic resources are prevented from being made available by their nationals or by any individuals or entities within their territories, to or for the benefit of designated individuals or entities. These requirements shall not apply to funds, other financial assets or economic resources that have been determined by relevant States:
  - i. To be necessary for basic expenses, including payment for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges or exclusively for payment of reasonable professional fees and reimbursement of incurred expenses associated with the provision of legal services, or fees or service charges, in accordance with national laws, for routine holding or maintenance of frozen funds,

other financial assets and economic resources, after notification by the relevant States to the Security Council of the intention to authorize, where appropriate, access to such funds, other financial assets or economic resources and in the absence of a negative decision by the Security Council within five working days of such notification;

- ii. To be necessary for extraordinary expenses, provided that such determination has been notified by the relevant States to the Security Council and has been approved by the Security Council;
- iii. To be necessary for the civil nuclear cooperation projects described in Annex III of the JCPOA, provided that such determination has been notified by the relevant States to the Security Council and has been approved by the Security Council;
- iv. To be the subject of a judicial, administrative or arbitral lien or judgment, in which case the funds, other financial assets and economic resources may be used to satisfy that lien or judgment provided that the lien or judgment was entered into prior to the date of Security Council resolution 1737 (2006), is not for the benefit of a person or entity subject to the measures in this paragraph, and has been notified by the relevant States to the Security Council; or
- v. To be necessary for activities directly related to the items specified in paragraph 2, or to any other activity required for the implementation of the JCPOA, provided that such determination has been notified by the relevant States to the Security Council and has been approved by the Security Council.

In addition, this provision shall not prevent a designated individual or entity from making payment due under a contract entered into prior to the listing of such individual or entity, provided that the relevant States have determined that the contract is not related to any of the prohibited items, materials, equipment, goods, technologies, assistance, training, financial assistance, investment, brokering or services referred to in this statement; the payment is not directly or indirectly received by an individual or entity subject to the measures in this paragraph; and after notification by the relevant States to the Security Council of the intention to make or receive such payments or to authorize, where appropriate, the unfreezing of funds, other financial assets or economic resources for this purpose, ten working days prior to such authorization.

In addition, States may permit the addition to the accounts frozen pursuant to this paragraph of interest or other earnings due on those accounts or payments due under contracts, agreements or obligations that arose prior to the date on which those accounts were frozen, provided that such interest, other earnings and payments continue to be subject to these measures and are frozen;

- (e) For five years from the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier, take the necessary measures to prevent the entry into or transit through their territories of individuals described in paragraphs 6(c) above, although underlining that nothing in this paragraph shall oblige a State to refuse its own nationals entry into its territory. The measures imposed in this paragraph shall not apply when the Security Council determines on a case-by-case basis that such travel is justified on the grounds of humanitarian need, including religious obligations, or where the Security Council concludes that an exemption would otherwise further the objectives of the new resolution, including where Article XV of the IAEA statute is engaged;
- (f) Take the required actions, in accordance with the resolution and guidance provided by the Security Council, with respect to items the supply, sale, transfer, or export of which is being undertaken contrary to the provisions contained in the JCPOA or this statement, and cooperate in such efforts.
7. All States are called upon to facilitate full implementation of the JCPOA by inspecting, in accordance with their national authorities and legislation and consistent with international law, in particular the law of the sea and relevant international civil aviation agreements, all cargo to and from Iran, in their territory, including seaports and airports, if the State concerned has information that provides reasonable grounds to believe that the cargo contains items the supply, sale, transfer, or export of which is being undertaken contrary to the provisions contained in the JCPOA or this statement; and are called upon also to cooperate in inspections on the high seas with the consent of the flag State, if there is information that provides reasonable grounds to believe the vessel is carrying items the supply, sale, transfer or export of which is being undertaken contrary to the provisions contained in the JCPOA or this statement.

China, France, Germany, the Russian Federation, the United Kingdom, the United States and the European Union note their understanding that, upon adoption of a resolution endorsing the JCPOA, the Security Council would make the practical arrangements to undertake directly the tasks specified in this statement, including to monitor and take action to support the implementation by Member States of these provisions, review proposals described in paragraph 2 of this statement, answer inquiries from Member States, provide guidance, and examine information regarding alleged actions inconsistent with the resolution. Furthermore, these states propose that the Security Council ask the Secretary-General to report to the Security Council on the implementation of these provisions every six months.

The duration of the provisions in this statement may be reviewed by the Joint Commission at the request of any participant at its biannual ministerial-level meetings, at which time the Joint Commission could make recommendations by consensus to the Security Council.

ATTACHMENT

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8. BEHZAD, Morteza
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11. HOSSEINI, Seyyed Hussein
12. IRANO HIND SHIPPING COMPANY
13. IRISL BENELUX NV
14. JABBER IBN HAYAN
15. KARAJ NUCLEAR RESEARCH CENTRE
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17. LEILABADI, Ali Hajinia
18. MESBAH ENERGY COMPANY
19. MODERN INDUSTRIES TECHNIQUE COMPANY
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21. MOHAMMADI, Jafar
22. MONAJEMI, Ehsan
23. NOBARI, Houshang
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36. TAMAS COMPANY

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**Annex 11**

**IAEA, Report by the Director General, “Verification and Monitoring in the Islamic Republic of Iran in light of United Nations Security Council Resolution 2231 (2015), 16 January 2016, GOV/INF/2016/1**

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## Board of Governors

GOV/INF/2016/1

Date: 16 January 2016

Original: English

**For official use only**

# Verification and Monitoring in the Islamic Republic of Iran in light of United Nations Security Council Resolution 2231 (2015)

*Report by the Director General*

1. The Board of Governors has authorized the Director General to implement the necessary verification and monitoring of the Islamic Republic of Iran's (Iran's) nuclear-related commitments as set out in the Joint Comprehensive Plan of Action (JCPOA), and report accordingly, for the full duration of those commitments in light of United Nations Security Council (Security Council) resolution 2231 (2015).<sup>1</sup>
2. This report to the Board of Governors and in parallel to the Security Council is to confirm that the Agency has verified that Iran has taken the actions specified in paragraphs 15.1–15.11 of Annex V of the JCPOA.<sup>2</sup>
3. The Agency has verified and confirms that, as of 16 January 2016, Iran:  
**Arak Heavy Water Research Reactor (15.1)<sup>3</sup>**
  - i. was not pursuing the construction of the existing IR-40 Reactor (Arak Heavy Water Research Reactor) based on its original design (JCPOA, Annex I –Nuclear-related measures, para.3);
  - ii. had removed the existing calandria from the IR-40 Reactor (para.3);
  - iii. had rendered the calandria inoperable by filling the openings in it with concrete, such that the Agency was able to verify that the calandria is not usable for a future nuclear application (para. 3);
  - iv. was not producing or testing natural uranium pellets, fuel pins or fuel assemblies specifically designed for the support of the IR-40 Reactor as originally designed (para. 10);

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<sup>1</sup>GOV/2015/53.

<sup>2</sup> Security Council Resolution 2231 (2015), para. 5.

<sup>3</sup> This numbering corresponds to the paragraphs of Annex V of the JCPOA.

- v. had stored under continuous Agency monitoring all existing natural uranium pellets and fuel assemblies for the IR-40 Reactor (para. 10);
- vi. had modified the fuel production process line at the Fuel Manufacturing Plant at Esfahan such that it cannot be used for the fabrication of fuel for the IR-40 Reactor as originally designed (para. 10);

### **Heavy Water Production Plant (15.2)**

- i. had no more than 130 metric tonnes of nuclear grade heavy water or its equivalent in different enrichments (para. 14);
- ii. had informed the Agency about the inventory and the production of the Heavy Water Production Plant (HWPP) and was allowing the Agency to monitor the quantities of Iran's heavy water stocks and the amount of heavy water produced at the HWPP (para. 15);

### **Enrichment Capacity (15.3)**

- i. had no more than 5060 IR-1 centrifuges installed at the Fuel Enrichment Plant (FEP) at Natanz in no more than 30 of the cascades in the configurations of the operating units at the time the JCPOA was agreed (para. 27);
- ii. was not enriching uranium above 3.67% U-235 (para. 28) at any of its declared nuclear facilities;<sup>4</sup>
- iii. had removed and stored in Hall B of FEP, under Agency continuous monitoring, all excess centrifuges and infrastructure not associated with the 5060 IR-1 centrifuges in FEP (para. 29), including all IR-2m centrifuges (para. 29.1), UF<sub>6</sub> pipework, and UF<sub>6</sub> withdrawal equipment from one of the withdrawal stations that was not in service at the time the JCPOA was agreed (para. 29.2);

### **Centrifuge Research and Development (15.4)**

- i. was not accumulating enriched uranium through its enrichment research and development (R&D) activities and its enrichment R&D with uranium was not being conducted using centrifuges other than IR-4, IR-5, IR-6 and IR-8 centrifuges (para. 32);
- ii. was not conducting mechanical testing on more than two single centrifuges of type IR-2m, IR-4, IR-5, IR-6, IR-6s, IR-7 and IR-8 (para. 32);
- iii. was not building or testing, with or without uranium, types of centrifuge other than those specified in the JCPOA (para. 32);
- iv. had removed all of the centrifuges from the 164-machine IR-2m cascade and the 164-machine IR-4 cascade at PFEP and placed them in storage in Hall B of FEP in Natanz under Agency continuous monitoring (paras 33 and 34);
- v. was testing centrifuges installed at PFEP within the limits set out in the JCPOA i.e. a single IR-4 machine (para. 35), a 10-machine IR-4 cascade (para. 35), a single IR-5 machine (para. 36), a single IR-6 machine and its intermediate cascades (para. 37);
- vi. had yet to start testing its single IR-8 centrifuge (para. 38);

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<sup>4</sup> As of 16 January 2016, Iran was not enriching UF<sub>6</sub> at FEP.

- vii. had recombined the streams from the R&D cascades at PFEP through the use of welded pipework in a manner that precludes the withdrawal of the enriched and depleted uranium material produced (para. 39);
- viii. was, in relation to its declared nuclear facilities, testing centrifuges using uranium only at PFEP and conducting all mechanical testing of centrifuges only at PFEP and the Tehran Research Centre (para. 40);
- ix. had removed to Hall B of FEP in Natanz under Agency continuous monitoring all centrifuges at PFEP, except those needed for testing as described in the relevant paragraphs above, and those in Cascade 1 at PFEP; had rendered inoperable Cascade 1 by, inter alia, removing the rotors, injecting epoxy resin into the pipework and removing the electrical systems (para. 41);
- x. had stored all the IR-1 centrifuges previously installed in Cascade 6 at PFEP, and their associated infrastructure, in Hall B of FEP in Natanz under Agency continuous monitoring (para. 41); and was keeping the space in this line empty for R&D (para. 41);
- xi. was maintaining the cascade infrastructure for testing single centrifuges and small and intermediate cascades in two R&D lines (nos. 2 and 3); and had adapted two other R&D lines (nos. 4 and 5) through the requisite removal of existing infrastructure (para. 42);

#### **Fordow Fuel Enrichment Plant (15.5)**

- i. was not conducting any uranium enrichment or related R&D at the Fordow Fuel Enrichment Plant (FFEP) (para. 45);
- ii. had removed all nuclear material from FFEP (para. 45);
- iii. was maintaining no more than 1044 IR-1 centrifuges at FFEP, which were all in one wing (para. 46);
- iv. had modified for the production of stable isotopes two of the cascades at FFEP that had never experienced UF<sub>6</sub> by removing the connection to the UF<sub>6</sub> feed main header; and had moved cascade UF<sub>6</sub> pipework to storage in Fordow under continuous Agency monitoring (para. 46.1);
- v. was maintaining two cascades in an idle state and two cascades spinning, and had removed pipework that enables crossover tandem connections for these four cascades (para. 46.2);
- vi. had removed from the aforementioned wing two other cascades by removing the IR-1 centrifuges and associated cascade UF<sub>6</sub> pipework (para. 47.1);
- vii. had removed from the other wing of FFEP all IR-1 centrifuges and related uranium enrichment infrastructure, including pipework, and feed and withdrawal stations (para. 48.1);

#### **Other Aspects of Enrichment (15.6)**

- i. had provided the Agency with Iran's long-term enrichment and R&D enrichment plan which is to be part of Iran's initial declaration described in Article 2 of the Additional Protocol (para. 52);
- ii. had provided the Agency with a template for describing different centrifuge types (IR-1, IR-2m, IR-4, IR-5, IR-6, IR-6s, IR-7, IR-8) and associated definitions that have been agreed with JCPOA participants (para. 54);

- iii. had agreed with the JCPOA participants a procedure for measuring IR-1, IR-2m and IR-4 centrifuge performance data (para. 55);

#### **Uranium Stocks and Fuels (15.7)**

- i. had a stockpile of no more than 300 kg of UF<sub>6</sub> enriched up to 3.67% U-235 (or the equivalent in different chemical forms), as a result of either downblending to natural uranium, or sale and delivery out of Iran (para. 57);
- ii. had fabricated into fuel plates for the Tehran Research Reactor,<sup>5</sup> transferred out of Iran or diluted to an enrichment level of 3.67% U-235 or less, all uranium oxide enriched to between 5% and 20% U-235 (para. 58);

#### **Centrifuge Manufacturing (15.8)**

- i. was not producing IR-1 centrifuges to replace damaged or failed machines, as its stock of such centrifuges was in excess of 500 (para. 62);

#### **Transparency Measures (15.9)**

- i. had completed the modalities and facility-specific arrangements to allow the Agency to implement all transparency measures provided for in Annex I of the JCPOA (see para. 4 below);

#### **Additional Protocol and Modified Code 3.1 (15.10)**

- i. had notified the Agency pursuant to paragraph 64, Section L of Annex I of the JCPOA that, effective on Implementation Day, Iran will provisionally apply the Additional Protocol to its Safeguards Agreement in accordance with Article 17(b) of the Additional Protocol (para. 64);
- ii. had notified the Agency pursuant to paragraph 65, Section L of Annex I of the JCPOA that, effective on Implementation Day, Iran will fully implement the modified Code 3.1 of the Subsidiary Arrangements to Iran's Safeguards Agreement as long as the Safeguards Agreement remains in force (para. 65);

#### **Centrifuge Component Manufacturing Transparency (15.11)**

- i. had provided to the Agency an initial inventory of all existing centrifuge rotor tubes and bellows and permitted the Agency to verify this inventory by item counting and numbering, and through containment and surveillance (para. 80.1); and
  - ii. had declared to the Agency all locations and equipment that are used for the production of centrifuge rotor tubes or bellows and permitted the Agency to implement continuous monitoring of this equipment (para. 80.2).
4. In addition, the Agency also confirms that, as of 16 January 2016, Iran:

#### ***Modern Technologies and Long-Term Presence of the Agency***

- a) had permitted the Agency to use on-line enrichment measurement devices and electronic seals which communicate their status within nuclear sites to Agency inspectors (para. 67.1);

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<sup>5</sup> As of 16 January 2016, all fuel assemblies and fuel plates fabricated for use in the Tehran Research Reactor had been irradiated.

- b) had facilitated the automated collection of Agency measurement recordings registered by installed measurement devices (para. 67.1);
- c) had made the necessary arrangements to allow for a long-term Agency presence, including issuing long-term visas, as well as by providing proper working space for the Agency at nuclear sites and, with best efforts, at locations near nuclear sites in Iran (para. 67.2);

*Transparency Related to Uranium Ore Concentrate*

- a) had permitted the Agency to monitor through measures agreed with Iran, including containment and surveillance, that all uranium ore concentrate (UOC) produced in Iran or obtained from any other source is transferred to the Uranium Conversion Facility in Esfahan (para. 68);
- b) had provided the Agency with all information necessary to enable the Agency to verify the production of UOC and the inventory of UOC produced in Iran or obtained from any other source (para. 69); and

*Transparency Related to Enrichment*

- a) had permitted the Agency to have regular access to relevant buildings at Natanz, including all of FEP and PFEP, and daily access upon request (para. 71).



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**Annex 12**

**EU, Statement by the Joint Commission of the Joint Comprehensive Plan of Action,  
6 July 2018**

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Vienna, 6 July 2018  
06/07/2018 -13:56  
Joint Statements

## **Statement from the Joint Commission of the Joint Comprehensive Plan of Action**

1. Upon the request of the Islamic Republic of Iran, a meeting of the Joint Commission of the Joint Comprehensive Plan of Action (JCPOA) was held on 6 July in Vienna at ministerial level. The Joint Commission met to discuss the way forward to ensure the continued implementation of the nuclear deal in all its aspects and review unresolved issues arising from the unilateral withdrawal of the United States from the agreement and the announced re-imposition of sanctions lifted under the JCPOA and its Annex II, which they deeply regret.

2. The Joint Commission is responsible for overseeing the implementation of the JCPOA.

3. The Joint Commission was chaired by EU High Representative Federica Mogherini and was attended by Foreign Minister and State Councillor of the People's Republic of China Wang Yi, Minister of Europe and Foreign Affairs of the French Republic Jean-Yves Le Drian, Minister of Foreign Affairs of the Federal Republic of Germany Heiko Maas, Minister of Foreign Affairs of the Russian Federation Sergey Lavrov, Minister of State for the Middle East at the Foreign and Commonwealth Office of the United Kingdom Alistair Burt, as well as Minister of Foreign Affairs of the Islamic Republic of Iran Mohammad Javad Zarif.

4. The participants in the JCPOA reconfirmed their commitment to the full and effective implementation of the nuclear deal. They recalled that the JCPOA is a key element of the global non-proliferation architecture and a significant achievement of multilateral diplomacy endorsed unanimously by the UN Security Council through Resolution 2231. The participants welcomed the 11th report by the International Atomic Energy Agency of 24 May confirming that Iran is abiding by its nuclear-related commitments.

5. All participants reiterated the need to continue the full and effective implementation of all nuclear related commitments. They welcomed steady progress made on the modernisation of the Arak research reactor and took note with satisfaction that the United Kingdom will take over the function of co-chair of the Arak Working Group. Participants will continue to support the modernisation of the Arak research reactor as part of the JCPOA and the conversion of the Fordow facility in a nuclear, physics and technology centre. Participants also welcomed the significant projects in the area of civil nuclear co-operation carried out on the basis of Annex III of the JCPOA.

6. The participants recognised that, in return for the implementation by Iran of its nuclear-related commitments, the lifting of sanctions, including the economic dividends arising from it, constitutes an essential part of the JCPOA. They also noted that economic operators pursuing legitimate business with Iran have been acting in good faith based on the commitments contained in the JCPOA and endorsed at the highest level by the UN Security Council.

7. The participants discussed their recent efforts aimed at providing practical solutions in order to maintain the normalisation of trade and economic relations with Iran. They welcomed the extensive work undertaken to-date, the intensification of technical dialogues and the mobilisation of considerable resources by all.

8. The participants affirmed their commitment regarding the following objectives in good faith and in a constructive atmosphere:

- the maintenance and promotion of wider economic and sectoral relations with Iran;
- the preservation and maintenance of effective financial channels with Iran;
- the continuation of Iran's export of oil and gas condensate, petroleum products and petrochemicals;
- the continuation of sea (including shipping and insurance), land, air and rail transportation relations;
- the promotion of export credit cover;
- clear and effective support for economic operators trading with Iran, particularly small and medium sized enterprises which are the backbone of many economies;
- the encouragement of further investments in Iran;
- the protection of economic operators for their investment and other commercial and financial activities in or in relation to Iran;
- the bringing together of private and public sector experts, including through the promotion of Business Councils;
- the practical support for trade with and investment in Iran;
- the protection of companies from the extraterritorial effects of US sanctions.

The participants noted that the EU is in the process of updating the EU "Blocking Statute" in order to protect EU Member States' companies and of updating the European Investment Bank's external lending mandate to cover Iran.

The participants will work on the above issues through direct bilateral efforts and through engagement with international partners in order to encourage them to follow the same policies and to establish similar mechanisms in their economic relations with Iran.

9. The participants recalled that these initiatives are aimed at preserving the nuclear deal which is in the security interest of all.

10. Participants agreed to keep progress under close review and to reconvene the Joint Commission, including at Ministerial level, as appropriate in order to advance common efforts. The participants

stressed their determination to effectively develop and implement practical solutions concerning the above.

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**Annex 13**

**IAEA, Report by the Director General, “Verification and monitoring in the Islamic Republic of Iran in light of United Nations Security Council resolution 2231 (2015)”,  
12 November 2018, GOV/2018/47**

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**IAEA**  
Atoms for Peace and Development

**Derestricted 22 November 2018**

*(This document has been derestricted at the meeting of the Board on 22 November 2018)*

## Board of Governors

**GOV/2018/47**

Date: 12 November 2018

Original: English

### **For official use only**

Item 4 of the provisional agenda  
(GOV/2018/46)

# Verification and monitoring in the Islamic Republic of Iran in light of United Nations Security Council resolution 2231 (2015)

*Report by the Director General*

## **A. Introduction**

1. This report of the Director General to the Board of Governors and, in parallel, to the United Nations Security Council (Security Council), is on the Islamic Republic of Iran's (Iran's) implementation of its nuclear-related commitments under the Joint Comprehensive Plan of Action (JCPOA) and on matters related to verification and monitoring in Iran in light of Security Council resolution 2231 (2015). It also provides information on financial matters, and the Agency's consultations and exchanges of information with the Joint Commission, established by the JCPOA.

## **B. Background**

2. On 14 July 2015, China, France, Germany, the Russian Federation, the United Kingdom, the United States of America,<sup>1</sup> with the High Representative of the European Union for Foreign Affairs and Security Policy (E3/EU+3) and Iran agreed on the JCPOA. On 20 July 2015, the Security Council adopted resolution 2231 (2015), in which, inter alia, it requested the Director General to "undertake the necessary verification and monitoring of Iran's nuclear-related commitments for the full duration of those commitments under the JCPOA" (GOV/2015/53 and Corr. 1, para 8). In August 2015, the Board of Governors authorized the Director General to implement the necessary verification and monitoring of Iran's nuclear-related commitments as set out in the JCPOA, and report accordingly, for the full

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<sup>1</sup> On 8 May 2018, the President of the United States of America, Donald Trump, announced that the "United States will withdraw from the Iran nuclear deal", 'Remarks by President Trump on the Joint Comprehensive Plan of Action', at: <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-joint-comprehensive-plan-action/>.



duration of those commitments in light of Security Council resolution 2231 (2015), subject to the availability of funds and consistent with the Agency's standard safeguards practices. The Board of Governors also authorized the Agency to consult and exchange information with the Joint Commission, as set out in GOV/2015/53 and Corr. 1.

3. In December 2016 and January 2017, the Director General shared with Member States nine documents,<sup>2</sup> developed and endorsed by all participants of the Joint Commission, providing clarifications for the implementation of Iran's nuclear-related measures as set out in the JCPOA for its duration.<sup>3</sup>

4. The estimated cost to the Agency for the implementation of Iran's Additional Protocol and for verifying and monitoring Iran's nuclear-related commitments as set out in the JCPOA is €9.2 million per annum. For 2018, extrabudgetary funding is necessary for €5.1 million of the €9.2 million.<sup>4</sup> As of 12 November 2018, €8.2 million of extrabudgetary funding was available to meet the cost of JCPOA-related activities for 2018 and beyond.

## C. JCPOA Verification and Monitoring Activities

5. Since 16 January 2016 (JCPOA Implementation Day), the Agency has verified and monitored Iran's implementation of its nuclear-related commitments in accordance with the modalities set out in the JCPOA,<sup>5</sup> consistent with the Agency's standard safeguards practices, and in an impartial and objective manner.<sup>6,7</sup> The Agency reports the following for the period since the issuance of the Director General's previous quarterly report.<sup>8</sup>

### C.1. Activities Related to Heavy Water and Reprocessing

6. Iran has not pursued the construction of the Arak heavy water research reactor (IR-40 Reactor) based on its original design.<sup>9,10</sup> Iran has not produced or tested natural uranium pellets, fuel pins or fuel assemblies specifically designed for the support of the IR-40 Reactor as originally designed, and all existing natural uranium pellets and fuel assemblies have remained in storage under continuous Agency monitoring (paras 3 and 10).<sup>11</sup>

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<sup>2</sup> Reproduced in INFCIRC/907 and INFCIRC/907/Add1.

<sup>3</sup> GOV/2017/10, para. 3.

<sup>4</sup> The cost of the provisional application of Iran's Additional Protocol (€3.0 million) and €1.1 million of the €2.2 million for the inspector costs related to the verification and monitoring of Iran's nuclear-related commitments as set out in the JCPOA are being met from the regular budget (GC(60)/2).

<sup>5</sup> Including the clarifications referred to in para. 3 of this report.

<sup>6</sup> GOV/2016/8, para. 6.

<sup>7</sup> Note by the Secretariat, 2016/Note 5.

<sup>8</sup> GOV/2018/24.

<sup>9</sup> The calandria was removed from the reactor and rendered inoperable during preparation for Implementation Day and has been retained in Iran (GOV/INF/2016/1, Arak heavy water research reactor, paras 3(ii) and 3(iii)).

<sup>10</sup> As indicated previously (GOV/2017/24, footnote 10), Iran has changed the name of the facility to the Khondab Heavy Water Research Reactor.

<sup>11</sup> The paragraph references in parentheses throughout Sections C and D of this report correspond to the paragraphs of 'Annex I – Nuclear-related measures' of the JCPOA.

7. Iran has continued to inform the Agency about the inventory of heavy water in Iran and the production of heavy water at the Heavy Water Production Plant (HWPP)<sup>12</sup> and allowed the Agency to monitor the quantities of Iran's heavy water stocks and the amount of heavy water produced at the HWPP (para. 15). On 3 November 2018, the Agency verified that the plant was in operation and that Iran's stock of heavy water was 122.8 metric tonnes.<sup>13</sup> Throughout the reporting period, Iran had no more than 130 metric tonnes of heavy water (para. 14).

8. Iran has not carried out activities related to reprocessing at the Tehran Research Reactor (TRR) and the Molybdenum, Iodine and Xenon Radioisotope Production (MIX) Facility or at any of the other facilities it has declared to the Agency (paras 18 and 21).<sup>14</sup>

## C.2. Activities Related to Enrichment and Fuel

9. At the Fuel Enrichment Plant (FEP) at Natanz, there have been no more than 5060 IR-1 centrifuges installed in 30 cascades, which remain in the configurations in the operating units at the time the JCPOA was agreed (para. 27). Iran has withdrawn 33 IR-1 centrifuges from those held in storage<sup>15</sup> for the replacement of damaged or failed IR-1 centrifuges installed at FEP (para. 29.1).

10. Iran has continued the enrichment of UF<sub>6</sub> at FEP.<sup>16</sup> Iran has not enriched uranium above 3.67% U-235 (para. 28).

11. Throughout the reporting period, Iran's total enriched uranium stockpile has not exceeded 300 kg of UF<sub>6</sub> enriched up to 3.67% U-235 (or the equivalent in different chemical forms) (para. 56). The quantity of 300 kg of UF<sub>6</sub> corresponds to 202.8 kg of uranium.<sup>17</sup>

12. As of 4 November 2018, the quantity of Iran's uranium enriched up to 3.67% U-235 was 149.4 kg,<sup>18</sup> based on the JCPOA and decisions of the Joint Commission.<sup>19</sup>

13. At the Fordow Fuel Enrichment Plant (FFEP), no more than 1044 IR-1 centrifuges have been maintained in one wing (Unit 2) of the facility (para. 46). On 6 November 2018, the Agency verified that 1020 IR-1 centrifuges were installed in six cascades. On the same date, the Agency also verified that two IR-1 centrifuges were installed in a layout of 16 IR-1 centrifuge positions<sup>20</sup> and one IR-1

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<sup>12</sup> HWPP is a facility for the production of heavy water which, according to the design information provided by Iran to the Agency on 25 January 2016, has a nominal capacity of 16 tonnes of nuclear-grade heavy water per year and an actual capacity of "about 20 tonnes" of nuclear-grade heavy water per year. Iran informed the Agency, in a letter dated 18 June 2017, that the "maximum annual capacity of the Heavy Water Production Plant (HWPP) is 20 Tons".

<sup>13</sup> On 3 November 2018, the Agency confirmed that, since the Director General's previous report, 1.7 metric tonnes of heavy water had been shipped out of Iran and Iran had used 1.5 metric tonnes of heavy water for research and development (R&D) activities related to the production of deuterated compounds for medical applications. These R&D activities were conducted under continuous monitoring by the Agency.

<sup>14</sup> Including hot cells at TRR and the MIX facility and shielded cells, referred to in the decision of the Joint Commission of 14 January 2016 (INFCIRC/907).

<sup>15</sup> Para. 14 of this report.

<sup>16</sup> Under the JCPOA, "[f]or 15 years the Natanz enrichment site will be the sole location for all of Iran's uranium enrichment related activities including safeguarded R&D" (para. 72).

<sup>17</sup> Considering the standard atomic weight of uranium and fluorine.

<sup>18</sup> Comprising 125.4 kg of uranium in the form of UF<sub>6</sub>, 16.6 kg of uranium in the form of uranium oxides and their intermediate products; 4.3 kg of uranium in fuel assemblies and rods; and 3.1 kg of uranium in liquid and solid scrap.

<sup>19</sup> Decisions of the Joint Commission of 6 January 2016 and 18 December 2016 (INFCIRC/907), and 10 January 2017 (INFCIRC/907/Add.1).

<sup>20</sup> GOV/2017/48, footnote 20.

centrifuge was installed in a single position,<sup>21</sup> for the purpose of conducting “initial research and R&D activities related to stable isotope production”<sup>22,23</sup> Throughout the reporting period, Iran has not conducted any uranium enrichment or related research and development (R&D) activities, and there has not been any nuclear material at the plant (para. 45).

14. All centrifuges and associated infrastructure in storage have remained under continuous Agency monitoring (paras 29, 47, 48 and 70).<sup>24</sup> The Agency has continued to have regular access to relevant buildings at Natanz, including all of FEP and the Pilot Fuel Enrichment Plant (PFEP), and performed daily access upon Agency request (para. 71). The Agency has also continued to have regular access to FFEP, including daily access upon Agency request (para. 51).

15. Iran has conducted its enrichment activities in line with its long-term enrichment and R&D enrichment plan, as provided to the Agency on 16 January 2016 (para. 52).

16. On 11 November 2018, the Agency verified that all irradiated TRR fuel elements in Iran have a measured dose rate of no less than 1 rem/hour (at one metre in air).

17. Iran has not operated any of its declared facilities for the purpose of re-converting fuel plates or scrap into UF<sub>6</sub>, nor has it informed the Agency that it has built any new facilities for such a purpose (para. 58).

### **C.3. Centrifuge Research & Development, Manufacturing and Inventory**

18. No enriched uranium has been accumulated through enrichment R&D activities, and Iran’s enrichment R&D with and without uranium has been conducted using centrifuges within the limits defined in the JCPOA (paras 32–42).

19. Iran has provided declarations to the Agency of its production and inventory of centrifuge rotor tubes and bellows and permitted the Agency to verify the items in the inventory (para. 80.1). The Agency has conducted continuous monitoring, including through the use of containment and surveillance measures, and verified that the declared equipment has been used for the production of rotor tubes and bellows to manufacture centrifuges only for the activities specified in the JCPOA (para. 80.2). Iran has not produced any IR-1 centrifuges to replace those that have been damaged or failed (para. 62).

20. All declared rotor tubes, bellows and rotor assemblies have been under continuous monitoring by the Agency, including those rotor tubes and bellows manufactured since Implementation Day (para. 70). Iran has manufactured rotor tubes using carbon fibre that has been sampled and tested by the Agency, all of which has been subject to Agency containment and surveillance measures.<sup>25,26</sup>

## **D. Transparency Measures**

21. Iran has continued to permit the Agency to use on-line enrichment monitors and electronic seals which communicate their status within nuclear sites to Agency inspectors, and to facilitate the automated

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<sup>21</sup> On 29 January 2018, Iran provided the Agency with updated design information for FFEP, which included a temporary setup for a single IR-1 centrifuge position for “separation of stable isotopes” in Unit 2.

<sup>22</sup> GOV/2016/46, para. 12.

<sup>23</sup> On 6 November 2018, 21 IR-1 centrifuges were not installed and were stored within the facility under Agency monitoring.

<sup>24</sup> GOV/2016/46, footnote 15.

<sup>25</sup> Decision of the Joint Commission of 14 January 2016 (INFCIRC/907).

<sup>26</sup> GOV/2016/46, para. 18.

collection of Agency measurement recordings registered by installed measurement devices (para. 67.1). Iran has issued long-term visas to Agency inspectors designated for Iran as requested by the Agency, provided proper working space for the Agency at nuclear sites and facilitated the use of working space at locations near nuclear sites in Iran (para. 67.2).

22. Iran has continued to permit the Agency to monitor –through measures agreed with Iran, including containment and surveillance measures –that all uranium ore concentrate (UOC) produced in Iran or obtained from any other source is transferred to the Uranium Conversion Facility (UCF) at Esfahan (para. 68). Iran also provided the Agency with all information necessary to enable the Agency to verify the production of UOC and the inventory of UOC produced in Iran or obtained from any other source (para. 69).

## **E. Other Relevant Information**

23. Iran continues to provisionally apply the Additional Protocol to its Safeguards Agreement in accordance with Article 17(b) of the Additional Protocol, pending its entry into force. The Agency has continued to evaluate Iran's declarations under the Additional Protocol, and has conducted complementary accesses under the Additional Protocol to all the sites and locations in Iran which it needed to visit. Timely and proactive cooperation by Iran in providing such access facilitates implementation of the Additional Protocol and enhances confidence.

24. The Agency's verification and monitoring of Iran's other JCPOA nuclear-related commitments continues, including those set out in Sections D, E, S and T of Annex I of the JCPOA.

25. During this reporting period, the Agency attended one meeting of the Procurement Working Group of the Joint Commission (JCPOA, Annex IV –Joint Commission, para. 6.4.6).

## **F. Summary**

26. The Agency continues to verify the non-diversion of declared nuclear material at the nuclear facilities and locations outside facilities where nuclear material is customarily used (LOFs) declared by Iran under its Safeguards Agreement. Evaluations regarding the absence of undeclared nuclear material and activities for Iran remained ongoing.

27. Since Implementation Day, the Agency has been verifying and monitoring the implementation by Iran of its nuclear-related commitments under the JCPOA.

28. The Director General will continue to report as appropriate.



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**Annex 14**

**EU, “Chair's statement following the 25 May 2018 meeting of the Joint Commission of the JCPOA”, Press release, 25 May 2018**

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Press releases

## **Chair's statement following the 25 May 2018 meeting of the Joint Commission of the Joint Comprehensive Plan of Action**

Chair's statement following the 25 May 2018 meeting of the Joint Commission of the Joint Comprehensive Plan of Action

A meeting of the Joint Commission of the Joint Comprehensive Plan of Action (JCPOA) took place in Vienna on 25 May 2018 upon the request of the Islamic Republic of Iran in order to review the implications of the withdrawal of the United States from the JCPOA and discuss the way forward to ensure the continued implementation of the deal in all its aspects.

Under the terms of the JCPOA, the Joint Commission is responsible for overseeing the implementation of the nuclear deal.

The Joint Commission was chaired, on behalf of EU High Representative Federica Mogherini, by EEAS Secretary General Helga Schmid and, following the withdrawal of the United States of America from the JCPOA, was attended by the E3+2 (China, France, Germany, Russia, United Kingdom) and Iran at the level of Political Directors/Deputy Foreign Ministers.

The International Atomic Energy Agency (IAEA)'s Director General Amano was present at the beginning of the Joint Commission against the background of the 11<sup>th</sup> report by the IAEA which had just been issued. The participants welcomed the fact that the IAEA has again confirmed the continued adherence by Iran to its nuclear-related commitments. They also commended the professional and impartial role played by the IAEA, the only body charged with the monitoring and verification of the implementation by Iran of its nuclear-related commitments under the JCPOA and UN Security Council Resolution 2231 (2015).

Participants regretted the withdrawal of the United States from the nuclear deal and the announced re-imposition of US sanctions lifted under the JCPOA. The JCPOA is a key element of the global non-proliferation architecture and a significant diplomatic achievement endorsed unanimously by the UN Security Council in its Resolution 2231.

The Joint Commission meeting provided the opportunity to address the unilateral withdrawal of the



United States and its consequences, to discuss the way forward, and the continued implementation of the JCPOA with regard to nuclear and sanctions lifting-related commitments, as well as Procurement Channel matters and civil nuclear cooperation.

Participants recalled their commitment to the continued, full and effective implementation of the JCPOA, in good faith and in a constructive atmosphere, and recognised that the lifting of nuclear-related sanctions allowing for the normalisation of trade and economic relations with Iran constitute essential parts of the JCPOA.

Participants reviewed the potential impact of the re-imposition of US sanctions following a meeting of the Working Group on the Implementation of Sanctions-Lifting, which was convened the day before.

In this regard, participants discussed common efforts with a view to practical solutions concerning the following issues within the next few weeks: maintaining and deepening economic relations with Iran; the continued sale of Iran's oil and gas condensate petroleum products and petrochemicals and related transfers; effective banking transactions with Iran; continued sea, land, air and rail transportation relations with Iran; the further provision of export credit and development of special purpose vehicles in financial banking, insurance and trade areas, with the aim of facilitating economic and financial cooperation, including by offering practical support for trade and investment; the further development and implementation of Memoranda of Understanding and contracts between third-country companies and Iranian counterparts; further investments in Iran; the protection of economic operators and ensuring legal certainty; the further development of a transparent, rules-based business environment in Iran.

These efforts are aimed at preserving the interests of businesses and investors engaged with Iran. Participants noted that economic operators pursuing legitimate business with Iran were acting in good faith based on commitments contained in the JCPOA and endorsed at the highest level, unanimously by a UN Security Council Resolution.

Participants stressed their commitment to work to ensure that these benefits would continue to be delivered and agreed to this end to deepen their dialogue at all levels, including at the level of experts with a view to finding practical solutions to these problems.

Participants agreed to intensify their ongoing work in the Joint Commission and all its bodies in the format of E3/EU+2 and Iran, in particular the Working Group on the Implementation of Sanctions-Lifting.

As a next step, Iran proposed a Ministerial meeting of the Joint Commission.

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**Annex 15**

**U.S. Iran Sanctions Act of 1996, Pub. L. 104-172, 110 Stat. 1541,  
as amended through Pub. L. 114-277, 130 Stat. 1409**

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## IRAN SANCTIONS ACT OF 1996

[As Amended Through P.L. 114–277, Enacted December 15, 2016]

**[Currency:** This publication is a compilation of the text of Public Law 104–172. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>]

**[Note:** While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).]

**AN ACT** To impose sanctions on persons making certain investments directly and significantly contributing to the enhancement of the ability of Iran or Libya to develop its petroleum resources, and on persons exporting certain items that enhance Libya's weapons or aviation capabilities or enhance Libya's ability to develop its petroleum resources, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### **SECTION 1. SHORT TITLE.**

This Act may be cited as the “Iran Sanctions Act of 1996”.

### **SEC. 2. FINDINGS.**

The Congress makes the following findings:

(1) The efforts of the Government of Iran to acquire weapons of mass destruction and the means to deliver them and its support of acts of international terrorism endanger the national security and foreign policy interests of the United States and those countries with which the United States shares common strategic and foreign policy objectives.

(2) The objective of preventing the proliferation of weapons of mass destruction and acts of international terrorism through existing multilateral and bilateral initiatives requires additional efforts to deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs.

(3) The Government of Iran uses its diplomatic facilities and quasi-governmental institutions outside of Iran to promote acts of international terrorism and assist its nuclear, chemical, biological, and missile weapons programs.

(4) **[Repealed—2006]**

### **SEC. 3. DECLARATION OF POLICY.**

The Congress declares that it is the policy of the United States to deny Iran the ability to support acts of international terrorism and to fund the development and acquisition of weapons of mass destruction and the means to deliver them by limiting the develop-

ment of Iran's ability to explore for, extract, refine, or transport by pipeline petroleum resources of Iran.

**SEC. 4. MULTILATERAL REGIME.**

(a) **MULTILATERAL NEGOTIATIONS.**—In order to further the objectives of section 3, the Congress urges the President to commence immediately diplomatic efforts, both in appropriate international fora such as the United Nations, and bilaterally with allies of the United States, to establish a multilateral sanctions regime against Iran, including provisions limiting the development of petroleum resources, that will inhibit Iran's efforts to carry out activities described in section 2.

(b) **REPORTS TO CONGRESS.**—The President shall report to the appropriate congressional committees, not later than 1 year after the date of the enactment of this Act, and periodically thereafter, on the extent that diplomatic efforts described in subsection (a) have been successful. Each report shall include—

(1) the countries that have agreed to undertake measures to further the objectives of section 3 with respect to Iran, and a description of those measures; and

(2) the countries that have not agreed to measures described in paragraph (1), and, with respect to those countries, other measures the President recommends that the United States take to further the objectives of section 3 with respect to Iran.

(c) **WAIVER.**—

(1) **IN GENERAL.**—

(A) **GENERAL WAIVER.**—The President may, on a case by case basis, waive for a period of not more than six months the application of section 5(a) with respect to a national of a country, if the President certifies to the appropriate congressional committees at least 30 days before such waiver is to take effect that such waiver is vital to the national security interests of the United States.

(B) **WAIVER WITH RESPECT TO PERSONS IN COUNTRIES THAT COOPERATE IN MULTILATERAL EFFORTS WITH RESPECT TO IRAN.**—The President may, on a case by case basis, waive for a period of not more than 12 months the application of section 5(a) with respect to a person if the President, at least 30 days before the waiver is to take effect—

(i) certifies to the appropriate congressional committees that—

(I) the government with primary jurisdiction over the person is closely cooperating with the United States in multilateral efforts to prevent Iran from—

(aa) acquiring or developing chemical, biological, or nuclear weapons or related technologies; or

(bb) acquiring or developing destabilizing numbers and types of advanced conventional weapons; and

(II) such a waiver is vital to the national security interests of the United States; and

(ii) submits to the appropriate congressional committees a report identifying—

(I) the person with respect to which the President waives the application of sanctions; and

(II) the actions taken by the government described in clause (i)(I) to cooperate in multilateral efforts described in that clause.

(2) SUBSEQUENT RENEWAL OF WAIVER.—At the conclusion of the period of a waiver under subparagraph (A) or (B) of paragraph (1), the President may renew the waiver—

(A) if the President determines, in accordance with subparagraph (A) or (B) of that paragraph (as the case may be), that the waiver is appropriate; and

(B)(i) in the case of a waiver under subparagraph (A) of paragraph (1), for subsequent periods of not more than six months each; and

(ii) in the case of a waiver under subparagraph (B) of paragraph (1), for subsequent periods of not more than 12 months each.

(d) INTERIM REPORT ON MULTILATERAL SANCTIONS; MONITORING.—The President, not later than 90 days after the date of the enactment of this Act, shall report to the appropriate congressional committees on—

(1) whether the member states of the European Union, the Republic of Korea, Australia, Israel, or Japan have legislative or administrative standards providing for the imposition of trade sanctions on persons or their affiliates doing business or having investments in Iran or Libya;

(2) the extent and duration of each instance of the application of such sanctions; and

(3) the disposition of any decision with respect to such sanctions by the World Trade Organization or its predecessor organization.

(e) INVESTIGATIONS.—

(1) IN GENERAL.—The President shall initiate an investigation into the possible imposition of sanctions under section 5(a) against a person upon receipt by the United States of credible information indicating that such person is engaged in an activity described in such section.

(2) DETERMINATION AND NOTIFICATION.—Not later than 180 days after an investigation is initiated in accordance with paragraph (1), the President shall (unless paragraph (3) applies) determine, pursuant to section 5(a), if a person has engaged in an activity described in such section and shall notify the appropriate congressional committees of the basis for any such determination.

(3) SPECIAL RULE.—The President need not initiate an investigation, and may terminate an investigation, under this subsection if the President certifies in writing to the appropriate congressional committees that—

(A) the person whose activity was the basis for the investigation is no longer engaging in the activity or has taken significant verifiable steps toward stopping the activity; and

(B) the President has received reliable assurances that the person will not knowingly engage in an activity described in section 5(a) in the future.

(f) BRIEFINGS ON IMPLEMENTATION.—Not later than 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, and every 120 days thereafter, the President, acting through the Secretary of State, shall provide to the appropriate congressional committees a comprehensive briefing on efforts to implement this Act.

**SEC. 5. IMPOSITION OF SANCTIONS.**

(a) SANCTIONS RELATING TO THE ENERGY SECTOR OF IRAN.—

(1) DEVELOPMENT OF PETROLEUM RESOURCES OF IRAN.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012—

(i) makes an investment described in subparagraph (B) of \$20,000,000 or more; or

(ii) makes a combination of investments described in subparagraph (B) in a 12-month period if each such investment is of at least \$5,000,000 and such investments equal or exceed \$20,000,000 in the aggregate.

(B) INVESTMENT DESCRIBED.—An investment described in this subparagraph is an investment that directly and significantly contributes to the enhancement of Iran's ability to develop petroleum resources.

(2) PRODUCTION OF REFINED PETROLEUM PRODUCTS.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, sells, leases, or provides to Iran goods, services, technology, information, or support described in subparagraph (B)—

(i) any of which has a fair market value of \$1,000,000 or more; or

(ii) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more.

(B) GOODS, SERVICES, TECHNOLOGY, INFORMATION, OR SUPPORT DESCRIBED.—Goods, services, technology, information, or support described in this subparagraph are goods, services, technology, information, or support that could directly and significantly facilitate the maintenance or expansion of Iran's domestic production of refined petroleum products, including any direct and significant assistance with respect to the construction, modernization, or repair of petroleum refineries or directly associated infrastructure, including construction of port facilities, railways, and roads, the primary use of which is to support the delivery of refined petroleum products.

## (3) EXPORTATION OF REFINED PETROLEUM PRODUCTS TO IRAN.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012—

(i) sells or provides to Iran refined petroleum products—

(I) that have a fair market value of \$1,000,000 or more; or

(II) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more; or

(ii) sells, leases, or provides to Iran goods, services, technology, information, or support described in subparagraph (B)—

(I) any of which has a fair market value of \$1,000,000 or more; or

(II) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more.

(B) GOODS, SERVICES, TECHNOLOGY, INFORMATION, OR SUPPORT DESCRIBED.—Goods, services, technology, information, or support described in this subparagraph are goods, services, technology, information, or support that could directly and significantly contribute to the enhancement of Iran's ability to import refined petroleum products, including—

(i) except as provided in subparagraph (C), underwriting or entering into a contract to provide insurance or reinsurance for the sale, lease, or provision of such goods, services, technology, information, or support;

(ii) financing or brokering such sale, lease, or provision;

(iii) providing ships or shipping services to deliver refined petroleum products to Iran;

(iv) bartering or contracting by which goods are exchanged for goods, including the insurance or reinsurance of such exchanges; or

(v) purchasing, subscribing to, or facilitating the issuance of sovereign debt of the Government of Iran, including governmental bonds, issued on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012.

(C) EXCEPTION FOR UNDERWRITERS AND INSURANCE PROVIDERS EXERCISING DUE DILIGENCE.—The President may not impose sanctions under this paragraph with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not underwrite or enter into a



contract to provide insurance or reinsurance for the sale, lease, or provision of goods, services, technology, information, or support described in subparagraph (B).

(4) JOINT VENTURES WITH IRAN RELATING TO DEVELOPING PETROLEUM RESOURCES.—

(A) IN GENERAL.—Except as provided in subparagraph (B) or subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly participates, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, in a joint venture with respect to the development of petroleum resources outside of Iran if—

(i) the joint venture is established on or after January 1, 2002; and

(ii)(I) the Government of Iran is a substantial partner or investor in the joint venture; or

(II) Iran could, through a direct operational role in the joint venture or by other means, receive technological knowledge or equipment not previously available to Iran that could directly and significantly contribute to the enhancement of Iran's ability to develop petroleum resources in Iran.

(B) APPLICABILITY.—Subparagraph (A) shall not apply with respect to participation in a joint venture established on or after January 1, 2002, and before the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, if the person participating in the joint venture terminates that participation not later than the date that is 180 days after such date of enactment.

(5) SUPPORT FOR THE DEVELOPMENT OF PETROLEUM RESOURCES AND REFINED PETROLEUM PRODUCTS IN IRAN.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, sells, leases, or provides to Iran goods, services, technology, or support described in subparagraph (B)—

(i) any of which has a fair market value of \$1,000,000 or more; or

(ii) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more.

(B) GOODS, SERVICES, TECHNOLOGY, OR SUPPORT DESCRIBED.—Goods, services, technology, or support described in this subparagraph are goods, services, technology, or support that could directly and significantly contribute to the maintenance or enhancement of Iran's—

(i) ability to develop petroleum resources located in Iran; or

(ii) domestic production of refined petroleum products, including any direct and significant assistance with respect to the construction, modernization, or re-

pair of petroleum refineries or directly associated infrastructure, including construction of port facilities, railways, and roads, the primary use of which is to support the delivery of refined petroleum products.

(6) DEVELOPMENT AND PURCHASE OF PETROCHEMICAL PRODUCTS FROM IRAN.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, sells, leases, or provides to Iran goods, services, technology, or support described in subparagraph (B)—

(i) any of which has a fair market value of \$250,000 or more; or

(ii) that, during a 12-month period, have an aggregate fair market value of \$1,000,000 or more.

(B) GOODS, SERVICES, TECHNOLOGY, OR SUPPORT DESCRIBED.—Goods, services, technology, or support described in this subparagraph are goods, services, technology, or support that could directly and significantly contribute to the maintenance or expansion of Iran's domestic production of petrochemical products.

(7) TRANSPORTATION OF CRUDE OIL FROM IRAN.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that—

(i) the person is a controlling beneficial owner of, or otherwise owns, operates, or controls, or insures, a vessel that, on or after the date that is 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, was used to transport crude oil from Iran to another country; and

(ii)(I) in the case of a person that is a controlling beneficial owner of the vessel, the person had actual knowledge the vessel was so used; or

(II) in the case of a person that otherwise owns, operates, or controls, or insures, the vessel, the person knew or should have known the vessel was so used.

(B) APPLICABILITY OF SANCTIONS.—

(i) IN GENERAL.—Except as provided in clause (ii), subparagraph (A) shall apply with respect to the transportation of crude oil from Iran only if a determination of the President under section 1245(d)(4)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that there is a sufficient supply of petroleum and petroleum products produced in countries other than Iran to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran

is in effect at the time of the transportation of the crude oil.

(ii) EXCEPTION FOR CERTAIN COUNTRIES.—Subparagraph (A) shall not apply with respect to the transportation of crude oil from Iran to a country to which the exception under paragraph (4)(D) of section 1245(d) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)) to the imposition of sanctions under paragraph (1) of that section applies at the time of the transportation of the crude oil.

(8) CONCEALING IRANIAN ORIGIN OF CRUDE OIL AND REFINED PETROLEUM PRODUCTS.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person is a controlling beneficial owner, or otherwise owns, operates, or controls, a vessel that, on or after the date that is 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, is used, with actual knowledge in the case of a person that is a controlling beneficial owner or knowingly in the case of a person that otherwise owns, operates, or controls the vessel, in a manner that conceals the Iranian origin of crude oil or refined petroleum products transported on the vessel, including by—

(i) permitting the operator of the vessel to suspend the operation of the vessel's satellite tracking device; or

(ii) obscuring or concealing the ownership, operation, or control of the vessel by—

(I) the Government of Iran;

(II) the National Iranian Tanker Company or the Islamic Republic of Iran Shipping Lines; or

(III) any other entity determined by the President to be owned or controlled by the Government of Iran or an entity specified in subclause (II).

(B) ADDITIONAL SANCTION.—Subject to such regulations as the President may prescribe and in addition to the sanctions imposed under subparagraph (A), the President may prohibit a vessel owned, operated, or controlled by a person, including a controlling beneficial owner, with respect to which the President has imposed sanctions under that subparagraph and that was used for the activity for which the President imposed those sanctions from landing at a port in the United States for a period of not more than 2 years after the date on which the President imposed those sanctions.

(C) VESSELS IDENTIFIED BY THE OFFICE OF FOREIGN ASSETS CONTROL.—For purposes of subparagraph (A)(ii), a person shall be deemed to have actual knowledge that a vessel is owned, operated, or controlled by the Government of Iran or an entity specified in subclause (II) or (III) of

subparagraph (A)(ii) if the International Maritime Organization vessel registration identification for the vessel is—

(i) included on a list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury for activities with respect to Iran; and

(ii) identified by the Office of Foreign Assets Control as a vessel in which the Government of Iran or any entity specified in subclause (II) or (III) of subparagraph (A)(ii) has an interest.

(D) DEFINITION OF IRANIAN ORIGIN.—For purposes of subparagraph (A), the term “Iranian origin” means—

(i) with respect to crude oil, that the crude oil was extracted in Iran; and

(ii) with respect to a refined petroleum product, that the refined petroleum product was produced or refined in Iran.

(9) EXCEPTION FOR PROVISION OF UNDERWRITING SERVICES AND INSURANCE AND REINSURANCE.—The President may not impose sanctions under paragraph (7) or (8) with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not provide underwriting services or insurance or reinsurance for the transportation of crude oil or refined petroleum products from Iran in a manner for which sanctions may be imposed under either such paragraph.

(b) MANDATORY SANCTIONS WITH RESPECT TO DEVELOPMENT OF WEAPONS OF MASS DESTRUCTION OR OTHER MILITARY CAPABILITIES.—

(1) EXPORTS, TRANSFERS, AND TRANSSHIPMENTS.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person—

(A) on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, exported or transferred, or permitted or otherwise facilitated the transshipment of, any goods, services, technology, or other items to any other person; and

(B) knew or should have known that—

(i) the export, transfer, or transshipment of the goods, services, technology, or other items would likely result in another person exporting, transferring, transshipping, or otherwise providing the goods, services, technology, or other items to Iran; and

(ii) the export, transfer, transshipment, or other provision of the goods, services, technology, or other items to Iran would contribute materially to the ability of Iran to—

(I) acquire or develop chemical, biological, or nuclear weapons or related technologies; or

(II) acquire or develop destabilizing numbers and types of advanced conventional weapons.

(2) JOINT VENTURES RELATING TO THE MINING, PRODUCTION, OR TRANSPORTATION OF URANIUM.—

(A) IN GENERAL.—Except as provided in subparagraph (B) or subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly participated, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, in a joint venture that involves any activity relating to the mining, production, or transportation of uranium—

(i)(I) established on or after February 2, 2012; and  
(II) with—

(aa) the Government of Iran;

(bb) an entity incorporated in Iran or subject to the jurisdiction of the Government of Iran; or

(cc) a person acting on behalf of or at the direction of, or owned or controlled by, the Government of Iran or an entity described in item (bb); or

(ii)(I) established before February 2, 2012;

(II) with the Government of Iran, an entity described in item (bb) of clause (i)(II), or a person described in item (cc) of that clause; and

(III) through which—

(aa) uranium is transferred directly to Iran or indirectly to Iran through a third country;

(bb) the Government of Iran receives significant revenue; or

(cc) Iran could, through a direct operational role or by other means, receive technological knowledge or equipment not previously available to Iran that could contribute materially to the ability of Iran to develop nuclear weapons or related technologies.

(B) APPLICABILITY OF SANCTIONS.—Subparagraph (A) shall not apply with respect to participation in a joint venture established before the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012 if the person participating in the joint venture terminates that participation not later than the date that is 180 days after such date of enactment.

(3) ADDITIONAL MANDATORY SANCTIONS RELATING TO TRANSFER OF NUCLEAR TECHNOLOGY.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), in any case in which a person is subject to sanctions under paragraph (1) or (2) because of an activity described in that paragraph that relates to the acquisition or development of nuclear weapons or related technology or of missiles or advanced conventional weapons that are designed or modified to deliver a nuclear weapon, no license may be issued for the export, and no approval may be given for the transfer or retransfer, directly or indirectly, to the country the government of which has primary jurisdiction over the person, of any nuclear

material, facilities, components, or other goods, services, or technology that are or would be subject to an agreement for cooperation between the United States and that government.

(B) EXCEPTION.—The sanctions described in subparagraph (A) shall not apply with respect to a country the government of which has primary jurisdiction over a person that engages in an activity described in that subparagraph if the President determines and notifies the appropriate congressional committees that the government of the country—

(i) does not know or have reason to know about the activity; or

(ii) has taken, or is taking, all reasonable steps necessary to prevent a recurrence of the activity and to penalize the person for the activity.

(C) INDIVIDUAL APPROVAL.—Notwithstanding subparagraph (A), the President may, on a case-by-case basis, approve the issuance of a license for the export, or approve the transfer or retransfer, of any nuclear material, facilities, components, or other goods, services, or technology that are or would be subject to an agreement for cooperation, to a person in a country to which subparagraph (A) applies (other than a person that is subject to the sanctions under paragraph (1) or (2)) if the President—

(i) determines that such approval is vital to the national security interests of the United States; and

(ii) not later than 15 days before issuing such license or approving such transfer or retransfer, submits to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate the justification for approving such license, transfer, or retransfer.

(D) CONSTRUCTION.—The restrictions in subparagraph (A) shall apply in addition to all other applicable procedures, requirements, and restrictions contained in the Atomic Energy Act of 1954 and other related laws.

(E) DEFINITION.—In this paragraph, the term “agreement for cooperation” has the meaning given that term in section 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(b)).

(F) APPLICABILITY.—The sanctions under subparagraph (A) shall apply only in a case in which a person is subject to sanctions under paragraph (1) or (2) because of an activity described in paragraph (1) or (2), as the case may be in which the person engages on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012.

(c) PERSONS AGAINST WHICH THE SANCTIONS ARE TO BE IMPOSED.—The sanctions described in subsection (a) and paragraphs (1) and (2) of subsection (b) shall be imposed on—

(1) any person the President determines has carried out the activities described in subsection (a) or paragraph (1) or (2) of subsection (b); and

(2) any person that—

(A) is a successor entity to the person referred to in paragraph (1);

(B) owns or controls the person referred to in paragraph (1), if the person that owns or controls the person referred to in paragraph (1) had actual knowledge or should have known that the person referred to in paragraph (1) engaged in the activities referred to in that paragraph; or

(C) is owned or controlled by, or under common ownership or control with, the person referred to in paragraph (1), if the person owned or controlled by, or under common ownership or control with (as the case may be), the person referred to in paragraph (1) knowingly engaged in the activities referred to in that paragraph.

For purposes of this Act, any person or entity described in this subsection shall be referred to as a “sanctioned person”.

(d) **PUBLICATION IN FEDERAL REGISTER.**—The President shall cause to be published in the Federal Register a current list of persons and entities on whom sanctions have been imposed under this Act. The removal of persons or entities from, and the addition of persons and entities to, the list, shall also be so published.

(e)<sup>1</sup> **PUBLICATION OF PROJECTS.**—The President shall cause to be published in the Federal Register a list of all significant projects which have been publicly tendered in the oil and gas sector in Iran.

(f) **EXCEPTIONS.**—The President shall not be required to apply or maintain the sanctions under subsection (a) or paragraph (1) or (2) of subsection (b)—

(1) in the case of procurement of defense articles or defense services—

(A) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy requirements essential to the national security of the United States;

(B) if the President determines in writing that the person to which the sanctions would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

(C) if the President determines in writing that such articles or services are essential to the national security under defense coproduction agreements;

(2) in the case of procurement, to eligible products, as defined in section 308(4) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b) of that Act (19 U.S.C. 2511(b));

(3) to products, technology, or services provided under contracts entered into before the date on which the President publishes in the Federal Register the name of the person on whom the sanctions are to be imposed;

<sup>1</sup>The Department of State published such a list in Public Notice No. 2501, January 2, 1997 (62 F.R. 1141).

(4) to—

(A) spare parts which are essential to United States products or production;

(B) component parts, but not finished products, essential to United States products or production; or

(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(5) to information and technology essential to United States products or production; or

(6) to medicines, medical supplies, or other humanitarian items.

**SEC. 6. DESCRIPTION OF SANCTIONS.**

(a) **IN GENERAL.**—The sanctions to be imposed on a sanctioned person under section 5 are as follows:

(1) **EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO SANCTIONED PERSONS.**—The President may direct the Export-Import Bank of the United States not to give approval to the issuance of any guarantee, insurance, extension of credit, or participation in the extension of credit in connection with the export of any goods or services to any sanctioned person.

(2) **EXPORT SANCTION.**—The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to a sanctioned person under—

(i) the Export Administration Act of 1979;

(ii) the Arms Export Control Act;

(iii) the Atomic Energy Act of 1954; or

(iv) any other statute that requires the prior review and approval of the United States Government as a condition for the export or reexport of goods or services.

(3) **LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.**—The United States Government may prohibit any United States financial institution from making loans or providing credits to any sanctioned person totaling more than \$10,000,000 in any 12-month period unless such person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities.

(4) **PROHIBITIONS ON FINANCIAL INSTITUTIONS.**—The following prohibitions may be imposed against a sanctioned person that is a financial institution:

(A) **PROHIBITION ON DESIGNATION AS PRIMARY DEALER.**—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.

(B) **PROHIBITION ON SERVICE AS A REPOSITORY OF GOVERNMENT FUNDS.**—Such financial institution may not serve as agent of the United States Government or serve as repository for United States Government funds.



The imposition of either sanction under subparagraph (A) or (B) shall be treated as 1 sanction for purposes of section 5, and the imposition of both such sanctions shall be treated as 2 sanctions for purposes of section 5.

(5) **PROCUREMENT SANCTION.**—The United States Government may not procure, or enter into any contract for the procurement of, any goods or services from a sanctioned person.

(6) **FOREIGN EXCHANGE.**—The President may, pursuant to such regulations as the President may prescribe, prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the sanctioned person has any interest.

(7) **BANKING TRANSACTIONS.**—The President may, pursuant to such regulations as the President may prescribe, prohibit any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the sanctioned person.

(8) **PROPERTY TRANSACTIONS.**—The President may, pursuant to such regulations as the President may prescribe, prohibit any person from—

(A) acquiring, holding, withholding, using, transferring, withdrawing, transporting, importing, or exporting any property that is subject to the jurisdiction of the United States and with respect to which the sanctioned person has any interest;

(B) dealing in or exercising any right, power, or privilege with respect to such property; or

(C) conducting any transaction involving such property.

(9) **BAN ON INVESTMENT IN EQUITY OR DEBT OF SANCTIONED PERSON.**—The President may, pursuant to such regulations or guidelines as the President may prescribe, prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person.

(10) **EXCLUSION OF CORPORATE OFFICERS.**—The President may direct the Secretary of State to deny a visa to, and the Secretary of Homeland Security to exclude from the United States, any alien that the President determines is a corporate officer or principal of, or a shareholder with a controlling interest in, a sanctioned person.

(11) **SANCTIONS ON PRINCIPAL EXECUTIVE OFFICERS.**—The President may impose on the principal executive officer or officers of any sanctioned person, or on persons performing similar functions and with similar authorities as such officer or officers, any of the sanctions under this subsection.

(12) **ADDITIONAL SANCTIONS.**—The President may impose sanctions, as appropriate, to restrict imports with respect to a sanctioned person, in accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 and following).

(b) **ADDITIONAL MEASURE RELATING TO GOVERNMENT CONTRACTS.**—

(1) **MODIFICATION OF FEDERAL ACQUISITION REGULATION.**—

(A) CERTIFICATIONS RELATING TO ACTIVITIES DESCRIBED IN SECTION 5.—Not later than 90 days after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, the Federal Acquisition Regulation shall be revised to require a certification from each person that is a prospective contractor that the person, and any person owned or controlled by the person, does not engage in any activity for which sanctions may be imposed under section 5.

(B) CERTIFICATIONS RELATING TO TRANSACTIONS WITH IRAN'S REVOLUTIONARY GUARD CORPS.—Not later than 120 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, the Federal Acquisition Regulation shall be revised to require a certification from each person that is a prospective contractor that the person, and any person owned or controlled by the person, does not knowingly engage in a significant transaction or transactions with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(2) REMEDIES.—

(A) IN GENERAL.—If the head of an executive agency determines that a person has submitted a false certification under paragraph (1) on or after the date on which the applicable revision of the Federal Acquisition Regulation required by this subsection becomes effective, the head of that executive agency shall terminate a contract with such person or debar or suspend such person from eligibility for Federal contracts for a period of not less than 2 years. Any such debarment or suspension shall be subject to the procedures that apply to debarment and suspension under the Federal Acquisition Regulation under subpart 9.4 of part 9 of title 48, Code of Federal Regulations.

(B) INCLUSION ON LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT AND NONPROCUREMENT PROGRAMS.—The Administrator of General Services shall include on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs maintained by the Administrator under part 9 of the Federal Acquisition Regulation each person that is debarred, suspended, or proposed for debarment or suspension by the head of an executive agency on the basis of a determination of a false certification under subparagraph (A).

(3) CLARIFICATION REGARDING CERTAIN PRODUCTS.—The remedies set forth in paragraph (2) shall not apply with respect to the procurement of eligible products, as defined in section 308(4) of the Trade Agreements Act of 1974 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b) of that Act (19 U.S.C. 2511(b)).

(4) RULE OF CONSTRUCTION.—This subsection shall not be construed to limit the use of other remedies available to the head of an executive agency or any other official of the Federal

Government on the basis of a determination of a false certification under paragraph (1).

(5) **WAIVERS.**—The President may on a case-by-case basis waive the requirement that a person make a certification under paragraph (1) if the President determines and certifies in writing to the appropriate congressional committees, the Committee on Armed Services of the Senate, and the Committee on Armed Services of the House of Representatives, that it is essential to the national security interests of the United States to do so.

(6) **DEFINITIONS.**—In this subsection:

(A) **EXECUTIVE AGENCY.**—The term “executive agency” has the meaning given that term in section 133 of title 41, United States Code.

(B) **FEDERAL ACQUISITION REGULATION.**—The term “Federal Acquisition Regulation” means the regulation issued pursuant to section 1303(a)(1) of title 41, United States Code.

(7) **APPLICABILITY.**—

(A) **CERTIFICATIONS RELATING TO ACTIVITIES DESCRIBED IN SECTION 5.**—The revisions to the Federal Acquisition Regulation required under paragraph (1)(A) shall apply with respect to contracts for which solicitations are issued on or after the date that is 90 days after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010.

(B) **CERTIFICATIONS RELATING TO TRANSACTIONS WITH IRAN’S REVOLUTIONARY GUARD CORPS.**—The revisions to the Federal Acquisition Regulation required under paragraph (1)(B) shall apply with respect to contracts for which solicitations are issued on or after the date that is 120 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012.

#### **SEC. 7. ADVISORY OPINIONS.**

The Secretary of State may, upon the request of any person, issue an advisory opinion to that person as to whether a proposed activity by that person would subject that person to sanctions under this Act. Any person who relies in good faith on such an advisory opinion which states that the proposed activity would not subject a person to such sanctions, and any person who thereafter engages in such activity, will not be made subject to such sanctions on account of such activity.

#### **SEC. 8. TERMINATION OF SANCTIONS.**

The requirement under section 5(a) to impose sanctions shall no longer have force or effect with respect to Iran if the President determines and certifies to the appropriate congressional committees that Iran—

(1) has ceased its efforts to design, develop, manufacture, or acquire—

(A) a nuclear explosive device or related materials and technology;

(B) chemical and biological weapons; and

(C) ballistic missiles and ballistic missile launch technology;

(2) has been removed from the list of countries the governments of which have been determined, for purposes of section 6(j) of the Export Administration Act of 1979, to have repeatedly provided support for acts of international terrorism; and

(3) poses no significant threat to United States national security, interests, or allies.

**SEC. 9. DURATION OF SANCTIONS; PRESIDENTIAL WAIVER.**

(a) **DELAY OF SANCTIONS.**—

(1) **CONSULTATIONS.**—If the President makes a determination described in subsection (a) or paragraph (1) or (2) of subsection (b) of section 5 with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of sanctions under this Act.

(2) **ACTIONS BY GOVERNMENT OF JURISDICTION.**—In order to pursue consultations under paragraph (1) with the government concerned, the President may delay imposition of sanctions under this Act for up to 90 days. Following such consultations, the President shall immediately impose sanctions unless the President determines and certifies to the Congress that the government has taken specific and effective actions, including, as appropriate, the imposition of appropriate penalties, to terminate the involvement of the foreign person in the activities that resulted in the determination by the President under subsection (a) or paragraph (1) or (2) of subsection (b) of section 5 concerning such person.

(3) **ADDITIONAL DELAY IN IMPOSITION OF SANCTIONS.**—The President may delay the imposition of sanctions for up to an additional 90 days if the President determines and certifies to the Congress that the government with primary jurisdiction over the person concerned is in the process of taking the actions described in paragraph (2).

(4) **REPORT TO CONGRESS.**—Not later than 90 days after making a determination under subsection (a) or paragraph (1) or (2) of subsection (b) of section 5, the President shall submit to the appropriate congressional committees a report on the status of consultations with the appropriate foreign government under this subsection, and the basis for any determination under paragraph (3).

(b) **DURATION OF SANCTIONS.**—A sanction imposed under section 5 shall remain in effect—

(1) for a period of not less than 2 years from the date on which it is imposed; or

(2) until such time as the President determines and certifies to the Congress that the person whose activities were the basis for imposing the sanction is no longer engaging in such activities and that the President has received reliable assurances that such person will not knowingly engage in such activities in the future, except that such sanction shall remain in effect for a period of at least 1 year.

## (c) PRESIDENTIAL WAIVER.—

## (1) AUTHORITY.—

(A) SANCTIONS RELATING TO THE ENERGY SECTOR OF IRAN.—The President may waive, on a case-by-case basis and for a period of not more than one year, the requirement in section 5(a) to impose a sanction or sanctions on a person described in section 5(c), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 30 days or more after the President determines and so reports to the appropriate congressional committees that it is essential to the national security interests of the United States to exercise such waiver authority.

(B) SANCTIONS RELATING TO DEVELOPMENT OF WEAPONS OF MASS DESTRUCTION OR OTHER MILITARY CAPABILITIES.—The President may waive, on a case-by-case basis and for a period of not more than one year, the requirement in paragraph (1) or (2) of section 5(b) to impose a sanction or sanctions on a person described in section 5(c), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 30 days or more after the President determines and so reports to the appropriate congressional committees that it is vital to the national security interests of the United States to exercise such waiver authority.

(C) RENEWAL OF WAIVERS.—The President may renew, on a case-by-case basis, a waiver with respect to a person under subparagraph (A) or (B) for additional one-year periods if, not later than 30 days before the waiver expires, the President makes the determination and submits to the appropriate congressional committees the report described in subparagraph (A) or (B), as applicable.

(2) CONTENTS OF REPORT.—Any report under paragraph (1) shall provide a specific and detailed rationale for the determination under paragraph (1), including—

(A) a description of the conduct that resulted in the determination under subsection (a) or paragraph (1) or (2) of subsection (b) of section 5, as the case may be;

(B) in the case of a foreign person, an explanation of the efforts to secure the cooperation of the government with primary jurisdiction over the sanctioned person to terminate or, as appropriate, penalize the activities that resulted in the determination under subsection (a) or paragraph (1) or (2) of subsection (b) of section 5, as the case may be;

(C) an estimate of the significance of the conduct of the person in contributing to the ability of Iran to, as the case may be—

(i) develop petroleum resources, produce refined petroleum products, or import refined petroleum products; or

(ii) acquire or develop—

(I) chemical, biological, or nuclear weapons or related technologies; or

(II) destabilizing numbers and types of advanced conventional weapons; and

(D) a statement as to the response of the United States in the event that the person concerned engages in other activities that would be subject to subsection (a) or paragraph (1) or (2) of subsection (b) of section 5.

(3) EFFECT OF REPORT ON WAIVER.—If the President makes a report under paragraph (1) with respect to a waiver of sanctions on a person described in section 5(c), sanctions need not be imposed under subsection (a) or paragraph (1) or (2) of subsection (b) of section 5 on that person during the 30-day period referred to in paragraph (1).

**SEC. 10. REPORTS REQUIRED.**

(a) REPORT ON CERTAIN INTERNATIONAL INITIATIVES.—Not later than 6 months after the date of the enactment of this Act, and every 6 months thereafter, the President shall transmit a report to the appropriate congressional committees describing—

(1) the efforts of the President to mount a multilateral campaign to persuade all countries to pressure Iran to cease its nuclear, chemical, biological, and missile weapons programs and its support of acts of international terrorism;

(2) the efforts of the President to persuade other governments to ask Iran to reduce the presence of Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran and to withdraw any such diplomats or representatives who participated in the takeover of the United States embassy in Tehran on November 4, 1979, or the subsequent holding of United States hostages for 444 days;

(3) the extent to which the International Atomic Energy Agency has established regular inspections of all nuclear facilities in Iran, including those presently under construction; and

(4) Iran's use of Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran to promote acts of international terrorism or to develop or sustain Iran's nuclear, chemical, biological, and missile weapons programs.

(b) REPORT ON EFFECTIVENESS OF ACTIONS UNDER THIS ACT.—Not earlier than 24 months, and not later than 30 months, after the date of the enactment of the ILSA Extension Act of 2001, the President shall transmit to Congress a report that describes—

(1) the extent to which actions relating to trade taken pursuant to this Act—

(A) have been effective in achieving the objectives of section 3 and any other foreign policy or national security objectives of the United States with respect to Iran; and

(B) have affected humanitarian interests in Iran, the country in which the sanctioned person is located, or in other countries; and

(2) the impact of actions relating to trade taken pursuant to this Act on other national security, economic, and foreign policy interests of the United States, including relations with

countries friendly to the United States, and on the United States economy. The President may include in the report the President's recommendation on whether or not this Act should be terminated or modified.

(c) OTHER REPORTS.—The President shall ensure the continued transmittal to the Congress of reports describing—

(1) the nuclear and other military capabilities of Iran, as required by section 601(a) of the Nuclear Non-Proliferation Act of 1978 and section 1607 of the National Defense Authorization Act for Fiscal Year 1993; and

(2) the support provided by Iran for acts of international terrorism, as part of the Department of State's annual report on international terrorism.

(d) REPORTS ON GLOBAL TRADE RELATING TO IRAN.—Not later than 90 days after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, and annually thereafter, the President shall submit to the appropriate congressional committees a report, with respect to the most recent 12-month period for which data are available, on the dollar value amount of trade, including in the energy sector, between Iran and each country maintaining membership in the Group of 20 Finance Ministers and Central Bank Governors.

**SEC. 11. DETERMINATIONS NOT REVIEWABLE.**

A determination to impose sanctions under this Act shall not be reviewable in any court.

**SEC. 12. EXCLUSION OF CERTAIN ACTIVITIES.**

Nothing in this Act shall apply to any activities subject to the reporting requirements of title V of the National Security Act of 1947.

**SEC. 13. EFFECTIVE DATE; SUNSET.**

(a) EFFECTIVE DATE.—This Act shall take effect on the date of the enactment of this Act.

(b) SUNSET.—This Act shall cease to be effective on December 31, 2026.

**SEC. 14. DEFINITIONS.**

As used in this Act:

(1) ACT OF INTERNATIONAL TERRORISM.—The term “act of international terrorism” means an act—

(A) which is violent or dangerous to human life and that is a violation of the criminal laws of the United States or of any State or that would be a criminal violation if committed within the jurisdiction of the United States or any State; and

(B) which appears to be intended—

(i) to intimidate or coerce a civilian population;

(ii) to influence the policy of a government by intimidation or coercion; or

(iii) to affect the conduct of a government by assassination or kidnapping.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means the Committee

on Finance, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Foreign Relations of the Senate and the Committee on Ways and Means, the Committee on Financial Services, and the Committee on Foreign Affairs of the House of Representatives.

(3) **COMPONENT PART.**—The term “component part” has the meaning given that term in section 11A(e)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(1)).

(4) **CREDIBLE INFORMATION.**—The term “credible information”, with respect to a person—

(A) includes—

(i) a public announcement by the person that the person has engaged in an activity described in subsection (a) or (b) of section 5; and

(ii) information set forth in a report to stockholders of the person indicating that the person has engaged in such an activity; and

(B) may include, in the discretion of the President—

(i) an announcement by the Government of Iran that the person has engaged in such an activity; or

(ii) information indicating that the person has engaged in such an activity that is set forth in—

(I) a report of the Government Accountability Office, the Energy Information Administration, or the Congressional Research Service; or

(II) a report or publication of a similarly reputable governmental organization or trade or industry organization.

(5) **DEVELOP AND DEVELOPMENT.**—To “develop”, or the “development” of, petroleum resources means the exploration for, or the extraction, refining, or transportation by pipeline of, petroleum resources.

(6) **FINANCIAL INSTITUTION.**—The term “financial institution” includes—

(A) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

(B) a credit union;

(C) a securities firm, including a broker or dealer;

(D) an insurance company, including an agency or underwriter; and

(E) any other company that provides financial services.

(7) **FINISHED PRODUCT.**—The term “finished product” has the meaning given that term in section 11A(e)(2) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(2)).

(8) **FOREIGN PERSON.**—The term “foreign person” means—

(A) an individual who is not a United States person or an alien lawfully admitted for permanent residence into the United States; or

(B) a corporation, partnership, or other nongovernmental entity which is not a United States person.



(9) **GOODS AND TECHNOLOGY.**—The terms “goods” and “technology” have the meanings given those terms in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415).

(10) **INVESTMENT.**—The term “investment” means any of the following activities if such activity is undertaken pursuant to an agreement, or pursuant to the exercise of rights under such an agreement, that is entered into with the Government of Iran or a nongovernmental entity in Iran on or after the date of the enactment of this Act:

(A) The entry into a contract that includes responsibility for the development of petroleum resources located in Iran, or the entry into a contract providing for the general supervision and guarantee of another person’s performance of such a contract.

(B) The purchase of a share of ownership, including an equity interest, in that development.

(C) The entry into a contract providing for the participation in royalties, earnings, or profits in that development, without regard to the form of the participation.

For purposes of this paragraph, an amendment or other modification that is made, on or after June 13, 2001, to an agreement or contract shall be treated as the entry of an agreement or contract.

(11) **IRAN.**—The term “Iran” includes any agency or instrumentality of Iran.

(12) **IRANIAN DIPLOMATS AND REPRESENTATIVES OF OTHER GOVERNMENT AND MILITARY OR QUASI-GOVERNMENTAL INSTITUTIONS OF IRAN.**—The term “Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran” includes employees, representatives, or affiliates of Iran’s—

- (A) Foreign Ministry;
- (B) Ministry of Intelligence and Security;
- (C) Revolutionary Guard Corps;
- (D) Crusade for Reconstruction;
- (E) Qods (Jerusalem) Forces;
- (F) Interior Ministry;
- (G) Foundation for the Oppressed and Disabled;
- (H) Prophet’s Foundation;
- (I) June 5th Foundation;
- (J) Martyr’s Foundation;
- (K) Islamic Propagation Organization; and
- (L) Ministry of Islamic Guidance.

(13) **KNOWINGLY.**—The term “knowingly”, with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

(14) **NUCLEAR EXPLOSIVE DEVICE.**—The term “nuclear explosive device” means any device, whether assembled or disassembled, that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material (as defined in section 11(aa) of the Atomic Energy Act of 1954) that is greater than the amount of energy that would be

released from the detonation of one pound of trinitrotoluene (TNT).

(15) PERSON.—

(A) IN GENERAL.—The term “person” means—

- (i) a natural person;
- (ii) a corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, and any other business organization, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and

(iii) any successor to any entity described in clause (ii).

(B) APPLICATION TO GOVERNMENTAL ENTITIES.—The term “person” does not include a government or governmental entity that is not operating as a business enterprise.

(16) PETROCHEMICAL PRODUCT.—The term “petrochemical product” includes any aromatic, olefin, or synthesis gas, and any derivative of such a gas, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea.

(17) PETROLEUM RESOURCES.—The term “petroleum resources” includes petroleum, refined petroleum products, oil or liquefied natural gas, natural gas resources, oil or liquefied natural gas tankers, and products used to construct or maintain pipelines used to transport oil or liquefied natural gas.

(18) REFINED PETROLEUM PRODUCTS.—The term “refined petroleum products” means diesel, gasoline, jet fuel (including naphtha-type and kerosene-type jet fuel), and aviation gasoline.

(19) SERVICES.—The term “services” includes software, hardware, financial, professional consulting, engineering, and specialized energy information services, energy-related technical assistance, and maintenance and repairs.

(20) UNITED STATES OR STATE.—The term “United States” or “State” means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

(21) UNITED STATES PERSON.—The term “United States person” means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; and

(B) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons described in subparagraph (A) own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity.



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**Annex 16**

**U.S. Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, Pub. L. 111-195, 124 Stat. 1312, as amended through Pub. L. 112-239, 126 Stat. 1632**

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**COMPREHENSIVE IRAN SANCTIONS, ACCOUNTABILITY,  
AND DIVESTMENT ACT OF 2010**

[Public Law 111–195, Enacted July 1, 2010]

[As Amended Through P.L. 112–239, Enacted January 2, 2013]

AN ACT To amend the Iran Sanctions Act of 1996 to enhance United States diplomatic efforts with respect to Iran by expanding economic sanctions against Iran.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**<sup>1</sup>

(a) **[22 U.S.C. 8501 note] SHORT TITLE.**—This Act may be cited as the “Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Sense of Congress regarding the need to impose additional sanctions with respect to Iran.

**TITLE I—SANCTIONS**

- Sec. 101. Definitions.
- Sec. 102. Expansion of sanctions under the Iran Sanctions Act of 1996.
- Sec. 103. Economic sanctions relating to Iran.
- Sec. 104. Mandatory sanctions with respect to financial institutions that engage in certain transactions.
- Sec. 104A. Expansion of, and reports on, mandatory sanctions with respect to financial institutions that engage in certain activities.
- Sec. 105. Imposition of sanctions on certain persons who are responsible for or complicit in human rights abuses committed against citizens of Iran or their family members after the June 12, 2009, elections in Iran.
- Sec. 105A. Imposition of sanctions with respect to the transfer of goods or technologies to Iran that are likely to be used to commit human rights abuses.
- Sec. 105B. Imposition of sanctions with respect to persons who engage in censorship or other related activities against citizens of Iran.
- Sec. 105C. Imposition of sanctions with respect to persons engaged in the diversion of goods intended for the people of Iran.
- Sec. 106. Prohibition on procurement contracts with persons that export sensitive technology to Iran.
- Sec. 107. Harmonization of criminal penalties for violations of sanctions.
- Sec. 108. Authority to implement United Nations Security Council resolutions imposing sanctions with respect to Iran.
- Sec. 109. Increased capacity for efforts to combat unlawful or terrorist financing.
- Sec. 110. Reports on investments in the energy sector of Iran.
- Sec. 111. Reports on certain activities of foreign export credit agencies and of the Export-Import Bank of the United States.
- Sec. 112. Sense of Congress regarding Iran’s Revolutionary Guard Corps and its affiliates.

<sup>1</sup> See sunset provisions in section 401(a).

- Sec. 113. Sense of Congress regarding Iran and Hezbollah.
- Sec. 114. Sense of Congress regarding the imposition of multilateral sanctions with respect to Iran.
- Sec. 115. Report on providing compensation for victims of international terrorism.

**TITLE II—DIVESTMENT FROM CERTAIN COMPANIES THAT INVEST IN IRAN**

- Sec. 201. Definitions.
- Sec. 202. Authority of State and local governments to divest from certain companies that invest in Iran.
- Sec. 203. Safe harbor for changes of investment policies by asset managers.
- Sec. 204. Sense of Congress regarding certain ERISA plan investments.
- Sec. 205. Technical corrections to Sudan Accountability and Divestment Act of 2007.

**TITLE III—PREVENTION OF DIVERSION OF CERTAIN GOODS, SERVICES, AND TECHNOLOGIES TO IRAN**

- Sec. 301. Definitions.
- Sec. 302. Identification of countries of concern with respect to the diversion of certain goods, services, and technologies to or through Iran.
- Sec. 303. Destinations of Diversion Concern.
- Sec. 304. Report on expanding diversion concern system to address the diversion of United States origin goods, services, and technologies to certain countries other than Iran.
- Sec. 305. Enforcement authority.

**TITLE IV—GENERAL PROVISIONS**

- Sec. 401. General provisions.
- Sec. 402. Determination of budgetary effects.

**SEC. 2 [22 U.S.C. 8501] FINDINGS.**

Congress makes the following findings:

(1) The illicit nuclear activities of the Government of Iran, combined with its development of unconventional weapons and ballistic missiles and its support for international terrorism, represent a threat to the security of the United States, its strong ally Israel, and other allies of the United States around the world.

(2) The United States and other responsible countries have a vital interest in working together to prevent the Government of Iran from acquiring a nuclear weapons capability.

(3) The International Atomic Energy Agency has repeatedly called attention to Iran's illicit nuclear activities and, as a result, the United Nations Security Council has adopted a range of sanctions designed to encourage the Government of Iran to suspend those activities and comply with its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow July 1, 1968, and entered into force March 5, 1970 (commonly known as the "Nuclear Non-Proliferation Treaty").

(4) The serious and urgent nature of the threat from Iran demands that the United States work together with its allies to do everything possible—diplomatically, politically, and economically—to prevent Iran from acquiring a nuclear weapons capability.

(5) The United States and its major European allies, including the United Kingdom, France, and Germany, have advocated that sanctions be strengthened should international diplomatic efforts fail to achieve verifiable suspension of Iran's uranium enrichment program and an end to its nuclear weapons program and other illicit nuclear activities.

(6) The Government of Iran continues to engage in serious, systematic, and ongoing violations of human rights, including suppression of freedom of expression and religious freedom, illegitimately prolonged detention, torture, and executions. Such violations have increased in the aftermath of the fraudulent presidential election in Iran on June 12, 2009.

(7) The Government of Iran has been unresponsive to President Obama's unprecedented and serious efforts at engagement, revealing that the Government of Iran is not interested in a diplomatic resolution, as made clear, for example, by the following:

(A) Iran's apparent rejection of the Tehran Research Reactor plan, generously offered by the United States and its partners, of potentially great benefit to the people of Iran, and endorsed by Iran's own negotiators in October 2009.

(B) Iran's ongoing clandestine nuclear program, as evidenced by its work on the secret uranium enrichment facility at Qom, its subsequent refusal to cooperate fully with inspectors from the International Atomic Energy Agency, and its announcement that it would build 10 new uranium enrichment facilities.

(C) Iran's official notification to the International Atomic Energy Agency that it would enrich uranium to the 20 percent level, followed soon thereafter by its providing to that Agency a laboratory result showing that Iran had indeed enriched some uranium to 19.8 percent.

(D) A February 18, 2010, report by the International Atomic Energy Agency expressing "concerns about the possible existence in Iran of past or current undisclosed activities related to the development of a nuclear payload for a missile. These alleged activities consist of a number of projects and sub-projects, covering nuclear and missile related aspects, run by military-related organizations."

(E) A May 31, 2010, report by the International Atomic Energy Agency expressing continuing strong concerns about Iran's lack of cooperation with the Agency's verification efforts and Iran's ongoing enrichment activities, which are contrary to the longstanding demands of the Agency and the United Nations Security Council.

(F) Iran's announcement in April 2010 that it had developed a new, faster generation of centrifuges for enriching uranium.

(G) Iran's ongoing arms exports to, and support for, terrorists in direct contravention of United Nations Security Council resolutions.

(H) Iran's July 31, 2009, arrest of 3 young citizens of the United States on spying charges.

(8) There is an increasing interest by State governments, local governments, educational institutions, and private institutions, business firms, and other investors to disassociate themselves from companies that conduct business activities in the energy sector of Iran, since such business activities may di-



rectly or indirectly support the efforts of the Government of Iran to achieve a nuclear weapons capability.

(9) Black market proliferation networks continue to flourish in the Middle East, allowing countries like Iran to gain access to sensitive dual-use technologies.

(10) Economic sanctions imposed pursuant to the provisions of this Act, the Iran Sanctions Act of 1996, as amended by this Act, and the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), and other authorities available to the United States to impose economic sanctions to prevent Iran from developing nuclear weapons, are necessary to protect the essential security interests of the United States.

**SEC. 3. SENSE OF CONGRESS REGARDING THE NEED TO IMPOSE ADDITIONAL SANCTIONS WITH RESPECT TO IRAN.**

It is the sense of Congress that—

(1) international diplomatic efforts to address Iran's illicit nuclear efforts and support for international terrorism are more likely to be effective if strong additional sanctions are imposed on the Government of Iran;

(2) the concerns of the United States regarding Iran are strictly the result of the actions of the Government of Iran;

(3) the revelation in September 2009 that Iran is developing a secret uranium enrichment site on a base of Iran's Revolutionary Guard Corps near Qom, which appears to have no civilian application, highlights the urgency that Iran—

(A) disclose the full nature of its nuclear program, including any other secret locations; and

(B) provide the International Atomic Energy Agency unfettered access to its facilities pursuant to Iran's legal obligations under the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow July 1, 1968, and entered into force March 5, 1970 (commonly known as the "Nuclear Non-Proliferation Treaty") and Iran's safeguards agreement with the International Atomic Energy Agency;

(4) because of the involvement of Iran's Revolutionary Guard Corps in Iran's nuclear program, international terrorism, and domestic human rights abuses, the President should impose the full range of applicable sanctions on—

(A) any individual or entity that is an agent, alias, front, instrumentality, representative, official, or affiliate of Iran's Revolutionary Guard Corps; and

(B) any individual or entity that has conducted any commercial transaction or financial transaction with an individual or entity described in subparagraph (A);

(5) additional measures should be adopted by the United States to prevent the diversion of sensitive dual-use technologies to Iran;

(6) the President should—

(A) continue to urge the Government of Iran to respect the internationally recognized human rights and religious freedoms of its citizens;

(B) identify the officials of the Government of Iran and other individuals who are responsible for continuing and

severe violations of human rights and religious freedom in Iran; and

(C) take appropriate measures to respond to such violations, including by—

(i) prohibiting officials and other individuals the President identifies as being responsible for such violations from entry into the United States; and

(ii) freezing the assets of the officials and other individuals described in clause (i);

(7) additional funding should be provided to the Secretary of State to document, collect, and disseminate information about human rights abuses in Iran, including serious abuses that have taken place since the presidential election in Iran on June 12, 2009;

(8) with respect to nongovernmental organizations based in the United States—

(A) many of such organizations are essential to promoting human rights and humanitarian goals around the world;

(B) it is in the national interest of the United States to allow responsible nongovernmental organizations based in the United States to establish and carry out operations in Iran to promote civil society and foster humanitarian goodwill among the people of Iran; and

(C) the United States should ensure that the organizations described in subparagraph (B) are not unnecessarily hindered from working in Iran to provide humanitarian, human rights, and people-to-people assistance, as appropriate, to the people of Iran;

(9) the United States should not issue a license pursuant to an agreement for cooperation (as defined in section 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(b))) for the export of nuclear material, facilities, components, or other goods, services, or technology that are or would be subject to such an agreement to a country that is providing similar nuclear material, facilities, components, or other goods, services, or technology to another country that is not in full compliance with its obligations under the Nuclear Non-Proliferation Treaty, including its obligations under the safeguards agreement between that country and the International Atomic Energy Agency, unless the President determines that the provision of such similar nuclear material, facilities, components, or other goods, services, or technology to such other country does not undermine the nonproliferation policies and objectives of the United States; and

(10) the people of the United States—

(A) have feelings of friendship for the people of Iran;

(B) regret that developments in recent decades have created impediments to that friendship; and

(C) hold the people of Iran, their culture, and their ancient and rich history in the highest esteem.

## TITLE I—SANCTIONS

### SEC. 101. [22 U.S.C. 8511] DEFINITIONS.

In this title:

(1) **AGRICULTURAL COMMODITY.**—The term “agricultural commodity” has the meaning given that term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

(2) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note), as amended by section 102 of this Act.

(3) **EXECUTIVE AGENCY.**—The term “executive agency” has the meaning given that term in section 133 of title 41, United States Code.

(4) **FAMILY MEMBER.**—The term “family member” means, with respect to an individual, a spouse, child, parent, sibling, grandchild, or grandparent of the individual.

(5) **IRANIAN DIPLOMATS AND REPRESENTATIVES OF OTHER GOVERNMENT AND MILITARY OR QUASI-GOVERNMENTAL INSTITUTIONS OF IRAN.**—The term “Iranian diplomat or representative of another government or military or quasi-governmental institution of Iran” means any of the Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran (as that term is defined in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note)).

(6) **KNOWINGLY.**—The term “knowingly”, with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

(7) **MEDICAL DEVICE.**—The term “medical device” has the meaning given the term “device” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(8) **MEDICINE.**—The term “medicine” has the meaning given the term “drug” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(9) **STATE.**—The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

(10) **UNITED STATES PERSON.**—The term “United States person” means—

(A) a natural person who is a citizen or resident of the United States or a national of the United States (as defined in section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)); and

(B) an entity that is organized under the laws of the United States or any State.

**SEC. 102. EXPANSION OF SANCTIONS UNDER THE IRAN SANCTIONS ACT OF 1996.**

(a) IN GENERAL.—Section 5 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended—

(1) by striking subsection (a) and inserting the following:

“(a) SANCTIONS WITH RESPECT TO THE DEVELOPMENT OF PETROLEUM RESOURCES OF IRAN, PRODUCTION OF REFINED PETROLEUM PRODUCTS IN IRAN, AND EXPORTATION OF REFINED PETROLEUM PRODUCTS TO IRAN.—

“(1) DEVELOPMENT OF PETROLEUM RESOURCES OF IRAN.—

“(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 3 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010—

“(i) makes an investment described in subparagraph (B) of \$20,000,000 or more; or

“(ii) makes a combination of investments described in subparagraph (B) in a 12-month period if each such investment is of at least \$5,000,000 and such investments equal or exceed \$20,000,000 in the aggregate.

“(B) INVESTMENT DESCRIBED.—An investment described in this subparagraph is an investment that directly and significantly contributes to the enhancement of Iran’s ability to develop petroleum resources.

“(2) PRODUCTION OF REFINED PETROLEUM PRODUCTS.—

“(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 3 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, sells, leases, or provides to Iran goods, services, technology, information, or support described in subparagraph (B)—

“(i) any of which has a fair market value of \$1,000,000 or more; or

“(ii) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more.

“(B) GOODS, SERVICES, TECHNOLOGY, INFORMATION, OR SUPPORT DESCRIBED.—Goods, services, technology, information, or support described in this subparagraph are goods, services, technology, information, or support that could directly and significantly facilitate the maintenance or expansion of Iran’s domestic production of refined petroleum products, including any direct and significant assistance with respect to the construction, modernization, or repair of petroleum refineries.

“(3) EXPORTATION OF REFINED PETROLEUM PRODUCTS TO IRAN.—

“(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 3 or more of the sanctions described in section 6(a) with respect to a person if the

November 17, 2014

President determines that the person knowingly, on or after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010—

“(i) sells or provides to Iran refined petroleum products—

“(I) that have a fair market value of \$1,000,000 or more; or

“(II) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more;

or

“(ii) sells, leases, or provides to Iran goods, services, technology, information, or support described in subparagraph (B)—

“(I) any of which has a fair market value of \$1,000,000 or more; or

“(II) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more.

“(B) GOODS, SERVICES, TECHNOLOGY, INFORMATION, OR SUPPORT DESCRIBED.—Goods, services, technology, information, or support described in this subparagraph are goods, services, technology, information, or support that could directly and significantly contribute to the enhancement of Iran’s ability to import refined petroleum products, including—

“(i) except as provided in subparagraph (C), underwriting or entering into a contract to provide insurance or reinsurance for the sale, lease, or provision of such goods, services, technology, information, or support;

“(ii) financing or brokering such sale, lease, or provision; or

“(iii) providing ships or shipping services to deliver refined petroleum products to Iran.

“(C) EXCEPTION FOR UNDERWRITERS AND INSURANCE PROVIDERS EXERCISING DUE DILIGENCE.—The President may not impose sanctions under this paragraph with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not underwrite or enter into a contract to provide insurance or reinsurance for the sale, lease, or provision of goods, services, technology, information, or support described in subparagraph (B).”;

(2) in subsection (b)—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and moving such subparagraphs, as so redesignated, 2 ems to the right;

(B) by striking “The President shall impose” and inserting the following:

“(1) IN GENERAL.—The President shall impose”; and

(C) in paragraph (1), as redesignated by subparagraph (B) of this paragraph, by striking “two or more” and all that follows through “of this Act” and inserting “3 or more

of the sanctions described in section 6(a) if the President determines that a person has, on or after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010"; and

(D) by adding at the end the following:

"(2) ADDITIONAL MANDATORY SANCTIONS RELATING TO TRANSFER OF NUCLEAR TECHNOLOGY.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), in any case in which a person is subject to sanctions under paragraph (1) because of an activity described in that paragraph that relates to the acquisition or development of nuclear weapons or related technology or of missiles or advanced conventional weapons that are designed or modified to deliver a nuclear weapon, no license may be issued for the export, and no approval may be given for the transfer or retransfer, directly or indirectly, to the country the government of which has primary jurisdiction over the person, of any nuclear material, facilities, components, or other goods, services, or technology that are or would be subject to an agreement for cooperation between the United States and that government.

"(B) EXCEPTION.—The sanctions described in subparagraph (A) shall not apply with respect to a country the government of which has primary jurisdiction over a person that engages in an activity described in that subparagraph if the President determines and notifies the appropriate congressional committees that the government of the country—

"(i) does not know or have reason to know about the activity; or

"(ii) has taken, or is taking, all reasonable steps necessary to prevent a recurrence of the activity and to penalize the person for the activity.

"(C) INDIVIDUAL APPROVAL.—Notwithstanding subparagraph (A), the President may, on a case-by-case basis, approve the issuance of a license for the export, or approve the transfer or retransfer, of any nuclear material, facilities, components, or other goods, services, or technology that are or would be subject to an agreement for cooperation, to a person in a country to which subparagraph (A) applies (other than a person that is subject to the sanctions under paragraph (1)) if the President—

"(i) determines that such approval is vital to the national security interests of the United States; and

"(ii) not later than 15 days before issuing such license or approving such transfer or retransfer, submits to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate the justification for approving such license, transfer, or retransfer.

"(D) CONSTRUCTION.—The restrictions in subparagraph (A) shall apply in addition to all other applicable procedures, requirements, and restrictions contained in the Atomic Energy Act of 1954 and other related laws.

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“(E) DEFINITION.—In this paragraph, the term ‘agreement for cooperation’ has the meaning given that term in section 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(b)).

“(F) APPLICABILITY.—The sanctions under subparagraph (A) shall apply only in a case in which a person is subject to sanctions under paragraph (1) because of an activity described in that paragraph in which the person engages on or after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010.”;

(3) in subsection (c)—

(A) by striking “(b)” each place it appears and inserting “(b)(1)”; and

(B) by striking paragraph (2) and inserting the following:

“(2) any person that—

“(A) is a successor entity to the person referred to in paragraph (1);

“(B) owns or controls the person referred to in paragraph (1), if the person that owns or controls the person referred to in paragraph (1) had actual knowledge or should have known that the person referred to in paragraph (1) engaged in the activities referred to in that paragraph; or

“(C) is owned or controlled by, or under common ownership or control with, the person referred to in paragraph (1), if the person owned or controlled by, or under common ownership or control with (as the case may be), the person referred to in paragraph (1) knowingly engaged in the activities referred to in that paragraph.”; and

(4) in subsection (f)—

(A) in the matter preceding paragraph (1), by striking “(b)” and inserting “(b)(1)”; and

(B) in paragraph (2), by striking “section 301(b)(1) of that Act (19 U.S.C. 2511(b)(1))” and inserting “section 301(b) of that Act (19 U.S.C. 2511(b))”.

(b) DESCRIPTION OF SANCTIONS.—Section 6 of such Act is amended—

(1) by striking “The sanctions to be imposed” and inserting the following:

“(a) IN GENERAL.—The sanctions to be imposed”;

(2) in subsection (a), as redesignated by paragraph (1)—

(A) by redesignating paragraph (6) as paragraph (9); and

(B) by inserting after paragraph (5) the following:

“(6) FOREIGN EXCHANGE.—The President may, pursuant to such regulations as the President may prescribe, prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the sanctioned person has any interest.

“(7) BANKING TRANSACTIONS.—The President may, pursuant to such regulations as the President may prescribe, prohibit any transfers of credit or payments between financial in-

stitutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the sanctioned person.

“(8) PROPERTY TRANSACTIONS.—The President may, pursuant to such regulations as the President may prescribe, prohibit any person from—

“(A) acquiring, holding, withholding, using, transferring, withdrawing, transporting, importing, or exporting any property that is subject to the jurisdiction of the United States and with respect to which the sanctioned person has any interest;

“(B) dealing in or exercising any right, power, or privilege with respect to such property; or

“(C) conducting any transaction involving such property.”; and

(3) by adding at the end the following:

“(b) ADDITIONAL MEASURE RELATING TO GOVERNMENT CONTRACTS.—

“(1) MODIFICATION OF FEDERAL ACQUISITION REGULATION.—Not later than 90 days after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, the Federal Acquisition Regulation issued pursuant to section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) shall be revised to require a certification from each person that is a prospective contractor that the person, and any person owned or controlled by the person, does not engage in any activity for which sanctions may be imposed under section 5.

“(2) REMEDIES.—

“(A) IN GENERAL.—If the head of an executive agency determines that a person has submitted a false certification under paragraph (1) on or after the date on which the revision of the Federal Acquisition Regulation required by this subsection becomes effective, the head of that executive agency shall terminate a contract with such person or debar or suspend such person from eligibility for Federal contracts for a period of not more than 3 years. Any such debarment or suspension shall be subject to the procedures that apply to debarment and suspension under the Federal Acquisition Regulation under subpart 9.4 of part 9 of title 48, Code of Federal Regulations.

“(B) INCLUSION ON LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT AND NONPROCUREMENT PROGRAMS.—The Administrator of General Services shall include on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs maintained by the Administrator under part 9 of the Federal Acquisition Regulation issued pursuant to section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) each person that is debarred, suspended, or proposed for debarment or suspension by the head of an executive agency on the basis of a determination of a false certification under subparagraph (A).

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“(3) CLARIFICATION REGARDING CERTAIN PRODUCTS.—The remedies set forth in paragraph (2) shall not apply with respect to the procurement of eligible products, as defined in section 308(4) of the Trade Agreements Act of 1974 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b) of that Act (19 U.S.C. 2511(b)).

“(4) RULE OF CONSTRUCTION.—This subsection shall not be construed to limit the use of other remedies available to the head of an executive agency or any other official of the Federal Government on the basis of a determination of a false certification under paragraph (1).

“(5) WAIVERS.—The President may on a case-by-case basis waive the requirement that a person make a certification under paragraph (1) if the President determines and certifies in writing to the appropriate congressional committees, the Committee on Armed Services of the Senate, and the Committee on Armed Services of the House of Representatives, that it is in the national interest of the United States to do so.

“(6) EXECUTIVE AGENCY DEFINED.—In this subsection, the term ‘executive agency’ has the meaning given that term in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

“(7) APPLICABILITY.—The revisions to the Federal Acquisition Regulation required under paragraph (1) shall apply with respect to contracts for which solicitations are issued on or after the date that is 90 days after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010.”

(c) PRESIDENTIAL WAIVER.—Section 9 of such Act is amended—

(1) in subsection (a), by striking “5(b)” each place it appears and inserting “5(b)(1)”; and

(2) in subsection (c)—

(A) by striking “section 5(a) or (b)” each place it appears and inserting “section 5(a) or 5(b)(1)”; and

(B) in paragraph (1), by striking “important to the national interest” and inserting “necessary to the national interest”; and

(C) in paragraph (2), by striking subparagraph (C) and inserting the following:

“(C) an estimate of the significance of the conduct of the person in contributing to the ability of Iran to, as the case may be—

“(i) develop petroleum resources, produce refined petroleum products, or import refined petroleum products; or

“(ii) acquire or develop—

“(I) chemical, biological, or nuclear weapons or related technologies; or

“(II) destabilizing numbers and types of advanced conventional weapons; and”

(d) REPORTS ON GLOBAL TRADE RELATING TO IRAN.—Section 10 of such Act is amended by adding at the end the following:

“(d) REPORTS ON GLOBAL TRADE RELATING TO IRAN.—Not later than 90 days after the date of the enactment of the Comprehensive

Iran Sanctions, Accountability, and Divestment Act of 2010, and annually thereafter, the President shall submit to the appropriate congressional committees a report, with respect to the most recent 12-month period for which data are available, on the dollar value amount of trade, including in the energy sector, between Iran and each country maintaining membership in the Group of 20 Finance Ministers and Central Bank Governors.”

(e) **EXTENSION OF IRAN SANCTIONS ACT OF 1996.**—Section 13(b) of such Act is amended by striking “December 31, 2011” and inserting “December 31, 2016”.

(f) **CLARIFICATION AND EXPANSION OF DEFINITIONS.**—Section 14 of such Act is amended—

(1) in paragraph (2), by striking “the Committee on Banking and Financial Services, and the Committee on International Relations” and inserting “the Committee on Financial Services, and the Committee on Foreign Affairs”;

(2) in paragraph (9), in the flush text following subparagraph (C), by striking “The term ‘investment’ does not include” and all that follows through “technology.”;

(3) by redesignating paragraphs (12), (13), (14), (15), and (16) as paragraphs (13), (14), (15), (17), and (18), respectively;

(4) by inserting after paragraph (11) the following:

“(12) **KNOWINGLY.**—The term ‘knowingly’, with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.”;

(5) in paragraph (14), as redesignated by paragraph (3) of this subsection—

(A) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and moving such clauses, as so redesignated, 2 ems to the right;

(B) by striking “The term ‘person’ means—” and inserting the following:

“(A) **IN GENERAL.**—The term ‘person’ means—”;

(C) in subparagraph (A), as redesignated by this paragraph—

(i) in clause (ii), by inserting “financial institution, insurer, underwriter, guarantor, and any other business organization,” after “trust.”; and

(ii) in clause (iii), by striking “subparagraph (B)” and inserting “clause (ii).”; and

(D) by adding at the end the following:

“(B) **APPLICATION TO GOVERNMENTAL ENTITIES.**—The term ‘person’ does not include a government or governmental entity that is not operating as a business enterprise.”;

(6) in paragraph (15), as redesignated by paragraph (3) of this subsection, by striking “petroleum and natural gas resources” and inserting “petroleum, refined petroleum products, oil or liquefied natural gas, natural gas resources, oil or liquefied natural gas tankers, and products used to construct or maintain pipelines used to transport oil or liquefied natural gas”; and

(7) by inserting after paragraph (15), as so redesignated, the following:

“(16) REFINED PETROLEUM PRODUCTS.—The term ‘refined petroleum products’ means diesel, gasoline, jet fuel (including naphtha-type and kerosene-type jet fuel), and aviation gasoline.”.

(g) WAIVER FOR CERTAIN PERSONS IN CERTAIN COUNTRIES; MANDATORY INVESTIGATIONS AND REPORTING; CONFORMING AMENDMENTS.—Section 4 of such Act is amended—

(1) in subsection (b)(2), by striking “(in addition to that provided in subsection (d))”;

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking “The President may” and inserting the following:

“(A) GENERAL WAIVER.—The President may”; and

(ii) by adding at the end the following:

“(B) WAIVER WITH RESPECT TO PERSONS IN COUNTRIES THAT COOPERATE IN MULTILATERAL EFFORTS WITH RESPECT TO IRAN.—The President may, on a case by case basis, waive for a period of not more than 12 months the application of section 5(a) with respect to a person if the President, at least 30 days before the waiver is to take effect—

“(i) certifies to the appropriate congressional committees that—

“(I) the government with primary jurisdiction over the person is closely cooperating with the United States in multilateral efforts to prevent Iran from—

“(aa) acquiring or developing chemical, biological, or nuclear weapons or related technologies; or

“(bb) acquiring or developing destabilizing numbers and types of advanced conventional weapons; and

“(II) such a waiver is vital to the national security interests of the United States; and

“(ii) submits to the appropriate congressional committees a report identifying—

“(I) the person with respect to which the President waives the application of sanctions; and

“(II) the actions taken by the government described in clause (i)(I) to cooperate in multilateral efforts described in that clause.”; and

(B) by striking paragraph (2) and inserting the following:

“(2) SUBSEQUENT RENEWAL OF WAIVER.—At the conclusion of the period of a waiver under subparagraph (A) or (B) of paragraph (1), the President may renew the waiver—

“(A) if the President determines, in accordance with subparagraph (A) or (B) of that paragraph (as the case may be), that the waiver is appropriate; and

“(B)(i) in the case of a waiver under subparagraph (A) of paragraph (1), for subsequent periods of not more than six months each; and

“(ii) in the case of a waiver under subparagraph (B) of paragraph (1), for subsequent periods of not more than 12 months each.”;

(3) by striking subsection (d);

(4) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively; and

(5) in subsection (e), as redesignated by paragraph (4) of this subsection—

(A) in paragraph (1)—

(i) by striking “should initiate” and inserting “shall initiate”; and

(ii) by striking “investment activity in Iran as” and inserting “an activity”;

(B) in paragraph (2)—

(i) by striking “should determine” and inserting “shall (unless paragraph (3) applies) determine”; and

(ii) by striking “investment activity in Iran as” and inserting “an activity”; and

(C) by adding at the end the following:

“(3) SPECIAL RULE.—The President need not initiate an investigation, and may terminate an investigation, under this subsection if the President certifies in writing to the appropriate congressional committees that—

“(A) the person whose activity was the basis for the investigation is no longer engaging in the activity or has taken significant verifiable steps toward stopping the activity; and

“(B) the President has received reliable assurances that the person will not knowingly engage in an activity described in section 5(a) in the future.”.

(h) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall—

(A) take effect on the date of the enactment of this Act; and

(B) except as provided in this subsection or section 6(b)(7) of the Iran Sanctions Act of 1996, as amended by subsection (b) of this section, apply with respect to an investment or activity described in subsection (a) or (b) of section 5 of the Iran Sanctions Act of 1996, as amended by this section, that is commenced on or after such date of enactment.

(2) APPLICABILITY TO ONGOING INVESTMENTS PROHIBITED UNDER PRIOR LAW.—A person that makes an investment described in section 5(a) of the Iran Sanctions Act of 1996, as in effect on the day before the date of the enactment of this Act, that is commenced before such date of enactment and continues on or after such date of enactment, shall, except as provided in paragraph (4), be subject to the provisions of the Iran Sanctions Act of 1996, as in effect on the day before such date of enactment.

(3) **APPLICABILITY TO ONGOING ACTIVITIES RELATING TO CHEMICAL, BIOLOGICAL, OR NUCLEAR WEAPONS OR RELATED TECHNOLOGIES.**—A person that, before the date of the enactment of this Act, commenced an activity described in section 5(b) of the Iran Sanctions Act of 1996, as in effect on the day before such date of enactment, and continues the activity on or after such date of enactment, shall be subject to the provisions of the Iran Sanctions Act of 1996, as amended by this Act.

(4) **APPLICABILITY OF MANDATORY INVESTIGATIONS TO INVESTMENTS.**—The amendments made by subsection (g)(5) of this section shall apply on and after the date of the enactment of this Act—

(A) with respect to an investment described in section 5(a)(1) of the Iran Sanctions Act of 1996, as amended by subsection (a) of this section, that is commenced on or after such date of enactment; and

(B) with respect to an investment described in section 5(a) of the Iran Sanctions Act of 1996, as in effect on the day before the date of the enactment of this Act, that is commenced before such date of enactment and continues on or after such date of enactment.

(5) **APPLICABILITY OF MANDATORY INVESTIGATIONS TO ACTIVITIES RELATING TO PETROLEUM.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (B), the amendments made by subsection (g)(5) of this section shall apply on and after the date that is 1 year after the date of the enactment of this Act with respect to an activity described in paragraph (2) or (3) of section 5(a) of the Iran Sanctions Act of 1996, as amended by subsection (a) of this section, that is commenced on or after the date that is 1 year after the date of the enactment of this Act or the date on which the President fails to submit a certification that is required under subparagraph (B) (whichever is applicable).

(B) **SPECIAL RULE FOR DELAY OF EFFECTIVE DATE.**—

(i) **REPORTING REQUIREMENT.**—Not later than 30 days before the date that is 1 year after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report describing—

(I) the diplomatic and other efforts of the President—

(aa) to dissuade foreign persons from engaging in activities described in paragraph (2) or (3) of section 5(a) of the Iran Sanctions Act of 1996, as amended by subsection (a) of this section; and

(bb) to encourage other governments to dissuade persons over which those governments have jurisdiction from engaging in such activities;

(II) the successes and failures of the efforts described in subclause (I); and

(III) each investigation under section 4(e) of the Iran Sanctions Act of 1996, as amended by subsection (g)(5) of this section and as in effect pursuant to subparagraph (C) of this paragraph, or any other review of an activity described in paragraph (2) or (3) of section 5(a) of the Iran Sanctions Act of 1996, as amended by subsection (a) of this section, that is initiated or ongoing during the period beginning on the date of the enactment of this Act and ending on the date on which the President is required to submit the report.

(ii) CERTIFICATION.—If the President submits to the appropriate congressional committees, with the report required by clause (i), a certification that there was a substantial reduction in activities described in paragraphs (2) and (3) of section 5(a) of the Iran Sanctions Act of 1996, as amended by subsection (a) of this section, during the period described in clause (i)(III), the effective date provided for in subparagraph (A) shall be delayed for a 180-day period beginning after the date provided for in that subparagraph.

(iii) SUBSEQUENT REPORTS AND DELAYS.—The effective date provided for in subparagraph (A) shall be delayed for additional 180-day periods occurring after the end of the 180-day period provided for under clause (ii), if, not later than 30 days before the 180-day period preceding such additional 180-day period expires, the President submits to the appropriate congressional committees—

(I) a report containing the matters required in the report under clause (i) for the period beginning on the date on which the preceding report was required to be submitted under clause (i) or this clause (as the case may be) and ending on the date on which the President is required to submit the most recent report under this clause; and

(II) a certification that, during the period described in subclause (I), there was (as compared to the period for which the preceding report was submitted under this subparagraph) a progressive reduction in activities described in paragraphs (2) and (3) of section 5(a) of the Iran Sanctions Act of 1996, as amended by subsection (a) of this section.

(iv) CONSEQUENCE OF FAILURE TO CERTIFY.—If the President does not make a certification at a time required by this subparagraph—

(I) the amendments made by subsection (g)(5) of this section shall apply on and after the date on which the certification was required to be submitted by this subparagraph, with respect to an activity described in paragraph (2) or (3) of section 5(a) of the Iran Sanctions Act of 1996, as amended by subsection (a) of this section, that—

(aa) is referenced in the most recent report required to be submitted under this subparagraph; or

(bb) is commenced on or after the date on which such most recent report is required to be submitted; and

(II) not later than 45 days after the date on which the certification was required to be submitted by this subparagraph, the President shall make a determination under paragraph (2) or (3) of section 5(a) of the Iran Sanctions Act of 1996 (as the case may be), as amended by subsection (a) of this section, with respect to relevant activities described in subclause (I)(aa).

(C) **APPLICABILITY OF PERMISSIVE INVESTIGATIONS.**—During the 1-year period beginning on the date of the enactment of this Act and during any 180-day period during which the effective date provided for in subparagraph (A) is delayed pursuant to subparagraph (B), section 4(e) of the Iran Sanctions Act of 1996, as amended by subsection (g)(5) of this section, shall be applied, with respect to an activity described in paragraph (2) or (3) of section 5(a) of the Iran Sanctions Act of 1996, as amended by subsection (a) of this section, by substituting “should” for “shall” each place it appears.

(6) **WAIVER AUTHORITY.**—The amendments made by subsection (c) shall not be construed to affect any exercise of the authority under section 9(c) of the Iran Sanctions Act of 1996, as in effect on the day before the date of the enactment of this Act.

**SEC. 103. [22 U.S.C. 8512] ECONOMIC SANCTIONS RELATING TO IRAN.**

(a) **IN GENERAL.**—Notwithstanding section 101 of the Iran Freedom Support Act (Public Law 109–293; 120 Stat. 1344), and in addition to any other sanction in effect, beginning on the date that is 90 days after the date of the enactment of this Act, the economic sanctions described in subsection (b) shall apply with respect to Iran.

(b) **SANCTIONS.**—The sanctions described in this subsection are the following:

(1) **PROHIBITION ON IMPORTS.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (B), no good or service of Iranian origin may be imported directly or indirectly into the United States.

(B) **EXCEPTIONS.**—The exceptions provided for in section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)), including the exception for information and informational materials, shall apply to the prohibition in subparagraph (A) of this paragraph to the same extent that such exceptions apply to the authority provided under section 203(a) of that Act.

(2) **PROHIBITION ON EXPORTS.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (B), no good, service, or technology of United States origin

may be exported to Iran from the United States or by a United States person, wherever located.

(B) EXCEPTIONS.—

(i) PERSONAL COMMUNICATIONS; ARTICLES TO RELIEVE HUMAN SUFFERING; INFORMATION AND INFORMATIONAL MATERIALS; TRANSACTIONS INCIDENT TO TRAVEL.—The exceptions provided for in section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)), including the exception for information and informational materials, shall apply to the prohibition in subparagraph (A) of this paragraph to the same extent that such exceptions apply to the authority provided under section 203(a) of that Act.

(ii) FOOD; MEDICINE; HUMANITARIAN ASSISTANCE.—The prohibition in subparagraph (A) shall not apply to the exportation of—

(I) agricultural commodities, food, medicine, or medical devices; or

(II) articles exported to Iran to provide humanitarian assistance to the people of Iran.

(iii) INTERNET COMMUNICATIONS.—The prohibition in subparagraph (A) shall not apply to the exportation of—

(I) services incident to the exchange of personal communications over the Internet or software necessary to enable such services, as provided for in section 560.540 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling);

(II) hardware necessary to enable such services; or

(III) hardware, software, or technology necessary for access to the Internet.

(iv) GOODS, SERVICES, OR TECHNOLOGIES NECESSARY TO ENSURE THE SAFE OPERATION OF COMMERCIAL AIRCRAFT.—The prohibition in subparagraph (A) shall not apply to the exportation of goods, services, or technologies necessary to ensure the safe operation of commercial aircraft produced in the United States or commercial aircraft into which aircraft components produced in the United States are incorporated, if the exportation of such goods, services, or technologies is approved by the Secretary of the Treasury, in consultation with the Secretary of Commerce, pursuant to regulations issued by the Secretary of the Treasury regarding the exportation of such goods, services, or technologies, if appropriate.

(v) GOODS, SERVICES, OR TECHNOLOGIES EXPORTED TO SUPPORT INTERNATIONAL ORGANIZATIONS.—The prohibition in subparagraph (A) shall not apply to the exportation of goods, services, or technologies that—

(I) are provided to the International Atomic Energy Agency and are necessary to support activities of that Agency in Iran; or



(II) are necessary to support activities, including the activities of nongovernmental organizations, relating to promoting democracy in Iran.

(vi) EXPORTS IN THE NATIONAL INTEREST.—The prohibition in subparagraph (A) shall not apply to the exportation of goods, services, or technologies if the President determines the exportation of such goods, services, or technologies to be in the national interest of the United States.

(3) FREEZING ASSETS.—

(A) IN GENERAL.—At such time as the President determines that a person in Iran, including an Iranian diplomat or representative of another government or military or quasi-governmental institution of Iran (including Iran's Revolutionary Guard Corps and its affiliates), satisfies the criteria for designation with respect to the imposition of sanctions under the authority of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the President shall take such action as may be necessary to freeze, as soon as possible—

(i) the funds and other assets belonging to that person; and

(ii) any funds or other assets that person transfers, on or after the date on which the President determines the person satisfies such criteria, to any family member or associate acting for or on behalf of the person.

(B) REPORTS TO THE OFFICE OF FOREIGN ASSETS CONTROL.—The action described in subparagraph (A) includes requiring any United States financial institution that holds funds or assets of a person described in that subparagraph or funds or assets that person transfers to a family member or associate described in that subparagraph to report promptly to the Office of Foreign Assets Control information regarding such funds and assets.

(C) REPORTS TO CONGRESS.—Not later than 14 days after a decision is made to freeze the funds or assets of any person under subparagraph (A), the President shall report the name of the person to the appropriate congressional committees. Such a report may contain a classified annex.

(D) TERMINATION.—The President shall release assets or funds frozen under subparagraph (A) if the person to which the assets or funds belong or the person that transfers the assets or funds as described in subparagraph (A)(ii) (as the case may be) no longer satisfies the criteria for designation with respect to the imposition of sanctions under the authority of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(E) UNITED STATES FINANCIAL INSTITUTION DEFINED.—In this paragraph, the term “United States financial institution” means a financial institution (as defined in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note)) that is a United States person.

(c) **PENALTIES.**—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of this section or regulations prescribed under this section to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

(d) **REGULATORY AUTHORITY.**—

(1) **IN GENERAL.**—The President shall prescribe regulations to carry out this section, which may include regulatory exceptions to the sanctions described in subsection (b).

(2) **APPLICABILITY OF CERTAIN REGULATIONS.**—No exception to the prohibition under subsection (b)(1) may be made for the commercial importation of an Iranian origin good described in section 560.534(a) of title 31, Code of Federal Regulations (as in effect on the day before the date of the enactment of this Act), unless the President—

(A) prescribes a regulation providing for such an exception on or after the date of the enactment of this Act; and

(B) submits to the appropriate congressional committees—

(i) a certification in writing that the exception is in the national interest of the United States; and

(ii) a report describing the reasons for the exception.

**SEC. 104. [22 U.S.C. 8513] MANDATORY SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN TRANSACTIONS.**

(a) **FINDINGS.**—Congress makes the following findings:

(1) The Financial Action Task Force is an intergovernmental body whose purpose is to develop and promote national and international policies to combat money laundering and terrorist financing.

(2) Thirty-three countries, plus the European Commission and the Cooperation Council for the Arab States of the Gulf, belong to the Financial Action Task Force. The member countries of the Financial Action Task Force include the United States, Canada, most countries in western Europe, Russia, the People's Republic of China, Japan, South Korea, Argentina, and Brazil.

(3) In 2008 the Financial Action Task Force extended its mandate to include addressing “new and emerging threats such as proliferation financing”, meaning the financing of the proliferation of weapons of mass destruction, and published “guidance papers” for members to assist them in implementing various United Nations Security Council resolutions dealing with weapons of mass destruction, including United Nations Security Council Resolutions 1737 (2006) and 1803 (2008), which deal specifically with proliferation by Iran.

(4) The Financial Action Task Force has repeatedly called on members—

(A) to advise financial institutions in their jurisdictions to give special attention to business relationships and

transactions with Iran, including Iranian companies and financial institutions;

(B) to apply effective countermeasures to protect their financial sectors from risks relating to money laundering and financing of terrorism that emanate from Iran;

(C) to protect against correspondent relationships being used by Iran and Iranian companies and financial institutions to bypass or evade countermeasures and risk-mitigation practices; and

(D) to take into account risks relating to money laundering and financing of terrorism when considering requests by Iranian financial institutions to open branches and subsidiaries in their jurisdictions.

(5) At a February 2010 meeting of the Financial Action Task Force, the Task Force called on members to apply countermeasures “to protect the international financial system from the ongoing and substantial money laundering and terrorist financing (ML/TF) risks” emanating from Iran.

(b) SENSE OF CONGRESS REGARDING THE IMPOSITION OF SANCTIONS ON THE CENTRAL BANK OF IRAN.—Congress—

(1) acknowledges the efforts of the United Nations Security Council to impose limitations on transactions involving Iranian financial institutions, including the Central Bank of Iran; and

(2) urges the President, in the strongest terms, to consider immediately using the authority of the President to impose sanctions on the Central Bank of Iran and any other Iranian financial institution engaged in proliferation activities or support of terrorist groups.

(c) PROHIBITIONS AND CONDITIONS WITH RESPECT TO CERTAIN ACCOUNTS HELD BY FOREIGN FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe regulations to prohibit, or impose strict conditions on, the opening or maintaining in the United States of a correspondent account or a payable-through account by a foreign financial institution that the Secretary finds knowingly engages in an activity described in paragraph (2).

(2) ACTIVITIES DESCRIBED.—A foreign financial institution engages in an activity described in this paragraph if the foreign financial institution—

(A) facilitates the efforts of the Government of Iran (including efforts of Iran’s Revolutionary Guard Corps or any of its agents or affiliates)—

(i) to acquire or develop weapons of mass destruction or delivery systems for weapons of mass destruction; or

(ii) to provide support for organizations designated as foreign terrorist organizations under section 219(a) of the Immigration and Nationality Act (8 U.S.C. 1189(a)) or support for acts of international terrorism (as defined in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note));

(B) facilitates the activities of—

(i) a person subject to financial sanctions pursuant to United Nations Security Council Resolution 1737 (2006), 1747 (2007), 1803 (2008), or 1929 (2010), or any other resolution that is agreed to by the Security Council and imposes sanctions with respect to Iran; or

(ii) a person acting on behalf of or at the direction of, or owned or controlled by, a person described in clause (i);

(C) engages in money laundering to carry out an activity described in subparagraph (A) or (B);

(D) facilitates efforts by the Central Bank of Iran or any other Iranian financial institution to carry out an activity described in subparagraph (A) or (B); or

(E) facilitates a significant transaction or transactions or provides significant financial services for—

(i) Iran's Revolutionary Guard Corps or any of its agents or affiliates whose property or interests in property are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.); or

(ii) a person whose property or interests in property are blocked pursuant to that Act in connection with—

(I) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction; or

(II) Iran's support for international terrorism.

(3) **PENALTIES.**—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of regulations prescribed under paragraph (1) of this subsection to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

(4) **DETERMINATIONS REGARDING NIOC AND NITC.**—

(A) **DETERMINATIONS.**—For purposes of paragraph (2)(E), the Secretary of the Treasury shall, not later than 45 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012—

(i) determine whether the NIOC or the NITC is an agent or affiliate of Iran's Revolutionary Guard Corps; and

(ii) submit to the appropriate congressional committees a report on the determinations made under clause (i), together with the reasons for those determinations.

(B) **FORM OF REPORT.**—A report submitted under subparagraph (A)(ii) shall be submitted in unclassified form but may contain a classified annex.

(C) **APPLICABILITY WITH RESPECT TO PETROLEUM TRANSACTIONS.**—

(i) **APPLICATION OF SANCTIONS.**—Except as provided in clause (ii), if the Secretary of the Treasury de-

termines that the NIOC or the NITC is a person described in clause (i) or (ii) of paragraph (2)(E), the regulations prescribed under paragraph (1) shall apply with respect to a significant transaction or transactions or significant financial services knowingly facilitated or provided by a foreign financial institution for the NIOC or the NITC, as applicable, for the purchase of petroleum or petroleum products from Iran, only if a determination of the President under section 1245(d)(4)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that there is a sufficient supply of petroleum and petroleum products produced in countries other than Iran to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran is in effect at the time of the transaction or the provision of the service.

(ii) EXCEPTION FOR CERTAIN COUNTRIES.—If the Secretary of the Treasury determines that the NIOC or the NITC is a person described in clause (i) or (ii) of paragraph (2)(E), the regulations prescribed under paragraph (1) shall not apply to a significant transaction or transactions or significant financial services knowingly facilitated or provided by a foreign financial institution for the NIOC or the NITC, as applicable, for the purchase of petroleum or petroleum products from Iran if an exception under paragraph (4)(D) of section 1245(d) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)) applies to the country with primary jurisdiction over the foreign financial institution at the time of the transaction or the provision of the service.

(iii) RULE OF CONSTRUCTION.—The exceptions in clauses (i) and (ii) shall not be construed to limit the authority of the Secretary of the Treasury to impose sanctions pursuant to the regulations prescribed under paragraph (1) for an activity described in paragraph (2) to the extent the activity would meet the criteria described in that paragraph in the absence of the involvement of the NIOC or the NITC.

(D) DEFINITIONS.—In this paragraph:

(i) NIOC.—The term “NIOC” means the National Iranian Oil Company.

(ii) NITC.—The term “NITC” means the National Iranian Tanker Company.

(d) PENALTIES FOR DOMESTIC FINANCIAL INSTITUTIONS FOR ACTIONS OF PERSONS OWNED OR CONTROLLED BY SUCH FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe regulations to prohibit any person owned or controlled by a domestic financial institution from knowingly engaging in a transaction or transactions with or benefitting Iran’s Revolutionary Guard Corps or any of its agents or affili-

ates whose property or interests in property are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(2) **PENALTIES.**—The penalties provided for in section 206(b) of the International Emergency Economic Powers Act (50 U.S.C. 1705(b)) shall apply to a domestic financial institution to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act if—

(A) a person owned or controlled by the domestic financial institution violates, attempts to violate, conspires to violate, or causes a violation of regulations prescribed under paragraph (1) of this subsection; and

(B) the domestic financial institution knew or should have known that the person violated, attempted to violate, conspired to violate, or caused a violation of such regulations.

(e) **REQUIREMENTS FOR FINANCIAL INSTITUTIONS MAINTAINING ACCOUNTS FOR FOREIGN FINANCIAL INSTITUTIONS.**—

(1) **IN GENERAL.**—The Secretary of the Treasury shall prescribe regulations to require a domestic financial institution maintaining a correspondent account or payable-through account in the United States for a foreign financial institution to do one or more of the following:

(A) Perform an audit of activities described in subsection (c)(2) that may be carried out by the foreign financial institution.

(B) Report to the Department of the Treasury with respect to transactions or other financial services provided with respect to any such activity.

(C) Certify, to the best of the knowledge of the domestic financial institution, that the foreign financial institution is not knowingly engaging in any such activity.

(D) Establish due diligence policies, procedures, and controls, such as the due diligence policies, procedures, and controls described in section 5318(i) of title 31, United States Code, reasonably designed to detect whether the Secretary of the Treasury has found the foreign financial institution to knowingly engage in any such activity.

(2) **PENALTIES.**—The penalties provided for in sections 5321(a) and 5322 of title 31, United States Code, shall apply to a person that violates a regulation prescribed under paragraph (1) of this subsection, in the same manner and to the same extent as such penalties would apply to any person that is otherwise subject to such section 5321(a) or 5322.

(f) **WAIVER.**—The Secretary of the Treasury may waive the application of a prohibition or condition imposed with respect to a foreign financial institution pursuant to subsection (c) or section 104A or the imposition of a penalty under subsection (d) with respect to a domestic financial institution on and after the date that is 30 days after the Secretary—

(1) determines that such a waiver is necessary to the national interest of the United States; and

(2) submits to the appropriate congressional committees a report describing the reasons for the determination.

(g) PROCEDURES FOR JUDICIAL REVIEW OF CLASSIFIED INFORMATION.—

(1) IN GENERAL.—If a finding under paragraph (1) or (4) of subsection (c) or section 104A, a prohibition, condition, or penalty imposed as a result of any such finding, or a penalty imposed under subsection (d), is based on classified information (as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App.)) and a court reviews the finding or the imposition of the prohibition, condition, or penalty, the Secretary of the Treasury may submit such information to the court ex parte and in camera.

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to confer or imply any right to judicial review of any finding under paragraph (1) or (4) of subsection (c) or section 104A, any prohibition, condition, or penalty imposed as a result of any such finding, or any penalty imposed under subsection (d).

(h) CONSULTATIONS IN IMPLEMENTATION OF REGULATIONS.—In implementing this section and the regulations prescribed under this section, the Secretary of the Treasury—

(1) shall consult with the Secretary of State; and

(2) may, in the sole discretion of the Secretary of the Treasury, consult with such other agencies and departments and such other interested parties as the Secretary considers appropriate.

(i) DEFINITIONS.—

(1) IN GENERAL.—In this section:

(A) ACCOUNT; CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.—The terms “account”, “correspondent account”, and “payable-through account” have the meanings given those terms in section 5318A of title 31, United States Code.

(B) AGENT.—The term “agent” includes an entity established by a person for purposes of conducting transactions on behalf of the person in order to conceal the identity of the person.

(C) FINANCIAL INSTITUTION.—The term “financial institution” means a financial institution specified in subparagraph (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (M), or (Y) of section 5312(a)(2) of title 31, United States Code.

(D) FOREIGN FINANCIAL INSTITUTION; DOMESTIC FINANCIAL INSTITUTION.—The terms “foreign financial institution” and “domestic financial institution” shall have the meanings of those terms as determined by the Secretary of the Treasury.

(E) MONEY LAUNDERING.—The term “money laundering” means the movement of illicit cash or cash equivalent proceeds into, out of, or through a country, or into, out of, or through a financial institution.

(2) OTHER DEFINITIONS.—The Secretary of the Treasury may further define the terms used in this section in the regulations prescribed under this section.

**SEC. 104A. [22 U.S.C. 8513b] EXPANSION OF, AND REPORTS ON, MANDATORY SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN ACTIVITIES.**

(a) **IN GENERAL.**—Not later than 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, the Secretary of the Treasury shall revise the regulations prescribed under section 104(c)(1) to apply to a foreign financial institution described in subsection (b) to the same extent and in the same manner as those regulations apply to a foreign financial institution that the Secretary of the Treasury finds knowingly engages in an activity described in section 104(c)(2).

(b) **FOREIGN FINANCIAL INSTITUTIONS DESCRIBED.**—A foreign financial institution described in this subsection is a foreign financial institution, including an Iranian financial institution, that the Secretary of the Treasury finds—

(1) knowingly facilitates, or participates or assists in, an activity described in section 104(c)(2), including by acting on behalf of, at the direction of, or as an intermediary for, or otherwise assisting, another person with respect to the activity;

(2) attempts or conspires to facilitate or participate in such an activity; or

(3) is owned or controlled by a foreign financial institution that the Secretary finds knowingly engages in such an activity.

(c) **REPORTS REQUIRED.**—

(1) **IN GENERAL.**—Not later than 180 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, and every 180 days thereafter, the Secretary of the Treasury shall submit to the appropriate congressional committees a report that contains a detailed description of—

(A) the effect of the regulations prescribed under section 104(c)(1) on the financial system and economy of Iran and capital flows to and from Iran; and

(B) the ways in which funds move into and out of financial institutions described in section 104(c)(2)(E)(ii), with specific attention to the use of other Iranian financial institutions and other foreign financial institutions to receive and transfer funds for financial institutions described in that section.

(2) **FORM OF REPORT.**—Each report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(d) **DEFINITIONS.**—In this section:

(1) **FINANCIAL INSTITUTION.**—The term “financial institution” means a financial institution specified in subparagraph (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (M), (N), (R), or (Y) of section 5312(a)(2) of title 31, United States Code.

(2) **FOREIGN FINANCIAL INSTITUTION.**—The term “foreign financial institution” has the meaning of that term as determined by the Secretary of the Treasury pursuant to section 104(i).

(3) **IRANIAN FINANCIAL INSTITUTION.**—The term “Iranian financial institution” means—



(A) a financial institution organized under the laws of Iran or any jurisdiction within Iran, including a foreign branch of such an institution ;

(B) a financial institution located in Iran;

(C) a financial institution, wherever located, owned or controlled by the Government of Iran; and

(D) a financial institution, wherever located, owned or controlled by a financial institution described in subparagraph (A), (B), or (C).

**SEC. 105. [22 U.S.C. 8514] IMPOSITION OF SANCTIONS ON CERTAIN PERSONS WHO ARE RESPONSIBLE FOR OR COMPLICIT IN HUMAN RIGHTS ABUSES COMMITTED AGAINST CITIZENS OF IRAN OR THEIR FAMILY MEMBERS AFTER THE JUNE 12, 2009, ELECTIONS IN IRAN.**

(a) **IN GENERAL.**—The President shall impose sanctions described in subsection (c) with respect to each person on the list required by subsection (b).

(b) **LIST OF PERSONS WHO ARE RESPONSIBLE FOR OR COMPLICIT IN CERTAIN HUMAN RIGHTS ABUSES.**—

(1) **IN GENERAL.**—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a list of persons who are officials of the Government of Iran or persons acting on behalf of that Government (including members of paramilitary organizations such as Ansar-e-Hezbollah and Basij-e Mostaz'afin), that the President determines, based on credible evidence, are responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, the commission of serious human rights abuses against citizens of Iran or their family members on or after June 12, 2009, regardless of whether such abuses occurred in Iran.

(2) **UPDATES OF LIST.**—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—

(A) not later than 270 days after the date of the enactment of this Act and every 180 days thereafter; and

(B) as new information becomes available.

(3) **FORM OF REPORT; PUBLIC AVAILABILITY.**—

(A) **FORM.**—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(B) **PUBLIC AVAILABILITY.**—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.

(4) **CONSIDERATION OF DATA FROM OTHER COUNTRIES AND NONGOVERNMENTAL ORGANIZATIONS.**—In preparing the list required by paragraph (1), the President shall consider credible data already obtained by other countries and nongovernmental organizations, including organizations in Iran, that monitor the human rights abuses of the Government of Iran.

(c) **SANCTIONS DESCRIBED.**—The sanctions described in this subsection are ineligibility for a visa to enter the United States and sanctions pursuant to the International Emergency Economic Pow-

ers Act (50 U.S.C. 1701 et seq.), including blocking of property and restrictions or prohibitions on financial transactions and the exportation and importation of property, subject to such regulations as the President may prescribe, including regulatory exceptions to permit the United States to comply with the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations, signed June 26, 1947, and entered into force November 21, 1947, and other applicable international obligations.

(d) **TERMINATION OF SANCTIONS.**—The provisions of this section shall terminate on the date on which the President determines and certifies to the appropriate congressional committees that the Government of Iran has—

(1) unconditionally released all political prisoners, including the citizens of Iran detained in the aftermath of the June 12, 2009, presidential election in Iran;

(2) ceased its practices of violence, unlawful detention, torture, and abuse of citizens of Iran while engaging in peaceful political activity;

(3) conducted a transparent investigation into the killings, arrests, and abuse of peaceful political activists that occurred in the aftermath of the June 12, 2009, presidential election in Iran and prosecuted the individuals responsible for such killings, arrests, and abuse; and

(4) made public commitments to, and is making demonstrable progress toward—

(A) establishing an independent judiciary; and

(B) respecting the human rights and basic freedoms recognized in the Universal Declaration of Human Rights.

**SEC. 105A. [22 U.S.C. 8514a] IMPOSITION OF SANCTIONS WITH RESPECT TO THE TRANSFER OF GOODS OR TECHNOLOGIES TO IRAN THAT ARE LIKELY TO BE USED TO COMMIT HUMAN RIGHTS ABUSES.**

(a) **IN GENERAL.**—The President shall impose sanctions in accordance with subsection (c) with respect to each person on the list required by subsection (b).

(b) **LIST.**—

(1) **IN GENERAL.**—Not later than 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, the President shall submit to the appropriate congressional committees a list of persons that the President determines have knowingly engaged in an activity described in paragraph (2) on or after such date of enactment.

(2) **ACTIVITY DESCRIBED.**—

(A) **IN GENERAL.**—A person engages in an activity described in this paragraph if the person—

(i) transfers, or facilitates the transfer of, goods or technologies described in subparagraph (C) to Iran, any entity organized under the laws of Iran or otherwise subject to the jurisdiction of the Government of Iran, or any national of Iran, for use in or with respect to Iran; or

(ii) provides services (including services relating to hardware, software, and specialized information, and

professional consulting, engineering, and support services) with respect to goods or technologies described in subparagraph (C) after such goods or technologies are transferred to Iran.

(B) **APPLICABILITY TO CONTRACTS AND OTHER AGREEMENTS.**—A person engages in an activity described in subparagraph (A) without regard to whether the activity is carried out pursuant to a contract or other agreement entered into before, on, or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012.

(C) **GOODS OR TECHNOLOGIES DESCRIBED.**—Goods or technologies described in this subparagraph are goods or technologies that the President determines are likely to be used by the Government of Iran or any of its agencies or instrumentalities (or by any other person on behalf of the Government of Iran or any of such agencies or instrumentalities) to commit serious human rights abuses against the people of Iran, including—

(i) firearms or ammunition (as those terms are defined in section 921 of title 18, United States Code), rubber bullets, police batons, pepper or chemical sprays, stun grenades, electroshock weapons, tear gas, water cannons, or surveillance technology; or

(ii) sensitive technology (as defined in section 106(c)).

(3) **SPECIAL RULE TO ALLOW FOR TERMINATION OF SANCTIONABLE ACTIVITY.**—The President shall not be required to include a person on the list required by paragraph (1) if the President certifies in writing to the appropriate congressional committees that—

(A) the person is no longer engaging in, or has taken significant verifiable steps toward stopping, the activity described in paragraph (2) for which the President would otherwise have included the person on the list; and

(B) the President has received reliable assurances that the person will not knowingly engage in any activity described in paragraph (2) in the future.

(4) **UPDATES OF LIST.**—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—

(A) each time the President is required to submit an updated list to those committees under section 105(b)(2)(A); and

(B) as new information becomes available.

(5) **FORM OF REPORT; PUBLIC AVAILABILITY.**—

(A) **FORM.**—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(B) **PUBLIC AVAILABILITY.**—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.

(c) **APPLICATION OF SANCTIONS.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the President shall impose sanctions described in section 105(c) with respect to a person on the list required by subsection (b).

(2) **TRANSFERS TO IRAN'S REVOLUTIONARY GUARD CORPS.**—In the case of a person on the list required by subsection (b) for transferring, or facilitating the transfer of, goods or technologies described in subsection (b)(2)(C) to Iran's Revolutionary Guard Corps, or providing services with respect to such goods or technologies after such goods or technologies are transferred to Iran's Revolutionary Guard Corps, the President shall—

(A) impose sanctions described in section 105(c) with respect to the person; and

(B) impose such other sanctions from among the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) as the President determines appropriate.

**SEC. 105B. [22 U.S.C. 8514b] IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS WHO ENGAGE IN CENSORSHIP OR OTHER RELATED ACTIVITIES AGAINST CITIZENS OF IRAN.**

(a) **IN GENERAL.**—The President shall impose sanctions described in section 105(c) with respect to each person on the list required by subsection (b).

(b) **LIST OF PERSONS WHO ENGAGE IN CENSORSHIP.**—

(1) **IN GENERAL.**—Not later than 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, the President shall submit to the appropriate congressional committees a list of persons that the President determines have, on or after June 12, 2009, engaged in censorship or other activities with respect to Iran that—

(A) prohibit, limit, or penalize the exercise of freedom of expression or assembly by citizens of Iran; or

(B) limit access to print or broadcast media, including the facilitation or support of intentional frequency manipulation by the Government of Iran or an entity owned or controlled by that Government that would jam or restrict an international signal.

(2) **UPDATES OF LIST.**—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—

(A) each time the President is required to submit an updated list to those committees under section 105(b)(2)(A); and

(B) as new information becomes available.

(3) **FORM OF REPORT; PUBLIC AVAILABILITY.**—

(A) **FORM.**—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(B) **PUBLIC AVAILABILITY.**—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.

**SEC. 105C. [22 U.S.C. 8514c] IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS ENGAGED IN THE DIVERSION OF GOODS INTENDED FOR THE PEOPLE OF IRAN.****(a) IMPOSITION OF SANCTIONS.—**

(1) **IN GENERAL.**—The President shall impose sanctions described in section 105(c) with respect to each person on the list required by subsection (b).

(2) **EXCEPTION.**—The requirement to impose sanctions under paragraph (1) shall not include the authority to impose sanctions on the importation of goods.

**(b) LIST OF PERSONS WHO ENGAGE IN DIVERSION.—**

(1) **IN GENERAL.**—As relevant information becomes available, the President shall submit to the appropriate congressional committees a list of persons that the President determines have, on or after the date of the enactment of the Iran Freedom and Counter-Proliferation Act of 2012, engaged in corruption or other activities relating to—

(A) the diversion of goods, including agricultural commodities, food, medicine, and medical devices, intended for the people of Iran; or

(B) the misappropriation of proceeds from the sale or resale of such goods.

**(2) FORM OF REPORT; PUBLIC AVAILABILITY.—**

(A) **FORM.**—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(B) **PUBLIC AVAILABILITY.**—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.

(c) **GOOD DEFINED.**—In this section, the term “good” has the meaning given that term in section 1242(a) of the Iran Freedom and Counter-Proliferation Act of 2012.

**SEC. 106. [22 U.S.C. 8515] PROHIBITION ON PROCUREMENT CONTRACTS WITH PERSONS THAT EXPORT SENSITIVE TECHNOLOGY TO IRAN.**

(a) **IN GENERAL.**—Except as provided in subsection (b), and pursuant to such regulations as the President may prescribe, the head of an executive agency may not enter into or renew a contract, on or after the date that is 90 days after the date of the enactment of this Act, for the procurement of goods or services with a person that exports sensitive technology to Iran.

(b) **AUTHORIZATION TO EXEMPT CERTAIN PRODUCTS.**—The President is authorized to exempt from the prohibition under subsection (a) only eligible products, as defined in section 308(4) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b) of that Act (19 U.S.C. 2511(b)).

**(c) SENSITIVE TECHNOLOGY DEFINED.—**

(1) **IN GENERAL.**—The term “sensitive technology” means hardware, software, telecommunications equipment, or any other technology, that the President determines is to be used specifically—

(A) to restrict the free flow of unbiased information in Iran; or

(B) to disrupt, monitor, or otherwise restrict speech of the people of Iran.

(2) EXCEPTION.—The term “sensitive technology” does not include information or informational materials the exportation of which the President does not have the authority to regulate or prohibit pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

(d) GOVERNMENT ACCOUNTABILITY OFFICE REPORT ON EFFECT OF PROCUREMENT PROHIBITION.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the appropriate congressional committees, the Committee on Armed Services of the Senate, and the Committee on Armed Services of the House of Representatives, a report assessing the extent to which executive agencies would have entered into or renewed contracts for the procurement of goods or services with persons that export sensitive technology to Iran if the prohibition under subsection (a) were not in effect.

#### SEC. 107. HARMONIZATION OF CRIMINAL PENALTIES FOR VIOLATIONS OF SANCTIONS.

(a) IN GENERAL.—

(1) VIOLATIONS OF UNITED NATIONS SECURITY COUNCIL RESOLUTIONS IMPOSING SANCTIONS.—Section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b)) is amended—

(A) by striking “fine not more than \$10,000” and inserting “fine not more than \$1,000,000”; and

(B) by striking “ten years” and all that follows and inserting “20 years, or both.”

(2) VIOLATIONS OF CONTROLS ON EXPORTS AND IMPORTS OF DEFENSE ARTICLES AND DEFENSE SERVICES.—Section 38(c) of the Arms Export Control Act (22 U.S.C. 2778(c)) is amended by striking “ten years” and inserting “20 years”.

(3) VIOLATIONS OF PROHIBITION ON TRANSACTIONS WITH COUNTRIES THAT SUPPORT ACTS OF INTERNATIONAL TERRORISM.—Section 40(j) of the Arms Export Control Act (22 U.S.C. 2780(j)) is amended by striking “10 years” and inserting “20 years”.

(4) VIOLATIONS OF THE TRADING WITH THE ENEMY ACT.—Section 16(a) of the Trading with the enemy Act (50 U.S.C. App. 16(a)) is amended by striking “if a natural person” and all that follows and inserting “if a natural person, be imprisoned for not more than 20 years, or both.”

(b) STUDY BY UNITED STATES SENTENCING COMMISSION.—Not later than 1 year after the date of the enactment of this Act, the United States Sentencing Commission, pursuant to the authority under sections 994 and 995 of title 28, United States Code, and the responsibility of the United States Sentencing Commission to advise Congress on sentencing policy under section 995(a)(20) of title 28, United States Code, shall study and submit to Congress a report on the impact and advisability of imposing a mandatory minimum sentence for violations of—

- (1) section 5(a) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(a));
- (2) sections 38, 39, and 40 of the Arms Export Control Act (22 U.S.C. 2778, 2779, and 2780); and
- (3) the Trading with the enemy Act (50 U.S.C. App. 1 et seq.).

**SEC. 108. [22 U.S.C. 8516] AUTHORITY TO IMPLEMENT UNITED NATIONS SECURITY COUNCIL RESOLUTIONS IMPOSING SANCTIONS WITH RESPECT TO IRAN.**

In addition to any other authority of the President with respect to implementing resolutions of the United Nations Security Council, the President may prescribe such regulations as may be necessary to implement a resolution that is agreed to by the United Nations Security Council and imposes sanctions with respect to Iran.

**SEC. 109. [22 U.S.C. 8517] INCREASED CAPACITY FOR EFFORTS TO COMBAT UNLAWFUL OR TERRORIST FINANCING.**

(a) **FINDINGS.**—Congress finds the following:

(1) The work of the Office of Terrorism and Financial Intelligence of the Department of the Treasury, which includes the Office of Foreign Assets Control and the Financial Crimes Enforcement Network, is critical to ensuring that the international financial system is not used for purposes of supporting terrorism and developing weapons of mass destruction.

(2) The Secretary of the Treasury has designated, including most recently on June 16, 2010, various Iranian individuals and banking, military, energy, and shipping entities as proliferators of weapons of mass destruction pursuant to Executive Order 13382 (50 U.S.C. 1701 note), thereby blocking transactions subject to the jurisdiction of the United States by those individuals and entities and their supporters.

(3) The Secretary of the Treasury has also identified an array of entities in the insurance, petroleum, and petrochemicals industries that the Secretary has determined to be owned or controlled by the Government of Iran and added those entities to the list contained in Appendix A to part 560 of title 31, Code of Federal Regulations (commonly known as the “Iranian Transactions Regulations”), thereby prohibiting transactions between United States persons and those entities.

(b) **AUTHORIZATION OF APPROPRIATIONS FOR OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE.**—There are authorized to be appropriated to the Secretary of the Treasury for the Office of Terrorism and Financial Intelligence—

(1) \$102,613,000 for fiscal year 2011; and

(2) such sums as may be necessary for each of the fiscal years 2012 and 2013.

(c) **AUTHORIZATION OF APPROPRIATIONS FOR THE FINANCIAL CRIMES ENFORCEMENT NETWORK.**—Section 310(d)(1) of title 31, United States Code, is amended by striking “such sums as may be necessary for fiscal years 2002, 2003, 2004, and 2005” and inserting “\$100,419,000 for fiscal year 2011 and such sums as may be necessary for each of the fiscal years 2012 and 2013”.

(d) **AUTHORIZATION OF APPROPRIATIONS FOR BUREAU OF INDUSTRY AND SECURITY OF THE DEPARTMENT OF COMMERCE.**—There are

authorized to be appropriated to the Secretary of Commerce for the Bureau of Industry and Security of the Department of Commerce—

- (1) \$113,000,000 for fiscal year 2011; and
- (2) such sums as may be necessary for each of the fiscal years 2012 and 2013.

**SEC. 110. [22 U.S.C. 8518] REPORTS ON INVESTMENTS IN THE ENERGY SECTOR OF IRAN.**

(a) INITIAL REPORT.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report—

(A) on investments in the energy sector of Iran that were made during the period described in paragraph (2); and

(B) that contains—

(i) an estimate of the volume of energy-related resources (other than refined petroleum), including ethanol, that Iran imported during the period described in paragraph (2); and

(ii) a list of all significant known energy-related joint ventures, investments, and partnerships located outside Iran that involve Iranian entities in partnership with entities from other countries, including an identification of the entities from other countries; and

(iii) an estimate of—

(I) the total value of each such joint venture, investment, and partnership; and

(II) the percentage of each such joint venture, investment, and partnership owned by an Iranian entity.

(2) PERIOD DESCRIBED.—The period described in this paragraph is the period beginning on January 1, 2006, and ending on the date that is 60 days after the date of the enactment of this Act.

(b) UPDATED REPORTS.—Not later than 180 days after submitting the report required by subsection (a), and every 180 days thereafter, the President shall submit to the appropriate congressional committees a report, covering the 180-day period beginning on the date that is 30 days before the date on which the preceding report was required to be submitted by this section, that—

(1) contains the matters required in the report under subsection (a)(1); and

(2) identifies—

(A) the volume of crude oil and refined petroleum products imported to and exported from Iran (including through swaps and similar arrangements);

(B) the persons selling and transporting crude oil and refined petroleum products described in subparagraph (A), the countries with primary jurisdiction over those persons, and the countries in which those products were refined;

(C) the sources of financing for imports to Iran of crude oil and refined petroleum products described in subparagraph (A); and



- (D) the involvement of foreign persons in efforts to assist Iran in—
- (i) developing upstream oil and gas production capacity;
  - (ii) importing advanced technology to upgrade existing Iranian refineries;
  - (iii) converting existing chemical plants to petroleum refineries; or
  - (iv) maintaining, upgrading, or expanding existing refineries or constructing new refineries.

**SEC. 111. [22 U.S.C. 8519] REPORTS ON CERTAIN ACTIVITIES OF FOREIGN EXPORT CREDIT AGENCIES AND OF THE EXPORT-IMPORT BANK OF THE UNITED STATES.**

**(a) REPORT ON CERTAIN ACTIVITIES OF EXPORT CREDIT AGENCIES OF FOREIGN COUNTRIES.—**

(1) **IN GENERAL.**—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report on any activity of an export credit agency of a foreign country that is an activity comparable to an activity described in subsection (a) or (b) of section 5 of the Iran Sanctions Act of 1996, as amended by section 102 of this Act.

(2) **UPDATES.**—The President shall update the report required by paragraph (1) as new information becomes available with respect to the activities of export credit agencies of foreign countries.

**(b) REPORT ON CERTAIN FINANCING BY THE EXPORT-IMPORT BANK OF THE UNITED STATES.**—Not later than 30 days (or, in extraordinary circumstances, not later than 15 days) before the Export-Import Bank of the United States approves cofinancing (including loans, guarantees, other credits, insurance, and reinsurance) in which an export credit agency of a foreign country identified in the report required by subsection (a) will participate, the President shall submit to the appropriate congressional committees a report identifying—

- (1) the export credit agency of the foreign country; and
- (2) the beneficiaries of the financing.

**SEC. 112. SENSE OF CONGRESS REGARDING IRAN'S REVOLUTIONARY GUARD CORPS AND ITS AFFILIATES.**

It is the sense of Congress that the United States should—

(1) persistently target Iran's Revolutionary Guard Corps and its affiliates with economic sanctions for its support for terrorism, its role in proliferation, and its oppressive activities against the people of Iran;

(2) identify, as soon as possible—

(A) any foreign individual or entity that is an agent, alias, front, instrumentality, official, or affiliate of Iran's Revolutionary Guard Corps;

(B) any individual or entity that—

(i) has provided material support to any individual or entity described in subparagraph (A); or

(ii) has conducted any financial or commercial transaction with any such individual or entity; and

(C) any foreign government that—

(i) provides material support to any such individual or entity; or

(ii) conducts any commercial transaction or financial transaction with any such individual or entity; and

(3) immediately impose sanctions, including travel restrictions, sanctions authorized pursuant to this Act or the Iran Sanctions Act of 1996, as amended by section 102 of this Act, and the full range of sanctions available to the President under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), on the individuals, entities, and governments described in paragraph (2).

**SEC. 113. SENSE OF CONGRESS REGARDING IRAN AND HEZBOLLAH.**

It is the sense of Congress that the United States should—

(1) continue to counter support received by Hezbollah from the Government of Iran and other foreign governments in response to Hezbollah's terrorist activities and the threat Hezbollah poses to Israel, the democratic sovereignty of Lebanon, and the national security interests of the United States;

(2) impose the full range of sanctions available to the President under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) on Hezbollah, affiliates and supporters of Hezbollah designated for the imposition of sanctions under that Act, and persons providing Hezbollah with commercial, financial, or other services;

(3) urge the European Union, individual countries in Europe, and other countries to classify Hezbollah as a terrorist organization to facilitate the disruption of Hezbollah's operations; and

(4) renew international efforts to disarm Hezbollah and disband its militias in Lebanon, as called for by United Nations Security Council Resolutions 1559 (2004) and 1701 (2006).

**SEC. 114. SENSE OF CONGRESS REGARDING THE IMPOSITION OF MULTILATERAL SANCTIONS WITH RESPECT TO IRAN.**

It is the sense of Congress that—

(1) in general, effective multilateral sanctions are preferable to unilateral sanctions in order to achieve desired results from countries such as Iran; and

(2) the President should continue to work with allies of the United States to impose such sanctions as may be necessary to prevent the Government of Iran from acquiring a nuclear weapons capability.

**SEC. 115. REPORT ON PROVIDING COMPENSATION FOR VICTIMS OF INTERNATIONAL TERRORISM.**

Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report on equitable methods for providing compensation on a comprehensive basis to victims of acts of international terrorism who are citizens or residents of the United States or nationals of the United States (as defined in section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a))).

November 17, 2014

## TITLE II—DIVESTMENT FROM CERTAIN COMPANIES THAT INVEST IN IRAN

### SEC. 201. [22 U.S.C. 8531] DEFINITIONS.

In this title:

(1) **ENERGY SECTOR OF IRAN.**—The term “energy sector of Iran” refers to activities to develop petroleum or natural gas resources or nuclear power in Iran.

(2) **FINANCIAL INSTITUTION.**—The term “financial institution” has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note).

(3) **IRAN.**—The term “Iran” includes the Government of Iran and any agency or instrumentality of Iran.

(4) **PERSON.**—The term “person” means—

(A) a natural person, corporation, company, business association, partnership, society, trust, or any other non-governmental entity, organization, or group;

(B) any governmental entity or instrumentality of a government, including a multilateral development institution (as defined in section 1701(c)(3) of the International Financial Institutions Act (22 U.S.C. 262r(c)(3))); and

(C) any successor, subunit, parent entity, or subsidiary of, or any entity under common ownership or control with, any entity described in subparagraph (A) or (B).

(5) **STATE.**—The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

(6) **STATE OR LOCAL GOVERNMENT.**—The term “State or local government” includes—

(A) any State and any agency or instrumentality thereof;

(B) any local government within a State, and any agency or instrumentality thereof;

(C) any other governmental instrumentality of a State or locality; and

(D) any public institution of higher education within the meaning of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

### SEC. 202. [22 U.S.C. 8532] AUTHORITY OF STATE AND LOCAL GOVERNMENTS TO DIVEST FROM CERTAIN COMPANIES THAT INVEST IN IRAN.

(a) **SENSE OF CONGRESS.**—It is the sense of Congress that the United States should support the decision of any State or local government that for moral, prudential, or reputational reasons divests from, or prohibits the investment of assets of the State or local government in, a person that engages in investment activities in the energy sector of Iran, as long as Iran is subject to economic sanctions imposed by the United States.

(b) **AUTHORITY TO DIVEST.**—Notwithstanding any other provision of law, a State or local government may adopt and enforce

measures that meet the requirements of subsection (d) to divest the assets of the State or local government from, or prohibit investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment activities in Iran described in subsection (c).

(c) INVESTMENT ACTIVITIES DESCRIBED.—A person engages in investment activities in Iran described in this subsection if the person—

(1) has an investment of \$20,000,000 or more in the energy sector of Iran, including in a person that provides oil or liquified natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquified natural gas, for the energy sector of Iran; or

(2) is a financial institution that extends \$20,000,000 or more in credit to another person, for 45 days or more, if that person will use the credit for investment in the energy sector of Iran.

(d) REQUIREMENTS.—Any measure taken by a State or local government under subsection (b) shall meet the following requirements:

(1) NOTICE.—The State or local government shall provide written notice to each person to which a measure is to be applied.

(2) TIMING.—The measure shall apply to a person not earlier than the date that is 90 days after the date on which written notice is provided to the person under paragraph (1).

(3) OPPORTUNITY FOR HEARING.—The State or local government shall provide an opportunity to comment in writing to each person to which a measure is to be applied. If the person demonstrates to the State or local government that the person does not engage in investment activities in Iran described in subsection (c), the measure shall not apply to the person.

(4) SENSE OF CONGRESS ON AVOIDING ERRONEOUS TARGETING.—It is the sense of Congress that a State or local government should not adopt a measure under subsection (b) with respect to a person unless the State or local government has made every effort to avoid erroneously targeting the person and has verified that the person engages in investment activities in Iran described in subsection (c).

(e) NOTICE TO DEPARTMENT OF JUSTICE.—Not later than 30 days after adopting a measure pursuant to subsection (b), a State or local government shall submit written notice to the Attorney General describing the measure.

(f) NONPREEMPTION.—A measure of a State or local government authorized under subsection (b) or (i) is not preempted by any Federal law or regulation.

(g) DEFINITIONS.—In this section:

(1) ASSETS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term “assets” refers to public monies and includes any pension, retirement, annuity, or endowment fund, or similar instrument, that is controlled by a State or local government.

(B) EXCEPTION.—The term “assets” does not include employee benefit plans covered by title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.).

(2) INVESTMENT.—The “investment” includes—

- (A) a commitment or contribution of funds or property;
- (B) a loan or other extension of credit; and
- (C) the entry into or renewal of a contract for goods or services.

(h) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2) or subsection (i), this section applies to measures adopted by a State or local government before, on, or after the date of the enactment of this Act.

(2) NOTICE REQUIREMENTS.—Except as provided in subsection (i), subsections (d) and (e) apply to measures adopted by a State or local government on or after the date of the enactment of this Act.

(i) AUTHORIZATION FOR PRIOR ENACTED MEASURES.—

(1) IN GENERAL.—Notwithstanding any other provision of this section or any other provision of law, a State or local government may enforce a measure (without regard to the requirements of subsection (d), except as provided in paragraph (2)) adopted by the State or local government before the date of the enactment of this Act that provides for the divestment of assets of the State or local government from, or prohibits the investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment activities in Iran (determined without regard to subsection (c)) or other business activities in Iran that are identified in the measure.

(2) APPLICATION OF NOTICE REQUIREMENTS.—A measure described in paragraph (1) shall be subject to the requirements of paragraphs (1) and (2) and the first sentence of paragraph (3) of subsection (d) on and after the date that is 2 years after the date of the enactment of this Act.

(j) RULE OF CONSTRUCTION.—Nothing in this Act or any other provision of law authorizing sanctions with respect to Iran shall be construed to abridge the authority of a State to issue and enforce rules governing the safety, soundness, and solvency of a financial institution subject to its jurisdiction or the business of insurance pursuant to the Act of March 9, 1945 (15 U.S.C. 1011 et seq.) (commonly known as the “McCarran-Ferguson Act”).

**SEC. 203. SAFE HARBOR FOR CHANGES OF INVESTMENT POLICIES BY ASSET MANAGERS.**

(a) IN GENERAL.—Section 13(c)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a-13(c)(1)) is amended to read as follows:

“(1) IN GENERAL.—Notwithstanding any other provision of Federal or State law, no person may bring any civil, criminal, or administrative action against any registered investment company, or any employee, officer, director, or investment adviser thereof, based solely upon the investment company divesting from, or avoiding investing in, securities issued by per-

sons that the investment company determines, using credible information available to the public—

“(A) conduct or have direct investments in business operations in Sudan described in section 3(d) of the Sudan Accountability and Divestment Act of 2007 (50 U.S.C. 1701 note); or

“(B) engage in investment activities in Iran described in section 202(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010.”

(b) SEC REGULATIONS.—Not later than 120 days after the date of the enactment of this Act, the Securities and Exchange Commission shall issue any revisions the Commission determines to be necessary to the regulations requiring disclosure by each registered investment company that divests itself of securities in accordance with section 13(c) of the Investment Company Act of 1940 to include divestments of securities in accordance with paragraph (1)(B) of such section, as added by subsection (a) of this section.

**SEC. 204. SENSE OF CONGRESS REGARDING CERTAIN ERISA PLAN INVESTMENTS.**

It is the sense of Congress that a fiduciary of an employee benefit plan, as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3)), may divest plan assets from, or avoid investing plan assets in, any person the fiduciary determines engages in investment activities in Iran described in section 202(c) of this Act, without breaching the responsibilities, obligations, or duties imposed upon the fiduciary by subparagraph (A) or (B) of section 404(a)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(a)(1)), if—

(1) the fiduciary makes such determination using credible information that is available to the public; and

(2) the fiduciary prudently determines that the result of such divestment or avoidance of investment would not be expected to provide the employee benefit plan with—

(A) a lower rate of return than alternative investments with commensurate degrees of risk; or

(B) a higher degree of risk than alternative investments with commensurate rates of return.

**SEC. 205. TECHNICAL CORRECTIONS TO SUDAN ACCOUNTABILITY AND DIVESTMENT ACT OF 2007.**

(a) ERISA PLAN INVESTMENTS.—Section 5 of the Sudan Accountability and Divestment Act of 2007 (Public Law 110–174; 50 U.S.C. 1701 note) is amended—

(1) by striking “section 404 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104)” and inserting “subparagraph (A) or (B) of section 404(a)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(a)(1))”; and

(2) by striking paragraph (2) and inserting the following: “(2) the fiduciary prudently determines that the result of such divestment or avoidance of investment would not be expected to provide the employee benefit plan with—

“(A) a lower rate of return than alternative investments with commensurate degrees of risk; or

“(B) a higher degree of risk than alternative investments with commensurate rates of return.”

(b) SAFE HARBOR FOR CHANGES OF INVESTMENT POLICIES BY ASSET MANAGERS.—

(1) IN GENERAL.—Section 13(c)(2)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a-13(c)(2)(A)) is amended to read as follows:

“(A) RULE OF CONSTRUCTION.—Nothing in paragraph (1) shall be construed to create, imply, diminish, change, or affect in any way whether or not a private right of action exists under subsection (a) or any other provision of this Act.”

(2) APPLICABILITY.—The amendment made by paragraph (1) shall apply as if included in the Sudan Accountability and Divestment Act of 2007 (Public Law 110-174; 50 U.S.C. 1701 note).

### TITLE III—PREVENTION OF DIVERSION OF CERTAIN GOODS, SERVICES, AND TECHNOLOGIES TO IRAN

#### SEC. 301. [22 U.S.C. 8541] DEFINITIONS.

In this title:

(1) ALLOW.—The term “allow”, with respect to the diversion through a country of goods, services, or technologies, means the government of the country knows or has reason to know that the territory of the country is being used for such diversion.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the Select Committee on Intelligence of the Senate; and

(B) the Committee on Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives.

(3) COMMERCE CONTROL LIST.—The term “Commerce Control List” means the list maintained pursuant to part 774 of the Export Administration Regulations (or any corresponding similar regulation or ruling).

(4) DIVERT; DIVERSION.—The terms “divert” and “diversion” refer to the transfer or release, directly or indirectly, of a good, service, or technology to an end-user or an intermediary that is not an authorized recipient of the good, service, or technology.

(5) END-USER.—The term “end-user”, with respect to a good, service, or technology, means the person that receives and ultimately uses the good, service, or technology.

(6) EXPORT ADMINISTRATION REGULATIONS.—The term “Export Administration Regulations” means subchapter C of chapter VII of title 15, Code of Federal Regulations (or any corresponding similar regulation or ruling).

(7) **GOVERNMENT.**—The term “government” includes any agency or instrumentality of a government.

(8) **INTERMEDIARY.**—The term “intermediary” means a person that receives a good, service, or technology while the good, service, or technology is in transit to the end-user of the good, service, or technology.

(9) **INTERNATIONAL TRAFFIC IN ARMS REGULATIONS.**—The term “International Traffic in Arms Regulations” means subchapter M of chapter I of title 22, Code of Federal Regulations (or any corresponding similar regulation or ruling).

(10) **IRAN.**—The term “Iran” includes the Government of Iran and any agency or instrumentality of Iran.

(11) **IRANIAN END-USER.**—The term “Iranian end-user” means an end-user that is the Government of Iran or a person in, or an agency or instrumentality of, Iran.

(12) **IRANIAN INTERMEDIARY.**—The term “Iranian intermediary” means an intermediary that is the Government of Iran or a person in, or an agency or instrumentality of, Iran.

(13) **STATE SPONSOR OF TERRORISM.**—The term “state sponsor of terrorism” means any country the government of which the Secretary of State has determined has repeatedly provided support for acts of international terrorism pursuant to—

(A) section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(1)(A)) (or any successor thereto);

(B) section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)); or

(C) section 620A(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(a)).

(14) **UNITED STATES MUNITIONS LIST.**—The term “United States Munitions List” means the list maintained pursuant to part 121 of the International Traffic in Arms Regulations (or any corresponding similar regulation or ruling).

**SEC. 302. [22 U.S.C. 8542] IDENTIFICATION OF COUNTRIES OF CONCERN WITH RESPECT TO THE DIVERSION OF CERTAIN GOODS, SERVICES, AND TECHNOLOGIES TO OR THROUGH IRAN.**

(a) **IN GENERAL.**—Not later than 180 days after the date of the enactment of this Act, the Director of National Intelligence shall submit to the President, the Secretary of Defense, the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the appropriate congressional committees a report that identifies each country the government of which the Director believes, based on all information available to the Director, is allowing the diversion through the country of goods, services, or technologies described in subsection (b) to Iranian end-users or Iranian intermediaries.

(b) **GOODS, SERVICES, AND TECHNOLOGIES DESCRIBED.**—Goods, services, or technologies described in this subsection are goods, services, or technologies—

(1) that—

(A) originated in the United States;

(B) would make a material contribution to Iran’s—



- (i) development of nuclear, chemical, or biological weapons;
  - (ii) ballistic missile or advanced conventional weapons capabilities; or
  - (iii) support for international terrorism; and
- (C) are—
- (i) items on the Commerce Control List or services related to those items; or
  - (ii) defense articles or defense services on the United States Munitions List; or
- (2) that are prohibited for export to Iran under a resolution of the United Nations Security Council.
- (c) **UPDATES.**—The Director of National Intelligence shall update the report required by subsection (a)—
- (1) as new information becomes available; and
  - (2) not less frequently than annually.
- (d) **FORM.**—The report required by subsection (a) and the updates required by subsection (c) may be submitted in classified form.

**SEC. 303. [22 U.S.C. 8543] DESTINATIONS OF DIVERSION CONCERN.**

- (a) **DESIGNATION.**—
- (1) **IN GENERAL.**—The President shall designate a country as a Destination of Diversion Concern if the President determines that the government of the country allows substantial diversion of goods, services, or technologies described in section 302(b) through the country to Iranian end-users or Iranian intermediaries.
- (2) **DETERMINATION OF SUBSTANTIAL.**—For purposes of paragraph (1), the President shall determine whether the government of a country allows substantial diversion of goods, services, or technologies described in section 302(b) through the country to Iranian end-users or Iranian intermediaries based on criteria that include—
- (A) the volume of such goods, services, and technologies that are diverted through the country to such end-users or intermediaries;
  - (B) the inadequacy of the export controls of the country;
  - (C) the unwillingness or demonstrated inability of the government of the country to control the diversion of such goods, services, and technologies to such end-users or intermediaries; and
  - (D) the unwillingness or inability of the government of the country to cooperate with the United States in efforts to interdict the diversion of such goods, services, or technologies to such end-users or intermediaries.
- (b) **REPORT ON DESIGNATION.**—Upon designating a country as a Destination of Diversion Concern under subsection (a), the President shall submit to the appropriate congressional committees a report—
- (1) notifying those committees of the designation of the country; and

(2) containing a list of the goods, services, and technologies described in section 302(b) that the President determines are diverted through the country to Iranian end-users or Iranian intermediaries.

(c) LICENSING REQUIREMENT.—Not later than 45 days after submitting a report required by subsection (b) with respect to a country designated as a Destination of Diversion Concern under subsection (a), the President shall require a license under the Export Administration Regulations or the International Traffic in Arms Regulations (whichever is applicable) to export to that country a good, service, or technology on the list required under subsection (b)(2), with the presumption that any application for such a license will be denied.

(d) DELAY OF IMPOSITION OF LICENSING REQUIREMENT.—

(1) IN GENERAL.—The President may delay the imposition of the licensing requirement under subsection (c) with respect to a country designated as a Destination of Diversion Concern under subsection (a) for a 12-month period if the President—

(A) determines that the government of the country is taking steps—

(i) to institute an export control system or strengthen the export control system of the country;

(ii) to interdict the diversion of goods, services, or technologies described in section 302(b) through the country to Iranian end-users or Iranian intermediaries; and

(iii) to comply with and enforce United Nations Security Council Resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), and 1929 (2010), and any other resolution that is agreed to by the Security Council and imposes sanctions with respect to Iran;

(B) determines that it is appropriate to carry out government-to-government activities to strengthen the export control system of the country; and

(C) submits to the appropriate congressional committees a report describing the steps specified in subparagraph (A) being taken by the government of the country.

(2) ADDITIONAL 12-MONTH PERIODS.—The President may delay the imposition of the licensing requirement under subsection (c) with respect to a country designated as a Destination of Diversion Concern under subsection (a) for additional 12-month periods after the 12-month period referred to in paragraph (1) if the President, for each such 12-month period—

(A) makes the determinations described in subparagraphs (A) and (B) of paragraph (1) with respect to the country; and

(B) submits to the appropriate congressional committees an updated version of the report required by subparagraph (C) of paragraph (1).

(3) STRENGTHENING EXPORT CONTROL SYSTEMS.—If the President determines under paragraph (1)(B) that it is appropriate to carry out government-to-government activities to strengthen the export control system of a country designated as a Destination of Diversion Concern under subsection (a), the

United States shall initiate government-to-government activities that may include—

(A) cooperation by agencies and departments of the United States with counterpart agencies and departments in the country—

(i) to develop or strengthen the export control system of the country;

(ii) to strengthen cooperation among agencies of the country and with the United States and facilitate enforcement of the export control system of the country; and

(iii) to promote information and data exchanges among agencies of the country and with the United States;

(B) training officials of the country to strengthen the export control systems of the country—

(i) to facilitate legitimate trade in goods, services, and technologies; and

(ii) to prevent terrorists and state sponsors of terrorism, including Iran, from obtaining nuclear, biological, and chemical weapons, defense technologies, components for improvised explosive devices, and other defense articles; and

(C) encouraging the government of the country to participate in the Proliferation Security Initiative, such as by entering into a ship boarding agreement pursuant to the Initiative.

(e) **TERMINATION OF DESIGNATION.**—The designation of a country as a Destination of Diversion Concern under subsection (a) shall terminate on the date on which the President determines, and certifies to the appropriate congressional committees, that the country has adequately strengthened the export control system of the country to prevent the diversion of goods, services, and technologies described in section 302(b) to Iranian end-users or Iranian intermediaries.

(f) **FORM OF REPORTS.**—A report required by subsection (b) or (d) may be submitted in classified form.

**SEC. 304. REPORT ON EXPANDING DIVERSION CONCERN SYSTEM TO ADDRESS THE DIVERSION OF UNITED STATES ORIGIN GOODS, SERVICES, AND TECHNOLOGIES TO CERTAIN COUNTRIES OTHER THAN IRAN.**

(a) **IN GENERAL.**—Not later than 1 year after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report that—

(1) identifies any country that the President determines is allowing the diversion, in violation of United States law, of items on the Commerce Control List or services related to those items, or defense articles or defense services on the United States Munitions List, that originated in the United States to another country if such other country—

(A) is seeking to obtain nuclear, biological, or chemical weapons, or ballistic missiles; or

(B) provides support for acts of international terrorism; and

(2) assesses the feasibility and advisability of expanding the system established under section 303 for designating countries as Destinations of Diversion Concern to include countries identified under paragraph (1).

(b) FORM.—The report required by subsection (a) may be submitted in classified form.

**SEC. 305. [22 U.S.C. 8544] ENFORCEMENT AUTHORITY.**

The Secretary of Commerce may designate any employee of the Office of Export Enforcement of the Department of Commerce to conduct activities specified in clauses (i), (ii), and (iii) of section 12(a)(3)(B) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(a)(3)(B)) when the employee is carrying out activities to enforce—

(1) the provisions of the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.) (as in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.));

(2) the provisions of this title, or any other provision of law relating to export controls, with respect to which the Secretary of Commerce has enforcement responsibility; or

(3) any license, order, or regulation issued under—

(A) the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.) (as in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)); or

(B) a provision of law referred to in paragraph (2).

## TITLE IV—GENERAL PROVISIONS

**SEC. 401. [22 U.S.C. 8551] GENERAL PROVISIONS.**

(a) SUNSET.—The provisions of this Act (other than sections 105 and 305 and the amendments made by sections 102, 107, 109, and 205) shall terminate, and section 13(c)(1)(B) of the Investment Company Act of 1940, as added by section 203(a), shall cease to be effective, on the date that is 30 days after the date on which the President certifies to Congress that—

(1) the Government of Iran has ceased providing support for acts of international terrorism and no longer satisfies the requirements for designation as a state sponsor of terrorism (as defined in section 301) under—

(A) section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(1)(A)) (or any successor thereto);

(B) section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)); or

(C) section 620A(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(a)); and

(2) Iran has ceased the pursuit, acquisition, and development of, and verifiably dismantled its, nuclear, biological, and chemical weapons and ballistic missiles and ballistic missile launch technology.

(b) PRESIDENTIAL WAIVERS.—

November 17, 2014

(1) IN GENERAL.—The President may waive the application of sanctions under section 103(b), the requirement to impose or maintain sanctions with respect to a person under section 105(a), 105A(a), 105B(a), or 105C(a), the requirement to include a person on the list required by section 105(b), 105A(b), 105B(b), or 105C(b), the application of the prohibition under section 106(a), or the imposition of the licensing requirement under section 303(c) with respect to a country designated as a Destination of Diversion Concern under section 303(a), if the President determines that such a waiver is in the national interest of the United States.

(2) REPORTS.—

(A) IN GENERAL.—If the President waives the application of a provision pursuant to paragraph (1), the President shall submit to the appropriate congressional committees a report describing the reasons for the waiver.

(B) SPECIAL RULE FOR REPORT ON WAIVING IMPOSITION OF LICENSING REQUIREMENT UNDER SECTION 303(c).—In any case in which the President waives, pursuant to paragraph (1), the imposition of the licensing requirement under section 303(c) with respect to a country designated as a Destination of Diversion Concern under section 303(a), the President shall include in the report required by subparagraph (A) of this paragraph an assessment of whether the government of the country is taking the steps described in subparagraph (A) of section 303(d)(1).

(c) AUTHORIZATIONS OF APPROPRIATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS FOR THE DEPARTMENT OF STATE AND THE DEPARTMENT OF THE TREASURY.—There are authorized to be appropriated to the Secretary of State and to the Secretary of the Treasury such sums as may be necessary to implement the provisions of, and amendments made by, titles I and III of this Act.

(2) AUTHORIZATION OF APPROPRIATIONS FOR THE DEPARTMENT OF COMMERCE.—There are authorized to be appropriated to the Secretary of Commerce such sums as may be necessary to carry out title III.

**SEC. 402. DETERMINATION OF BUDGETARY EFFECTS.**

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go-Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, jointly submitted for printing in the Congressional Record by the Chairmen of the House and Senate Budget Committees, provided that such statement has been submitted prior to the vote on passage in the House acting first on this conference report or amendment between the Houses.

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**Annex 17**

**Section 1245 of the U.S. National Defense Authorization Act for Fiscal Year 2012,  
Pub. L. No. 112-81, 125 Stat. 1647**

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(c) **FORM.**—Each notification provided pursuant to subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(d) **APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.**—For the purposes of this section, the term “appropriate congressional committees” means—

(1) the Committee on Armed Services and the Committee on Foreign Relations of the Senate; and

(2) the Committee on Armed Services and the Committee on Foreign Affairs of the House of Representatives.

(e) **CLASSIFIED UNITED STATES BALLISTIC MISSILE DEFENSE INFORMATION DEFINED.**—For the purposes of this section, the term “classified United States ballistic missile defense information” means information related to United States ballistic missile defenses that is classified as of, or after, the date of enactment of this Act.

**SEC. 1245. [22 U.S.C. 8513a] IMPOSITION OF SANCTIONS WITH RESPECT TO THE FINANCIAL SECTOR OF IRAN.**

(a) **FINDINGS.**—Congress makes the following findings:

(1) On November 21, 2011, the Secretary of the Treasury issued a finding under section 5318A of title 31, United States Code, that identified Iran as a jurisdiction of primary money laundering concern.

(2) In that finding, the Financial Crimes Enforcement Network of the Department of the Treasury wrote, “The Central Bank of Iran, which regulates Iranian banks, has assisted designated Iranian banks by transferring billions of dollars to these banks in 2011. In mid-2011, the CBI transferred several billion dollars to designated banks, including Saderat, Mellat, EDBI and Melli, through a variety of payment schemes. In making these transfers, the CBI attempted to evade sanctions by minimizing the direct involvement of large international banks with both CBI and designated Iranian banks.”

(3) On November 22, 2011, the Under Secretary of the Treasury for Terrorism and Financial Intelligence, David Cohen, wrote, “Treasury is calling out the entire Iranian banking sector, including the Central Bank of Iran, as posing terrorist financing, proliferation financing, and money laundering risks for the global financial system.”

(b) **DESIGNATION OF FINANCIAL SECTOR OF IRAN AS OF PRIMARY MONEY LAUNDERING CONCERN.**—The financial sector of Iran, including the Central Bank of Iran, is designated as a primary money laundering concern for purposes of section 5318A of title 31, United States Code, because of the threat to government and financial institutions resulting from the illicit activities of the Government of Iran, including its pursuit of nuclear weapons, support for international terrorism, and efforts to deceive responsible financial institutions and evade sanctions.

(c) **FREEZING OF ASSETS OF IRANIAN FINANCIAL INSTITUTIONS.**—The President shall, pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), block and prohibit all transactions in all property and interests in property of an Iranian financial institution if such property and interests in property are



in the United States, come within the United States, or are or come within the possession or control of a United States person.

(d) IMPOSITION OF SANCTIONS WITH RESPECT TO THE CENTRAL BANK OF IRAN AND OTHER IRANIAN FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Except as specifically provided in this subsection, beginning on the date that is 60 days after the date of the enactment of this Act, the President—

(A) shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines has knowingly conducted or facilitated any significant financial transaction with the Central Bank of Iran or another Iranian financial institution designated by the Secretary of the Treasury for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.); and

(B) may impose sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to the Central Bank of Iran.

(2) EXCEPTION FOR SALES OF AGRICULTURAL COMMODITIES, FOOD, MEDICINE, AND MEDICAL DEVICES.—The President may not impose sanctions under paragraph (1) with respect to any person for conducting or facilitating a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Iran.

(3) APPLICABILITY OF SANCTIONS WITH RESPECT TO FOREIGN CENTRAL BANKS.—Except as provided in paragraph (4), sanctions imposed under paragraph (1)(A) shall apply with respect to a central bank of a foreign country, only insofar as it engages in a financial transaction for the sale or purchase of petroleum or petroleum products to or from Iran conducted or facilitated on or after that date that is 180 days after the date of the enactment of this Act.

(4) APPLICABILITY OF SANCTIONS WITH RESPECT TO PETROLEUM TRANSACTIONS.—

(A) REPORT REQUIRED.—Not later than October 25, 2012, and the last Thursday of every other month thereafter, the Administrator of the Energy Information Administration, in consultation with the Secretary of the Treasury, the Secretary of State, and the Director of National Intelligence, shall submit to Congress a report on the availability and price of petroleum and petroleum products produced in countries other than Iran in the 2-month period preceding the submission of the report.

(B) DETERMINATION REQUIRED.—Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall make a determination, based on the reports required by subparagraph (A), of whether the price and supply of petroleum and petroleum products produced in countries other than Iran is sufficient to permit purchasers of petroleum and petroleum products from Iran to reduce significantly in volume their purchases from Iran.

(C) APPLICATION OF SANCTIONS.—Except as provided in subparagraph (D), sanctions imposed under paragraph (1)(A) shall apply with respect to a financial transaction conducted or facilitated by a foreign financial institution on or after the date that is 180 days after the date of the enactment of this Act for the purchase of petroleum or petroleum products from Iran if the President determines pursuant to subparagraph (B) that there is a sufficient supply of petroleum and petroleum products from countries other than Iran to permit a significant reduction in the volume of petroleum and petroleum products purchased from Iran by or through foreign financial institutions.

(D) EXCEPTION.—

(i) IN GENERAL.—Sanctions imposed pursuant to paragraph (1) shall not apply with respect to a financial transaction described in clause (ii) conducted or facilitated by a foreign financial institution if the President determines and reports to Congress, not later than 90 days after the date on which the President makes the determination required by subparagraph (B), and every 180 days thereafter, that the country with primary jurisdiction over the foreign financial institution—

(I) has significantly reduced reduced<sup>4</sup> its volume of crude oil purchases from Iran during the period beginning on the date on which the President submitted the last report with respect to the country under this subparagraph; or

(II) in the case of a country that has previously received an exception under this subparagraph, has, after receiving the exception, reduced its crude oil purchases from Iran to zero.

(ii) FINANCIAL TRANSACTIONS DESCRIBED.—A financial transaction conducted or facilitated by a foreign financial institution is described in this clause if—

(I) the financial transaction is only for trade in goods or services between the country with primary jurisdiction over the foreign financial institution and Iran; and

(II) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(5) WAIVER.—The President may waive the imposition of sanctions under paragraph (1) for a period of not more than 120 days, and may renew that waiver for additional periods of not more than 120 days, if the President—

(A) determines that such a waiver is in the national security interest of the United States; and

(B) submits to Congress a report—

<sup>4</sup>So in law.

- (i) providing a justification for the waiver;
  - (ii) certifying that the country with primary jurisdiction over the foreign financial institution otherwise subject to the sanctions faced exceptional circumstances that prevented the country from being able to reduce significantly its purchases of petroleum and petroleum products from Iran; and
  - (iii) that includes any concrete cooperation the President has received or expects to receive as a result of the waiver.
- (e) **MULTILATERAL DIPLOMACY INITIATIVE.**—
- (1) **IN GENERAL.**—The President shall—
- (A) carry out an initiative of multilateral diplomacy to persuade countries purchasing oil from Iran—
- (i) to limit the use by Iran of revenue from purchases of oil to purchases of non-luxury consumer goods from the country purchasing the oil; and
  - (ii) to prohibit purchases by Iran of—
    - (I) military or dual-use technology, including items—
      - (aa) in the Annex to the Missile Technology Control Regime Guidelines;
      - (bb) in the Annex on Chemicals to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction, done at Paris January 13, 1993, and entered into force April 29, 1997 (commonly known as the “Chemical Weapons Convention”);
      - (cc) in Part 1 or 2 of the Nuclear Suppliers Group Guidelines; or
      - (dd) on a control list of the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies; or
      - (II) any other item that could contribute to Iran’s conventional, nuclear, chemical, or biological weapons program; and
- (B) conduct outreach to petroleum-producing countries to encourage those countries to increase their output of crude oil to ensure there is a sufficient supply of crude oil from countries other than Iran and to minimize any impact on the price of oil resulting from the imposition of sanctions under this section.
- (2) **REPORT REQUIRED.**—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to Congress a report on the efforts of the President to carry out the initiative described in paragraph (1)(A) and conduct the outreach described in paragraph (1)(B) and the results of those efforts.
- (f) **FORM OF REPORTS.**—Each report submitted under this section shall be submitted in unclassified form, but may contain a classified annex.
- (g) **IMPLEMENTATION; PENALTIES.**—

(1) **IMPLEMENTATION.**—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this section.

(2) **PENALTIES.**—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of this section or regulations prescribed under this section to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

(h) **DEFINITIONS.**—In this section:

(1) **ACCOUNT; CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.**—The terms “account”, “correspondent account”, and “payable-through account” have the meanings given those terms in section 5318A of title 31, United States Code.

(2) **FOREIGN FINANCIAL INSTITUTION.**—The term “foreign financial institution” has the meaning of that term as determined by the Secretary of the Treasury pursuant to section 104(i) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(i)).

(3) **SIGNIFICANT REDUCTIONS.** The terms “reduce significantly”, “significant reduction”, and “significantly reduced”, with respect to purchases from Iran of petroleum and petroleum products, include a reduction in such purchases in terms of price or volume toward a complete cessation of such purchases.

(4) **UNITED STATES PERSON.**—The term “United States person” means—

(A) a natural person who is a citizen or resident of the United States or a national of the United States (as defined in section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a))); and

(B) an entity that is organized under the laws of the United States or a jurisdiction within the United States.

(i) **TERMINATION.**—The provisions of this section shall terminate on the date that is 30 days after the date on which the President submits to Congress the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)).

## **TITLE XIII—COOPERATIVE THREAT REDUCTION**

Sec. 1301. Specification of cooperative threat reduction programs and funds.

Sec. 1302. Funding allocations.

Sec. 1303. Limitation on availability of funds for cooperative biological engagement program.

Sec. 1304. Limitation on use of funds for establishment of centers of excellence in countries outside of the former Soviet Union.



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**Annex 18**

**Section 212 of the U.S. Iran Threat Reduction and Syria Human Rights Act of 2012,  
Pub. L. No. 112-158, 126 Stat. 1229**

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PUBLIC LAW 112-158—AUG. 10, 2012

IRAN THREAT REDUCTION AND SYRIA  
HUMAN RIGHTS ACT OF 2012



Public Law 112-158  
112th Congress

An Act

Aug. 10, 2012  
[H.R. 1905]

Iran Threat  
Reduction and  
Syria Human  
Rights Act of  
2012.  
22 USC 8701  
note.

To strengthen Iran sanctions laws for the purpose of compelling Iran to abandon its pursuit of nuclear weapons and other threatening activities, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Iran Threat Reduction and Syria Human Rights Act of 2012”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.  
Sec. 2. Definitions.

**TITLE I—EXPANSION OF MULTILATERAL SANCTIONS REGIME WITH RESPECT TO IRAN**

- Sec. 101. Sense of Congress on enforcement of multilateral sanctions regime and expansion and implementation of sanctions laws.  
Sec. 102. Diplomatic efforts to expand multilateral sanctions regime.

**TITLE II—EXPANSION OF SANCTIONS RELATING TO THE ENERGY SECTOR OF IRAN AND PROLIFERATION OF WEAPONS OF MASS DESTRUCTION BY IRAN**

**Subtitle A—Expansion of the Iran Sanctions Act of 1996**

- Sec. 201. Expansion of sanctions with respect to the energy sector of Iran.  
Sec. 202. Imposition of sanctions with respect to transportation of crude oil from Iran and evasion of sanctions by shipping companies.  
Sec. 203. Expansion of sanctions with respect to development by Iran of weapons of mass destruction.  
Sec. 204. Expansion of sanctions available under the Iran Sanctions Act of 1996.  
Sec. 205. Modification of waiver standard under the Iran Sanctions Act of 1996.  
Sec. 206. Briefings on implementation of the Iran Sanctions Act of 1996.  
Sec. 207. Expansion of definitions under the Iran Sanctions Act of 1996.  
Sec. 208. Sense of Congress on energy sector of Iran.

**Subtitle B—Additional Measures Relating to Sanctions Against Iran**

- Sec. 211. Imposition of sanctions with respect to the provision of vessels or shipping services to transport certain goods related to proliferation or terrorism activities to Iran.  
Sec. 212. Imposition of sanctions with respect to provision of underwriting services or insurance or reinsurance for the National Iranian Oil Company or the National Iranian Tanker Company.  
Sec. 213. Imposition of sanctions with respect to purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt.  
Sec. 214. Imposition of sanctions with respect to subsidiaries and agents of persons sanctioned by United Nations Security Council resolutions.  
Sec. 215. Imposition of sanctions with respect to transactions with persons sanctioned for certain activities relating to terrorism or proliferation of weapons of mass destruction.

(c) **WAIVER.**—The President may waive the requirement to impose sanctions with respect to a person under subsection (a) on or after the date that is 30 days after the President—

Time period.  
Reports.

(1) determines that such a waiver is vital to the national security interests of the United States; and

(2) submits to the appropriate congressional committees a report that contains the reasons for that determination.

(d) **REPORT REQUIRED.**—

(1) **IN GENERAL.**—Not later than 90 days after the date of the enactment of this Act, and every 90 days thereafter, the Secretary of the Treasury, in coordination with the Secretary of State, shall submit to the appropriate congressional committees a report identifying operators of vessels and other persons that conduct or facilitate significant financial transactions with persons that manage ports in Iran that have been designated for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(2) **FORM OF REPORT.**—A report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(e) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to limit the authority of the President to designate persons for the imposition of sanctions pursuant to Executive Order No. 13382 (70 Fed. Reg. 38567; relating to the blocking of property of weapons of mass destruction proliferators and their supporters) or Executive Order No. 13224 (66 Fed. Reg. 49079; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism), or otherwise pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

**SEC. 212. IMPOSITION OF SANCTIONS WITH RESPECT TO PROVISION OF UNDERWRITING SERVICES OR INSURANCE OR REINSURANCE FOR THE NATIONAL IRANIAN OIL COMPANY OR THE NATIONAL IRANIAN TANKER COMPANY.** 22 USC 8722.

(a) **IN GENERAL.**—Except as provided in subsection (b), not later than 60 days after the date of the enactment of this Act, the President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996, as amended by section 204, with respect to a person if the President determines that the person knowingly, on or after such date of enactment, provides underwriting services or insurance or reinsurance for the National Iranian Oil Company, the National Iranian Tanker Company, or a successor entity to either such company. Deadline.

(b) **EXCEPTIONS.**—

(1) **UNDERWRITERS AND INSURANCE PROVIDERS EXERCISING DUE DILIGENCE.**—The President is authorized not to impose sanctions under subsection (a) with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not provide underwriting services or insurance or reinsurance for the National Iranian Oil Company, the National Iranian Tanker Company, or a successor entity to either such company.

(2) **FOOD; MEDICINE; HUMANITARIAN ASSISTANCE.**—The President may not impose sanctions under subsection (a) for the provision of underwriting services or insurance or reinsurance for any activity relating solely to—

(A) the provision of agricultural commodities, food, medicine, or medical devices to Iran; or

(B) the provision of humanitarian assistance to the people of Iran.

(3) **TERMINATION PERIOD.**—The President is authorized not to impose sanctions under subsection (a) with respect to a person if the President receives reliable assurances that the person will terminate the provision of underwriting services or insurance or reinsurance for the National Iranian Oil Company, the National Iranian Tanker Company, and any successor entity to either such company, not later than the date that is 120 days after the date of the enactment of this Act.

(c) **DEFINITIONS.**—In this section:

(1) **AGRICULTURAL COMMODITY.**—The term “agricultural commodity” has the meaning given that term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

(2) **MEDICAL DEVICE.**—The term “medical device” has the meaning given the term “device” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(3) **MEDICINE.**—The term “medicine” has the meaning given the term “drug” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(d) **APPLICATION OF PROVISIONS OF IRAN SANCTIONS ACT OF 1996.**—The following provisions of the Iran Sanctions Act of 1996, as amended by this Act, apply with respect to the imposition of sanctions under subsection (a) to the same extent that such provisions apply with respect to the imposition of sanctions under section 5(a) of the Iran Sanctions Act of 1996:

(1) Subsection (c) of section 4.

(2) Subsections (c), (d), and (f) of section 5.

(3) Section 8.

(4) Section 9.

(5) Section 11.

(6) Section 12.

(7) Subsection (b) of section 13.

(8) Section 14.

(e) **RULE OF CONSTRUCTION AND IMPLEMENTATION.**—Nothing in this section shall be construed to limit the authority of the President to impose sanctions pursuant to the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note), the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.), the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), section 1245 of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a), or any other provision of this Act.

22 USC 8723.

**SEC. 213. IMPOSITION OF SANCTIONS WITH RESPECT TO PURCHASE, SUBSCRIPTION TO, OR FACILITATION OF THE ISSUANCE OF IRANIAN SOVEREIGN DEBT.**

(a) **IN GENERAL.**—The President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996, as amended by section 204, with respect to a person if the President determines that the person knowingly, on or after

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**Annex 19**

**U.S. Iran Freedom and Counter-Proliferation Act of 2012, Sections 1241 to 1255 of the  
U.S. National Defense Authorization Act for Fiscal Year 2013, Pub. L. No. 112-239,  
126 Stat. 2004**

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PUBLIC LAW 112-239—JAN. 2, 2013

NATIONAL DEFENSE AUTHORIZATION ACT  
FOR FISCAL YEAR 2013

Public Law 112-239  
112th Congress

An Act

Jan. 2, 2013  
[H.R. 4310]

To authorize appropriations for fiscal year 2013 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

National Defense  
Authorization  
Act for Fiscal  
Year 2013.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “National Defense Authorization Act for Fiscal Year 2013”.

**SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.**

(a) **DIVISIONS.**—This Act is organized into four divisions as follows:

- (1) Division A—Department of Defense Authorizations.
- (2) Division B—Military Construction Authorizations.
- (3) Division C—Department of Energy National Security Authorizations and Other Authorizations.
- (4) Division D—Funding Tables.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title.  
Sec. 2. Organization of Act into divisions; table of contents.  
Sec. 3. Congressional defense committees.

**DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS**

**TITLE I—PROCUREMENT**

**Subtitle A—Authorization of Appropriations**

Sec. 101. Authorization of appropriations.

**Subtitle B—Army Programs**

- Sec. 111. Multiyear procurement authority for Army CH-47 helicopters.  
Sec. 112. Reports on airlift requirements of the Army.

**Subtitle C—Navy Programs**

- Sec. 121. Extension of Ford class aircraft carrier construction authority.  
Sec. 122. Multiyear procurement authority for Virginia class submarine program.  
Sec. 123. Multiyear procurement authority for Arleigh Burke class destroyers and associated systems.  
Sec. 124. Limitation on availability of amounts for second Ford class aircraft carrier.  
Sec. 125. Refueling and complex overhaul of the U.S.S. Abraham Lincoln.  
Sec. 126. Designation of mission modules of the Littoral Combat Ship as a major defense acquisition program.  
Sec. 127. Report on Littoral Combat Ship designs.  
Sec. 128. Comptroller General review of Littoral Combat Ship program.  
Sec. 129. Sense of Congress on importance of engineering in early stages of shipbuilding.

- Sec. 1223. Report on efforts to promote the security of Afghan women and girls during the security transition process.
- Sec. 1224. Sense of Congress commending the Enduring Strategic Partnership Agreement between the United States and Afghanistan.
- Sec. 1225. Consultations with Congress on a bilateral security agreement with Afghanistan.
- Sec. 1226. Completion of transition of United States combat and military and security operations to the Government of Afghanistan.
- Sec. 1227. Extension and modification of authority for reimbursement of certain coalition nations for support provided to United States military operations.
- Sec. 1228. Extension and modification of Pakistan Counterinsurgency Fund.

Subtitle C—Matters Relating to Iran

- Sec. 1231. Report on United States capabilities in relation to China, North Korea, and Iran.
- Sec. 1232. Report on military capabilities of Gulf Cooperation Council members.
- Sec. 1233. Sense of Congress with respect to Iran.
- Sec. 1234. Rule of construction.

Subtitle D—Iran Sanctions

- Sec. 1241. Short title.
- Sec. 1242. Definitions.
- Sec. 1243. Sense of Congress relating to violations of human rights by Iran.
- Sec. 1244. Imposition of sanctions with respect to the energy, shipping, and shipbuilding sectors of Iran.
- Sec. 1245. Imposition of sanctions with respect to the sale, supply, or transfer of certain materials to or from Iran.
- Sec. 1246. Imposition of sanctions with respect to the provision of underwriting services or insurance or reinsurance for activities or persons with respect to which sanctions have been imposed.
- Sec. 1247. Imposition of sanctions with respect to foreign financial institutions that facilitate financial transactions on behalf of specially designated nationals.
- Sec. 1248. Impositions of sanctions with respect to the Islamic Republic of Iran Broadcasting.
- Sec. 1249. Imposition of sanctions with respect to persons engaged in the diversion of goods intended for the people of Iran.
- Sec. 1250. Waiver requirement related to exceptional circumstances preventing significant reductions in crude oil purchases.
- Sec. 1251. Statute of limitations for civil actions regarding terrorist acts.
- Sec. 1252. Report on use of certain Iranian seaports by foreign vessels and use of foreign airports by sanctioned Iranian air carriers.
- Sec. 1253. Implementation; penalties.
- Sec. 1254. Applicability to certain natural gas projects.
- Sec. 1255. Rule of construction.

Subtitle E—Satellites and Related Items

- Sec. 1261. Removal of satellites and related items from the United States Munitions List.
- Sec. 1262. Report on licenses and other authorizations to export certain satellites and related items.
- Sec. 1263. Report on country exemptions for licensing of exports of certain satellites and related items.
- Sec. 1264. End-use monitoring of certain satellites and related items.
- Sec. 1265. Interagency review of modifications to Category XV of the United States Munitions List.
- Sec. 1266. Rules of construction.
- Sec. 1267. Definitions.

Subtitle F—Other Matters

- Sec. 1271. Additional elements in annual report on military and security developments involving the People's Republic of China.
- Sec. 1272. NATO Special Operations Headquarters.
- Sec. 1273. Sustainability requirements for certain capital projects in connection with overseas contingency operations.
- Sec. 1274. Administration of the American, British, Canadian, and Australian Armies' Program.
- Sec. 1275. United States participation in Headquarters Eurocorps.
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Sec. 1228. Extension and modification of Pakistan Counterinsurgency Fund.

Subtitle C—Matters Relating to Iran

- Sec. 1231. Report on United States capabilities in relation to China, North Korea, and Iran.  
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Subtitle D—Iran Sanctions

- Sec. 1241. Short title.  
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 Sec. 1245. Imposition of sanctions with respect to the sale, supply, or transfer of certain materials to or from Iran.  
 Sec. 1246. Imposition of sanctions with respect to the provision of underwriting services or insurance or reinsurance for activities or persons with respect to which sanctions have been imposed.  
 Sec. 1247. Imposition of sanctions with respect to foreign financial institutions that facilitate financial transactions on behalf of specially designated nationals.  
 Sec. 1248. Impositions of sanctions with respect to the Islamic Republic of Iran Broadcasting.  
 Sec. 1249. Imposition of sanctions with respect to persons engaged in the diversion of goods intended for the people of Iran.  
 Sec. 1250. Waiver requirement related to exceptional circumstances preventing significant reductions in crude oil purchases.  
 Sec. 1251. Statute of limitations for civil actions regarding terrorist acts.  
 Sec. 1252. Report on use of certain Iranian seaports by foreign vessels and use of foreign airports by sanctioned Iranian air carriers.  
 Sec. 1253. Implementation; penalties.  
 Sec. 1254. Applicability to certain natural gas projects.  
 Sec. 1255. Rule of construction.

Subtitle E—Satellites and Related Items

- Sec. 1261. Removal of satellites and related items from the United States Munitions List.  
 Sec. 1262. Report on licenses and other authorizations to export certain satellites and related items.  
 Sec. 1263. Report on country exemptions for licensing of exports of certain satellites and related items.  
 Sec. 1264. End-use monitoring of certain satellites and related items.  
 Sec. 1265. Interagency review of modifications to Category XV of the United States Munitions List.  
 Sec. 1266. Rules of construction.  
 Sec. 1267. Definitions.

Subtitle F—Other Matters

- Sec. 1271. Additional elements in annual report on military and security developments involving the People's Republic of China.  
 Sec. 1272. NATO Special Operations Headquarters.  
 Sec. 1273. Sustainability requirements for certain capital projects in connection with overseas contingency operations.  
 Sec. 1274. Administration of the American, British, Canadian, and Australian Armies' Program.  
 Sec. 1275. United States participation in Headquarters Eurocorps.  
 Sec. 1276. Department of Defense participation in European program on multilateral exchange of air transportation and air refueling services.  
 Sec. 1277. Prohibition on use of funds to enter into contracts or agreements with Rosoboronexport.  
 Sec. 1278. Sense of Congress on Iron Dome short-range rocket defense system.  
 Sec. 1279. Bilateral defense trade relationship with India.  
 Sec. 1280. United States Advisory Commission on Public Diplomacy.  
 Sec. 1281. Sense of Congress on sale of aircraft to Taiwan.  
 Sec. 1282. Briefings on dialogue between the United States and the Russian Federation on nuclear arms, missile defense systems, and long-range conventional strike systems.  
 Sec. 1283. Sense of Congress on efforts to remove or apprehend Joseph Kony from the battlefield and end the atrocities of the Lord's Resistance Army.

(3) An evaluation of United States military capabilities and posture in the region and an analysis of the capacity of the United States Armed Forces to augment the military capabilities of Gulf Cooperation Council members.

(4) A description of the United States Government's ongoing efforts to foster regional cooperation through ongoing bilateral and multilateral strategic security dialogues.

(5) A summary of Gulf Cooperation Council operational and training requests to the United States Government and the associated actions taken by the United States Government.

(c) **SUBMISSION TO CONGRESS.**—The report required under subsection (a) shall be submitted to the appropriate congressional committees not later than 180 days after the date of the enactment of this Act.

(d) **APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.**—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Relations of the Senate; and

(2) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Affairs of the House of Representatives.

**SEC. 1233. SENSE OF CONGRESS WITH RESPECT TO IRAN.**

It is the sense of Congress that the United States should be prepared to take all necessary measures, including military action if required, to prevent Iran from threatening the United States, its allies, or Iran's neighbors with a nuclear weapon.

22 USC 8784  
note.

**SEC. 1234. RULE OF CONSTRUCTION.**

Nothing in this Act shall be construed as authorizing the use of force against Iran.

## Subtitle D—Iran Sanctions

Iran Freedom  
and Counter-  
Proliferation Act  
of 2012.  
President.  
22 USC 8801  
note.  
22 USC 8801.

**SEC. 1241. SHORT TITLE.**

This subtitle may be cited as the “Iran Freedom and Counter-Proliferation Act of 2012”.

**SEC. 1242. DEFINITIONS.**

(a) **IN GENERAL.**—In this subtitle:

(1) **AGRICULTURAL COMMODITY.**—The term “agricultural commodity” has the meaning given that term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

(2) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means—

(A) the committees specified in section 14(2) of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note); and

(B) the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.

(3) **COAL.**—The term “coal” means metallurgical coal, coking coal, or fuel coke.

(4) **CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.**—The terms “correspondent account” and “payable-

through account” have the meanings given those terms in section 5318A of title 31, United States Code.

(5) FOREIGN FINANCIAL INSTITUTION.—The term “foreign financial institution” has the meaning of that term as determined by the Secretary of the Treasury pursuant to section 104(i) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(i)).

(6) GOOD.—The term “good” has the meaning given that term in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)).

(7) IRANIAN FINANCIAL INSTITUTION.—The term “Iranian financial institution” has the meaning given that term in section 104A(d) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513b(d)).

(8) IRANIAN PERSON.—The term “Iranian person” means—  
(A) an individual who is a citizen or national of Iran;  
and

(B) an entity organized under the laws of Iran or otherwise subject to the jurisdiction of the Government of Iran.

(9) KNOWINGLY.—The term “knowingly”, with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

(10) MEDICAL DEVICE.—The term “medical device” has the meaning given the term “device” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(11) MEDICINE.—The term “medicine” has the meaning given the term “drug” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(12) SHIPPING.—The term “shipping” refers to the transportation of goods by a vessel and related activities.

(13) UNITED STATES PERSON.—The term “United States person” has the meaning given that term in section 101 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8511).

(14) VESSEL.—The term “vessel” has the meaning given that term in section 3 of title 1, United States Code.

(b) DETERMINATIONS OF SIGNIFICANCE.—For purposes of this subtitle, in determining if financial transactions or financial services are significant, the President may consider the totality of the facts and circumstances, including factors similar to the factors set forth in section 561.404 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling).

**SEC. 1243. SENSE OF CONGRESS RELATING TO VIOLATIONS OF HUMAN RIGHTS BY IRAN.** 22 USC 8802.

(a) FINDING.—Congress finds that the interests of the United States and international peace are threatened by the ongoing and destabilizing actions of the Government of Iran, including its massive, systematic, and extraordinary violations of the human rights of its own citizens.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the United States should—

(1) deny the Government of Iran the ability to continue to oppress the people of Iran and to use violence and executions against pro-democracy protestors and regime opponents;

(2) fully and publicly support efforts made by the people of Iran to promote the establishment of basic freedoms that build the foundation for the emergence of a freely elected, open, and democratic political system;

(3) help the people of Iran produce, access, and share information freely and safely via the Internet and through other media; and

(4) defeat all attempts by the Government of Iran to jam or otherwise obstruct international satellite broadcast signals.

22 USC 8803.

**SEC. 1244. IMPOSITION OF SANCTIONS WITH RESPECT TO THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS OF IRAN.**

(a) **FINDINGS.**—Congress makes the following findings:

(1) Iran's energy, shipping, and shipbuilding sectors and Iran's ports are facilitating the Government of Iran's nuclear proliferation activities by providing revenue to support proliferation activities.

(2) The United Nations Security Council and the United States Government have expressed concern about the proliferation risks presented by the Iranian nuclear program.

(3) The Director General of the International Atomic Energy Agency (in this section referred to as the "IAEA") has in successive reports (GOV/2012/37 and GOV/2011/65) identified possible military dimensions of Iran's nuclear program.

(4) The Government of Iran continues to defy the requirements and obligations contained in relevant IAEA Board of Governors and United Nations Security Council resolutions, including by continuing and expanding uranium enrichment activities in Iran, as reported in IAEA Report GOV/2012/37.

(5) United Nations Security Council Resolution 1929 (2010) recognizes the "potential connection between Iran's revenues derived from its energy sector and the funding of Iran's proliferation sensitive nuclear activities".

(6) The National Iranian Tanker Company is the main carrier for the Iranian Revolutionary Guard Corps-designated National Iranian Oil Company and a key element in the petroleum supply chain responsible for generating energy revenues that support the illicit nuclear proliferation activities of the Government of Iran.

(b) **DESIGNATION OF PORTS AND ENTITIES IN THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS OF IRAN AS ENTITIES OF PROLIFERATION CONCERN.**—Entities that operate ports in Iran and entities in the energy, shipping, and shipbuilding sectors of Iran, including the National Iranian Oil Company, the National Iranian Tanker Company, the Islamic Republic of Iran Shipping Lines, and their affiliates, play an important role in Iran's nuclear proliferation efforts and all such entities are hereby designated as entities of proliferation concern.

Effective date.  
Time period.

(c) **BLOCKING OF PROPERTY OF ENTITIES IN ENERGY, SHIPPING, AND SHIPBUILDING SECTORS.**—

(1) **BLOCKING OF PROPERTY.**—

(A) IN GENERAL.—On and after the date that is 180 days after the date of the enactment of this Act, the President shall block and prohibit all transactions in all property and interests in property of any person described in paragraph (2) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(B) EXCEPTION.—The requirement to block and prohibit all transactions in all property and interests in property under subparagraph (A) shall not include the authority to impose sanctions on the importation of goods.

(2) PERSONS DESCRIBED.—A person is described in this paragraph if the President determines that the person, on or after the date that is 180 days after the date of the enactment of this Act—

(A) is part of the energy, shipping, or shipbuilding sectors of Iran;

(B) operates a port in Iran; or

(C) knowingly provides significant financial, material, technological, or other support to, or goods or services in support of any activity or transaction on behalf of or for the benefit of—

(i) a person determined under subparagraph (A) to be a part of the energy, shipping, or shipbuilding sectors of Iran;

(ii) a person determined under subparagraph (B) to operate a port in Iran; or

(iii) an Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in paragraph (3)).

(3) IRANIAN FINANCIAL INSTITUTIONS DESCRIBED.—An Iranian financial institution described in this paragraph is an Iranian financial institution that has not been designated for the imposition of sanctions in connection with—

(A) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(B) Iran's support for international terrorism; or

(C) Iran's abuses of human rights.

(d) ADDITIONAL SANCTIONS WITH RESPECT TO THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS OF IRAN.—

(1) SALE, SUPPLY, OR TRANSFER OF CERTAIN GOODS AND SERVICES.—

(A) IN GENERAL.—Except as provided in this section, the President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) with respect to a person if the President determines that the person knowingly, on or after the date that is 180 days after the date of the enactment of this Act, sells, supplies, or transfers to or from Iran goods or services described in paragraph (3).

(B) EXCEPTION.—The requirement to impose sanctions under subparagraph (A) shall not include the authority to impose sanctions relating to the importation of goods

under paragraph (8)(A) or (12) of section 6(a) of the Iran Sanctions Act of 1996, and any sanction relating to the importation of goods shall not count for purposes of the requirement to impose sanctions under subparagraph (A).

Effective date.  
Time period.

(2) FACILITATION OF CERTAIN TRANSACTIONS.—Except as provided in this section, the President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines knowingly, on or after the date that is 180 days after the date of the enactment of this Act, conducts or facilitates a significant financial transaction for the sale, supply, or transfer to or from Iran of goods or services described in paragraph (3).

(3) GOODS AND SERVICES DESCRIBED.—Goods or services described in this paragraph are significant goods or services used in connection with the energy, shipping, or shipbuilding sectors of Iran, including the National Iranian Oil Company, the National Iranian Tanker Company, and the Islamic Republic of Iran Shipping Lines.

(e) HUMANITARIAN EXCEPTION.—The President may not impose sanctions under this section with respect to any person for conducting or facilitating a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Iran or for the provision of humanitarian assistance to the people of Iran.

(f) EXCEPTION FOR AFGHANISTAN RECONSTRUCTION.—The President may provide for an exception from the imposition of sanctions under this section for reconstruction assistance or economic development for Afghanistan—

Determination.

(1) to the extent that the President determines that such an exception is in the national interest of the United States; and

Notification.  
Deadline.

(2) if the President submits to the appropriate congressional committees a notification of and justification for the exception not later than 15 days before issuing the exception.

(g) APPLICABILITY OF SANCTIONS TO PETROLEUM AND PETROLEUM PRODUCTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section shall apply with respect to the purchase of petroleum or petroleum products from Iran only if, at the time of the purchase, a determination of the President under section 1245(d)(4)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that the price and supply of petroleum and petroleum products produced in countries other than Iran is sufficient to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran is in effect.

(2) EXCEPTION FOR CERTAIN COUNTRIES.—

(A) EXPORTATION.—This section shall not apply with respect to the exportation of petroleum or petroleum products from Iran to a country to which the exception under section 1245(d)(4)(D)(i) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(D)(i)) applies at the time of the exportation of the petroleum or petroleum products.

(B) FINANCIAL TRANSACTIONS.—

(i) **IN GENERAL.**—This section shall not apply with respect to a financial transaction described in clause (ii) conducted or facilitated by a foreign financial institution if, at the time of the transaction, the exception under section 1245(d)(4)(D)(i) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(D)(i)) applies to the country with primary jurisdiction over the foreign financial institution.

(ii) **FINANCIAL TRANSACTIONS DESCRIBED.**—A financial transaction conducted or facilitated by a foreign financial institution is described in this clause if—

(I) the financial transaction is only for trade in goods or services—

(aa) not otherwise subject to sanctions under the law of the United States; and

(bb) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(II) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(h) **APPLICABILITY OF SANCTIONS TO NATURAL GAS.**—

(1) **SALE, SUPPLY, OR TRANSFER.**—Except as provided in paragraph (2), this section shall not apply to the sale, supply, or transfer to or from Iran of natural gas.

(2) **FINANCIAL TRANSACTIONS.**—This section shall apply to a foreign financial institution that conducts or facilitates a financial transaction for the sale, supply, or transfer to or from Iran of natural gas unless—

(A) the financial transaction is only for trade in goods or services—

(i) not otherwise subject to sanctions under the law of the United States; and

(ii) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(B) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(i) **WAIVER.**—

(1) **IN GENERAL.**—The President may waive the imposition of sanctions under this section for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

Time periods.

(A) determines that such a waiver is vital to the national security of the United States; and

Determination.

(B) submits to the appropriate congressional committees a report providing a justification for the waiver.

Reports.

(2) **FORM OF REPORT.**—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex.

**SEC. 1245. IMPOSITION OF SANCTIONS WITH RESPECT TO THE SALE, SUPPLY, OR TRANSFER OF CERTAIN MATERIALS TO OR FROM IRAN.**

22 USC 8804.

(a) **SALE, SUPPLY, OR TRANSFER OF CERTAIN MATERIALS.**—

(1) **IN GENERAL.**—The President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) with respect to a person if the President determines that the person knowingly, on or after the date that is 180 days after the date of the enactment of this Act, sells, supplies, or transfers, directly or indirectly, to or from Iran—

(A) a precious metal;

(B) a material described in subsection (d) determined pursuant to subsection (e)(1) to be used by Iran as described in that subsection;

(C) any other material described in subsection (d) if—

(i) the material is—

(I) to be used in connection with the energy, shipping, or shipbuilding sectors of Iran or any sector of the economy of Iran determined pursuant to subsection (e)(2) to be controlled directly or indirectly by Iran's Revolutionary Guard Corps;

(II) sold, supplied, or transferred to or from an Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)); or

(III) determined pursuant to subsection (e)(3) to be used in connection with the nuclear, military, or ballistic missile programs of Iran; or

(ii) the material is resold, retransferred, or otherwise supplied—

(I) to an end-user in a sector described in subclause (I) of clause (i);

(II) to a person described in subclause (II) of that clause; or

(III) for a program described in subclause (III) of that clause.

(2) **EXCEPTION.**—The requirement to impose sanctions under paragraph (1) shall not include the authority to impose sanctions relating to the importation of goods under paragraph (8)(A) or (12) of section 6(a) of the Iran Sanctions Act of 1996, and any sanction relating to the importation of goods shall not count for purposes of the requirement to impose sanctions under paragraph (1).

(b) **IRANIAN FINANCIAL INSTITUTIONS DESCRIBED.**—An Iranian financial institution described in this subsection is an Iranian financial institution that has not been designated for the imposition of sanctions in connection with—

(1) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(2) Iran's support for international terrorism; or

(3) Iran's abuses of human rights.

(c) **FACILITATION OF CERTAIN TRANSACTIONS.**—The President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines knowingly, on or after the date that is 180 days after the date of the enactment of this Act,



conducts or facilitates a significant financial transaction for the sale, supply, or transfer to or from Iran of materials the sale, supply, or transfer of which would subject a person to sanctions under subsection (a).

(d) **MATERIALS DESCRIBED.**—Materials described in this subsection are graphite, raw or semi-finished metals such as aluminum and steel, coal, and software for integrating industrial processes.

(e) **DETERMINATION WITH RESPECT TO USE OF MATERIALS.**—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees and publish in the Federal Register a report that contains the determination of the President with respect to—

Deadlines.  
Federal Register,  
publication.  
Reports.

(1) whether Iran is—

(A) using any of the materials described in subsection (d) as a medium for barter, swap, or any other exchange or transaction; or

(B) listing any of such materials as assets of the Government of Iran for purposes of the national balance sheet of Iran;

(2) which sectors of the economy of Iran are controlled directly or indirectly by Iran’s Revolutionary Guard Corps; and

(3) which of the materials described in subsection (d) are used in connection with the nuclear, military, or ballistic missile programs of Iran.

(f) **EXCEPTION FOR PERSONS EXERCISING DUE DILIGENCE.**—The President may not impose sanctions under subsection (a) or (c) with respect to a person if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not sell, supply, or transfer to or from Iran materials the sale, supply, or transfer of which would subject a person to sanctions under subsection (a) or conduct or facilitate a financial transaction for such a sale, supply, or transfer.

Determination.

(g) **WAIVER.**—

(1) **IN GENERAL.**—The President may waive the imposition of sanctions under this section for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

Time periods.

(A) determines that such a waiver is vital to the national security of the United States; and

Determination.

(B) submits to the appropriate congressional committees a report providing a justification for the waiver.

Reports.

(2) **FORM OF REPORT.**—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex.

(h) **NATIONAL BALANCE SHEET OF IRAN DEFINED.**—For purposes of this section, the term “national balance sheet of Iran” refers to the ratio of the assets of the Government of Iran to the liabilities of that Government.

**SEC. 1246. IMPOSITION OF SANCTIONS WITH RESPECT TO THE PROVISION OF UNDERWRITING SERVICES OR INSURANCE OR REINSURANCE FOR ACTIVITIES OR PERSONS WITH RESPECT TO WHICH SANCTIONS HAVE BEEN IMPOSED.**

22 USC 8805.

(a) **IMPOSITION OF SANCTIONS.**—

Determination.  
Effective date.  
Time period.

(1) **IN GENERAL.**—Except as provided in this section, the President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) with respect to a person if the President determines that the person knowingly, on or after the date that is 180 days after the date of the enactment of this Act, provides underwriting services or insurance or reinsurance—

(A) for any activity with respect to Iran for which sanctions have been imposed under this subtitle, the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the Iran Sanctions Act of 1996, the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.), the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8701 et seq.), the Iran, North Korea, and Syria Nonproliferation Act (Public Law 106-178; 50 U.S.C. 1701 note), or any other provision of law relating to the imposition of sanctions with respect to Iran;

(B) to or for any person—

(i) with respect to, or for the benefit of any activity in the energy, shipping, or shipbuilding sectors of Iran for which sanctions are imposed under this subtitle;

(ii) for the sale, supply, or transfer to or from Iran of materials described in section 1245(d) for which sanctions are imposed under this subtitle; or

(iii) designated for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) in connection with—

(I) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction; or

(II) Iran's support for international terrorism;

or

(C) to or for any Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)).

(2) **EXCEPTION.**—The requirement to impose sanctions under paragraph (1) shall not include the authority to impose sanctions relating to the importation of goods under paragraph (8)(A) or (12) of section 6(a) of the Iran Sanctions Act of 1996, and any sanction relating to the importation of goods shall not count for purposes of the requirement to impose sanctions under paragraph (1).

(b) **IRANIAN FINANCIAL INSTITUTIONS DESCRIBED.**—An Iranian financial institution described in this subsection is an Iranian financial institution that has not been designated for the imposition of sanctions in connection with—

(1) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(2) Iran's support for international terrorism; or

(3) Iran's abuses of human rights.

(c) **HUMANITARIAN EXCEPTION.**—The President may not impose sanctions under subsection (a) for the provision of underwriting

services or insurance or reinsurance for a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Iran or for the provision of humanitarian assistance to the people of Iran.

(d) **EXCEPTION FOR UNDERWRITERS AND INSURANCE PROVIDERS EXERCISING DUE DILIGENCE.**—The President may not impose sanctions under subparagraph (A) or (C) or clause (i) or (ii) of subparagraph (B) of subsection (a)(1) with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not underwrite or enter into a contract to provide insurance or reinsurance for an activity described in subparagraph (A) of that subsection or to or for any person described in subparagraph (C) or clause (i) or (ii) of subparagraph (B) of that subsection.

(e) **WAIVER.**—

(1) **IN GENERAL.**—The President may waive the imposition of sanctions under subsection (a) for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

(A) determines that such a waiver is vital to the national security of the United States; and

(B) submits to the appropriate congressional committees a report providing a justification for the waiver.

(2) **FORM OF REPORT.**—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex.

**SEC. 1247. IMPOSITION OF SANCTIONS WITH RESPECT TO FOREIGN FINANCIAL INSTITUTIONS THAT FACILITATE FINANCIAL TRANSACTIONS ON BEHALF OF SPECIALLY DESIGNATED NATIONALS.** 22 USC 8806.

(a) **IN GENERAL.**—Except as provided in this section, the President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines has, on or after the date that is 180 days after the date of the enactment of this Act, knowingly facilitated a significant financial transaction on behalf of any Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)).

(b) **IRANIAN FINANCIAL INSTITUTIONS DESCRIBED.**—An Iranian financial institution described in this subsection is an Iranian financial institution that has not been designated for the imposition of sanctions in connection with—

(1) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(2) Iran's support for international terrorism; or

(3) Iran's abuses of human rights.

(c) **HUMANITARIAN EXCEPTION.**—The President may not impose sanctions under subsection (a) with respect to any person for conducting or facilitating a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Iran or for the provision of humanitarian assistance to the people of Iran.

## (d) APPLICABILITY OF SANCTIONS TO PETROLEUM AND PETROLEUM PRODUCTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), subsection (a) shall apply with respect to a financial transaction for the purchase of petroleum or petroleum products from Iran only if, at the time of the transaction, a determination of the President under section 1245(d)(4)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that the price and supply of petroleum and petroleum products produced in countries other than Iran is sufficient to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran is in effect.

## (2) EXCEPTION FOR CERTAIN COUNTRIES.—

(A) IN GENERAL.—Subsection (a) shall not apply with respect to a financial transaction described in subparagraph (B) conducted or facilitated by a foreign financial institution if, at the time of the transaction, the exception under section 1245(d)(4)(D)(i) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(D)(i)) applies to the country with primary jurisdiction over the foreign financial institution.

(B) FINANCIAL TRANSACTIONS DESCRIBED.—A financial transaction conducted or facilitated by a foreign financial institution is described in this subparagraph if—

(i) the financial transaction is only for trade in goods or services—

(I) not otherwise subject to sanctions under the law of the United States; and

(II) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(ii) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(e) APPLICABILITY OF SANCTIONS TO NATURAL GAS.—Subsection (a) shall apply to a foreign financial institution that conducts or facilitates a financial transaction for the sale, supply, or transfer to or from Iran of natural gas unless—

(1) the financial transaction is only for trade in goods or services—

(A) not otherwise subject to sanctions under the law of the United States; and

(B) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(2) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

## (f) WAIVER.—

(1) IN GENERAL.—The President may waive the imposition of sanctions under subsection (a) for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

(A) determines that such a waiver is vital to the national security of the United States; and

Time periods.

Determination.

(B) submits to the appropriate congressional committee a report providing a justification for the waiver. Reports.

(2) FORM OF REPORT.—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex.

**SEC. 1248. IMPOSITIONS OF SANCTIONS WITH RESPECT TO THE ISLAMIC REPUBLIC OF IRAN BROADCASTING.** 22 USC 8807.

(a) FINDINGS.—Congress makes the following findings:

(1) The Islamic Republic of Iran Broadcasting has contributed to the infringement of individuals' human rights by broadcasting forced televised confession and show trials.

(2) In March 2012, the European Council imposed sanctions on the President of the Islamic Republic of Iran Broadcasting, Ezzatollah Zargami, for broadcasting forced confessions of detainees and a series of “show trials” in August 2009 and December 2011 that constituted a clear violation of international law with respect to the right to a fair trial and due process.

(b) IMPOSITION OF SANCTIONS.—

(1) IN GENERAL.—The President shall, after the date of the enactment of this Act—

(A) impose sanctions described in section 105(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514(c)) with respect to the Islamic Republic of Iran Broadcasting and the President of the Islamic Republic of Iran Broadcasting, Ezzatollah Zargami; and Ezzatollah Zargami.

(B) include the Islamic Republic of Iran Broadcasting and the President of the Islamic Republic of Iran Broadcasting, Ezzatollah Zargami, on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury.

(2) EXCEPTION.—The requirement to impose sanctions under paragraph (1)(A) shall not include the authority to impose sanctions on the importation of goods.

(3) APPLICATION OF CERTAIN PROVISIONS.—Sections 105(d) and 401(b) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514(d) and 8551(b)) shall apply with respect to sanctions imposed under paragraph (1)(A) to the same extent that such sections apply with respect to the imposition of sanctions under section 105(a) of that Act (22 U.S.C. 8514(a)).

**SEC. 1249. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS ENGAGED IN THE DIVERSION OF GOODS INTENDED FOR THE PEOPLE OF IRAN.**

(a) IN GENERAL.—Title I of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8511 et seq.) is amended by inserting after section 105B the following:

**“SEC. 105C. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS ENGAGED IN THE DIVERSION OF GOODS INTENDED FOR THE PEOPLE OF IRAN.** 22 USC 8514c.

“(a) IMPOSITION OF SANCTIONS.—

“(1) IN GENERAL.—The President shall impose sanctions described in section 105(c) with respect to each person on the list required by subsection (b).

“(2) EXCEPTION.—The requirement to impose sanctions under paragraph (1) shall not include the authority to impose sanctions on the importation of goods.

“(b) LIST OF PERSONS WHO ENGAGE IN DIVERSION.—

Determination.  
Effective date.

“(1) IN GENERAL.—As relevant information becomes available, the President shall submit to the appropriate congressional committees a list of persons that the President determines have, on or after the date of the enactment of the Iran Freedom and Counter-Proliferation Act of 2012, engaged in corruption or other activities relating to—

“(A) the diversion of goods, including agricultural commodities, food, medicine, and medical devices, intended for the people of Iran; or

“(B) the misappropriation of proceeds from the sale or resale of such goods.

“(2) FORM OF REPORT; PUBLIC AVAILABILITY.—

“(A) FORM.—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

Web posting.

“(B) PUBLIC AVAILABILITY.—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.

“(c) GOOD DEFINED.—In this section, the term ‘good’ has the meaning given that term in section 1242(a) of the Iran Freedom and Counter-Proliferation Act of 2012.”

(b) WAIVER.—Section 401(b)(1) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(b)(1)) is amended—

(1) by striking “or 105B(a)” and inserting “105B(a), or 105C(a)”; and

(2) by striking “or 105B(b)” and inserting “105B(b), or 105C(b)”.

(c) CLERICAL AMENDMENT.—The table of contents for the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 is amended by inserting after the item relating to section 105B the following:

“Sec. 105C. Imposition of sanctions with respect to persons engaged in the diversion of goods intended for the people of Iran.”

**SEC. 1250. WAIVER REQUIREMENT RELATED TO EXCEPTIONAL CIRCUMSTANCES PREVENTING SIGNIFICANT REDUCTIONS IN CRUDE OIL PURCHASES.**

Section 1245(d)(5)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(5)(B)) is amended—

(1) in clause (i), by striking “; and” and inserting a semicolon;

(2) by redesignating clause (ii) as clause (iii); and

(3) by inserting after clause (i) the following new clause:

“(ii) certifying that the country with primary jurisdiction over the foreign financial institution otherwise subject to the sanctions faced exceptional circumstances that prevented the country from being able

to reduce significantly its purchases of petroleum and petroleum products from Iran; and”.

**SEC. 1251. STATUTE OF LIMITATIONS FOR CIVIL ACTIONS REGARDING TERRORIST ACTS.**

(a) **IN GENERAL.**—Section 2335 of title 18, United States Code, is amended—

(1) in subsection (a), by striking “4 years” and inserting “10 years”; and

(2) in subsection (b), by striking “4-year period” and inserting “10-year period”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to any civil action arising under section 2333 of title 18, United States Code, that is pending on, or commenced on or after, the date of the enactment of this Act.

Applicability.  
18 USC 2335  
note.

(c) **SPECIAL RULE RELATING TO CERTAIN ACTS OF INTERNATIONAL TERRORISM.**—Notwithstanding section 2335 of title 18, United States Code, as amended by subsection (a), a civil action under section 2333 of such title resulting from an act of international terrorism that occurred on or after September 11, 2001, and before the date that is 4 years before the date of the enactment of this Act, may be maintained if the civil action is commenced during the 6-year period beginning on such date of enactment.

Time period.  
18 USC 2335  
note.

**SEC. 1252. REPORT ON USE OF CERTAIN IRANIAN SEAPORTS BY FOREIGN VESSELS AND USE OF FOREIGN AIRPORTS BY SANCTIONED IRANIAN AIR CARRIERS.**

22 USC 8808.

(a) **IN GENERAL.**—Not later than 180 days after the date of the enactment of this Act, and annually thereafter through 2016, the President shall submit to the appropriate congressional committees a report that contains—

(1) a list of large or otherwise significant vessels that have entered seaports in Iran controlled by the Tidewater Middle East Company during the period specified in subsection (b) and the owners and operators of those vessels; and

(2) a list of all airports at which aircraft owned or controlled by an Iranian air carrier on which sanctions have been imposed by the United States have landed during the period specified in subsection (b).

(b) **PERIOD SPECIFIED.**—The period specified in this subsection is—

(1) in the case of the first report submitted under subsection (a), the 180-day period preceding the submission of the report; and

(2) in the case of any subsequent report submitted under that subsection, the year preceding the submission of the report.

(c) **FORM OF REPORT.**—Each report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

**SEC. 1253. IMPLEMENTATION; PENALTIES.**

22 USC 8809.

(a) **IMPLEMENTATION.**—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this subtitle.

(b) **PENALTIES.**—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S. C. 1705) shall apply to a person that violates,

Applicability.

attempts to violate, conspires to violate, or causes a violation of this subtitle or regulations prescribed under this subtitle to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

(c) APPLICATION OF CERTAIN PROVISIONS OF IRAN SANCTIONS ACT OF 1996.—The following provisions of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) shall apply with respect to the imposition of sanctions under sections 1244(d), 1245(a), and 1246(a) to the same extent that such provisions apply with respect to the imposition of sanctions under section 5(a) of the Iran Sanctions Act of 1996, and, as appropriate, instead of sections 1244(i), 1245(g), and 1246(e) of this Act:

- (1) Paragraphs (1)(A), (2)(A), and (2)(B)(i) of section 4(c).
- (2) Subsections (c), (d), and (f) of section 5.
- (3) Section 8.
- (4) Section 11.
- (5) Section 12.
- (6) Section 13(b).

22 USC 8810.

**SEC. 1254. APPLICABILITY TO CERTAIN NATURAL GAS PROJECTS.**

Nothing in this subtitle or the amendments made by this subtitle shall apply with respect to any activity relating to a project described in subsection (a) of section 603 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8783) to which the exception under that section applies at the time of the activity.

22 USC 8811.

**SEC. 1255. RULE OF CONSTRUCTION.**

Nothing in this subtitle or the amendments made by this subtitle shall be construed to limit sanctions imposed with respect to Iran under any other provision of law or to limit the authority of the President to impose additional sanctions with respect to Iran.

## Subtitle E—Satellites and Related Items

**SEC. 1261. REMOVAL OF SATELLITES AND RELATED ITEMS FROM THE UNITED STATES MUNITIONS LIST.**

(a) REPEAL.—

(1) IN GENERAL.—Section 1513 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261; 112 Stat. 2174; 22 U.S.C. 2778 note) is amended by striking subsection (a).

(2) CONFORMING AMENDMENT.—Subsection (c) of such section is amended by striking “(1) Subsection (a)” and all that follows through “(2) The amendments” and inserting “The amendments”.

President.

(b) ADDITIONAL DETERMINATION AND REPORT.—Accompanying but separate from the submission to Congress of the first notification after the date of the enactment of this Act under section 38(f) of the Arms Export Control Act (22 U.S.C. 2778(f)) relating to the removal of satellites and related items from the United States Munitions List, the President shall also submit to Congress—

- (1) a determination by the President that the removal of such satellites and items from the United States Munitions List is in the national security interests of the United States; and



