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STATUTE



STATUTE

AS AMENDED UP TO 28 DECEMBER 1989



The Statute was approved on 23 October 1956 by the Conference on the Statute of the International Atomic Energy Agency, which was held at the Headquarters of the United Nations. It came into force on 29 July 1957, upon the fulfilment of the relevant provisions of paragraph E of Article XXI.

The Statute has been amended three times, by application of the procedure laid down in paragraphs A and C of Article XVIII. On 31 January 1963 some amendments to the first sentence of the then paragraph A.3 of Article VI came into force; the Statute as thus amended was further amended on 1 June 1973 by the coming into force of a number of amendments to paragraphs A to D of the same Article (involving a renumbering of sub-paragraphs in paragraph A); and on 28 December 1989 an amendment in the introductory part of paragraph A.1 came into force. All these amendments have been incorporated in the text of the Statute reproduced in this booklet, which consequently supersedes all earlier editions.

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STATUTE

ARTICLE I Establishment of the Agency

The Parties hereto establish an International Atomic Energy Agency (hereinafter referred to as "the Agency") upon the terms and conditions hereinafter set forth.

ARTICLE II Objectives

The Agency shall seek to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world. It shall ensure, so far as it is able, that assistance provided by it or at its request or under its supervision or control is not used in such a way as to further any military purpose.

ARTICLE III Functions

A. The Agency is authorized:

1. To encourage and assist research on, and development and practical application of, atomic energy for peaceful uses throughout the world; and, if requested to do so, to act as an intermediary for the purposes of securing the performance of services or the supplying of

materials, equipment, or facilities by one member of the Agency for another; and to perform any operation or service useful in research on, or development or practical application of, atomic energy for peaceful purposes;

2. To make provision, in accordance with this Statute, for materials, services, equipment, and facilities to meet the needs of research on, and development and practical application of, atomic energy for peaceful purposes, including the production of electric power, with due consideration for the needs of the under-developed areas of the world;

3. To foster the exchange of scientific and technical information on peaceful uses of atomic energy;

4. To encourage the exchange and training of scientists and experts in the field of peaceful uses of atomic energy;

5. To establish and administer safeguards designed to ensure that special fissionable and other materials, services, equipment, facilities, and information made available by the Agency or at its request or under its supervision or control are not used in such a way as to further any military purpose; and to apply safeguards, at the request of the parties, to any bilateral or multilateral arrangement, or at the request of a State, to any of that State's activities in the field of atomic energy;

6. To establish or adopt, in consultation and, where appropriate, in collaboration with the competent organs of

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the United Nations and with the specialized agencies concerned, standards of safety for protection of health and minimization of danger to life and property (including such standards for labour conditions), and to provide for the application of these standards to its own operations as well as to the operations making use of materials, services, equipment, facilities, and information made available by the Agency or at its request or under its control or supervision; and to provide for the application of these standards, at the request of the parties, to operations under any bilateral or multilateral arrangement, or, at the request of a State, to any of that State's activities in the field of atomic energy;

7. To acquire or establish any facilities, plant and equipment useful in carrying out its authorized functions, whenever the facilities, plant, and equipment otherwise available to it in the area concerned are inadequate or available only on terms it deems unsatisfactory.

B. In carrying out its functions, the Agency shall:

1. Conduct its activities in accordance with the purposes and principles of the United Nations to promote peace and international co-operation, and in conformity with policies of the United Nations furthering the establishment of safeguarded worldwide disarmament and in conformity with any international agreements entered into pursuant to such policies;

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2. Establish control over the use of special fissionable materials received by the Agency, in order to ensure that these materials are used only for peaceful purposes;

3. Allocate its resources in such a manner as to secure efficient utilization and the greatest possible general benefit in all areas of the world, bearing in mind the special needs of the under-developed areas of the world;

4. Submit reports on its activities annually to the General Assembly of the United Nations and, when appropriate, to the Security Council: if in connexion with the activities of the Agency there should arise questions that are within the competence of the Security Council, the Agency shall notify the Security Council, as the organ bearing the main responsibility for the maintenance of international peace and security, and may also take the measures open to it under this Statute, including those provided in paragraph C of article XII;

5. Submit reports to the Economic and Social Council and other organs of the United Nations on matters within the competence of these organs.

C. In carrying out its functions, the Agency shall not make assistance to members subject to any political, economic, military, or other conditions incompatible with the provisions of this Statute.

D. Subject to the provisions of this Statute and to the terms of agreements concluded between a State or a group of States

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and the Agency which shall be in accordance with the provisions of the Statute, the activities of the Agency shall be carried out with due observance of the sovereign rights of States.

ARTICLE IV Membership

A. The initial members of the Agency shall be those States Members of the United Nations or of any of the specialized agencies which shall have signed this Statute within ninety days after it is opened for signature and shall have deposited an instrument of ratification.

B. Other members of the Agency shall be those States, whether or not Members of the United Nations or of any of the specialized agencies, which deposit an instrument of acceptance of this Statute after their memberhip has been approved by the General Conference upon the recommendation of the Board of Governors. In recommending and approving a State for membership, the Board of Governors and the General Conference shall determine that the State is able and willing to carry out the obligations of membership in the Agency, giving due consideration to its ability and willingness to act in accordance with the purposes and principles of the Charter of the United Nations.

C. The Agency is based on the principle of the sovereign equality of all its members, and all members, in order to

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ensure to all of them the rights and benefits resulting from membership, shall fulfil in good faith the obligation assumed by them in accordance with this Statute.

ARTICLE V General Conference

A. A General Conference consisting of representatives of all members shall meet in regular annual session and in such special sessions as shall be convened by the Director General at the request of the Board of Governors or of a majority of members. The sessions shall take place at the headquarters of the Agency unless otherwise determined by the General Conference.

B. At such sessions, each member shall be represented by one delegate who may be accompanied by alternates and by advisers. The cost of attendance of any delegation shall be borne by the member concerned.

C. The General Conference shall elect a President and such other officers as may be required at the beginning of each session. They shall hold office for the duration of the session. The General Conference, subject to the provisions of this Statute, shall adopt its own rules of procedure. Each member shall have one vote. Decisions pursuant to paragraph H of article XIV, paragraph C of article XVIII and paragraph B of article XIX shall be made by a two-thirds majority of the

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members present and voting. Decisions on other questions, including the determination of additional questions or categories of questions to be decided by a two-thirds majority, shall be made by a majority of the members present and voting. A majority of members shall constitute a quorum.

D. The General Conference may discuss any questions or any matters within the scope of this Statute or relating to the powers and functions of any organs provided for in this Statute, and may make recommendations to the membership of the Agency or to the Board of Governors or to both on any such questions or matters.

E. The General Conference shall:

1. Elect members of the Board of Governors in accordance with article VI;

2. Approve States for membership in accordance with article IV;

3. Suspend a member from the privileges and rights of membership in accordance with article XIX;

4. Consider the annual report of the Board;

5. In accordance with article XIV, approve the budget of the Agency recommended by the Board or return it with recommendations as to its entirety or parts to the Board, for resubmission to the General Conference;

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6. Approve reports to be submitted to the United Nations as required by the relationship agreement between the Agency and the United Nations, except reports referred to in paragraph C of article XII, or return them to the Board with its recommendations;

7. Approve any agreement or agreements between the Agency and the United Nations and other organizations as provided in article XVI or return such agreements with its recommendations to the Board, for resubmission to the General Conference;

8. Approve rules and limitations regarding the exercise of borrowing powers by the Board, in accordance with paragraph G of article XIV; approve rules regarding the acceptance of voluntary contributions to the Agency; and approve, in accordance with paragraph F of article XIV, the manner in which the general fund referred to in that paragraph may be used;

9. Approve amendments to this Statute in accordance with paragraph C of article XVIII;

10. Approve the appointment of the Director General in accordance with paragraph A of article VII.

F. The General Conference shall have the authority:

1. To take decisions on any matter specifically referred to the General Conference for this purpose by the Board;

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2. To propose matters for consideration by the Board and request from the Board reports on any matter relating to the functions of the Agency.

ARTICLE VI Board of Governors

A. The Board of Governors shall be composed as follows:

1. The outgoing Board of Governors shall designate for membership on the Board the ten members most advanced in the technology of atomic energy including the production of source materials, and the member most advanced in the technology of atomic energy including the production of source materials in each of the following areas in which none of the aforesaid ten is located:

- (1) North America
- (2) Latin America
- (3) Western Europe
- (4) Eastern Europe
- (5) Africa
- (6) Middle East and South Asia
- (7) South East Asia and the Pacific
- (8) Far East.

2. The General Conference shall elect to membership of the Board of Governors:

(a) Twenty members, with due regard to equitable representation on the Board as a whole of the members in the areas listed in sub-paragraph A.1 of

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this article, so that the Board shall at all times include in this category five representatives of the area of Latin America, four representatives of the area of Western Europe, three representatives of the area of Eastern Europe, four representatives of the area of Africa, two representatives of the area of the Middle East and South Asia, one representative of the area of South East Asia and the Pacific, and one representative of the area of the Far East. No member in this category in any one term of office will be eligible for re-election in the same category for the following term of office; and

(b) One further member from among the members in the following areas:

Middle East and South Asia, South East Asia and the Pacific, Far East;

(c) One further member from among the members in the following areas:

Africa,

Middle East and South Asia, South East Asia and the Pacific.

B. The designations provided for in sub-paragraph A-1 of this article shall take place not less than sixty days before each regular annual session of the General Conference. The elections provided for in sub-paragraph A-2 of this article shall take place at regular annual sessions of the General Conference.

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C. Members represented on the Board of Governors in accordance with sub-paragraph A-1 of this article shall hold office from the end of the next regular annual session of the General Conference after their designation until the end of the following regular annual session of the General Conference.

D. Members represented on the Board of Governors in accordance with sub-paragraph A-2 of this article shall hold office from the end of the regular annual session of the General Conference at which they are elected until the end of the second regular annual session of the General Conference thereafter.

E. Each member of the Board of Governors shall have one vote. Decisions on the amount of the Agency's budget shall be made by a two-thirds majority of those present and voting, as provided in paragraph H of article XIV. Decisions on other questions, including the determination of additional questions or categories of questions to be decided by a two-thirds majority, shall be made by a majority of those present and voting. Two-thirds of all members of the Board shall constitute a quorum.

F. The Board of Governors shall have authority to carry out the functions of the Agency in accordance with this Statute, subject to its responsibilities to the General Conference as provided in this Statute.

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G. The Board of Governors shall meet at such times as it may determine. The meetings shall take place at the headquarters of the Agency unless otherwise determined by the Board.

H. The Board of Governors shall elect a Chairman and other officers from among its members and, subject to the provisions of this Statute, shall adopt its own rules of procedure.

I. The Board of Governors may establish such committees as it deems advisable. The Board may appoint persons to represent it in its relations with other organizations.

J. The Board of Governors shall prepare an annual report to the General Conference concerning the affairs of the Agency and any projects approved by the Agency. The Board shall also prepare for submission to the General Conference such reports as the Agency is or may be required to make to the United Nations or to any other organization the work of which is related to that of the Agency. These reports, along with the annual reports, shall be submitted to members of the Agency at least one month before the regular annual session of the General Conference.

ARTICLE VII Staff

A. The staff of the Agency shall be headed by a Director General. The Director General shall be appointed by the

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Board of Governors with the approval of the General Conference for a term of four years. He shall be the chief administrative officer of the Agency.

B. The Director General shall be responsible for the appointment, organization, and functioning of the staff and shall be under the authority of and subject to the control of the Board of Governors. He shall perform his duties in accordance with regulations adopted by the Board.

C. The staff shall include such qualified scientific and technical and other personnel as may be required to fulfil the objectives and functions of the Agency. The Agency shall be guided by the principle that its permanent staff shall be kept to a minimum.

D. The paramount consideration in the recruitment and employment of the staff and in the determination of the conditions of service shall be to secure employees of the highest standards of efficiency, technical competence, and integrity. Subject to this consideration, due regard shall be paid to the contributions of members to the Agency and to the importance of recruiting the staff on as wide a geographical basis as possible.

E. The terms and conditions on which the staff shall be appointed, remunerated, and dismissed shall be in accordance with regulations made by the Board of Governors, subject to the provisions of this Statute and to general rules

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approved by the General Conference on the recommendation of the Board.

F. In the performance of their duties, the Director General and the staff shall not seek or receive instructions from any source external to the Agency. They shall refrain from any action which might reflect on their position as officials of the Agency; subject to their responsibilities to the Agency, they shall not disclose any industrial secret or other confidential information coming to their knowledge by reason of their official duties for the Agency. Each member undertakes to respect the international character of the responsibilities of the Director General and the staff and shall not seek to influence them in the discharge of their duties.

G. In this article the term "staff" includes guards.

ARTICLE VIII Exchange of information

A. Each member should make available such information as would, in the judgement of the member, be helpful to the Agency.

B. Each member shall make available to the Agency all scientific information developed as a result of assistance extended by the Agency pursuant to article XI.

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C. The Agency shall assemble and make available in an accessible form the information made available to it under paragraphs A and B of this article. It shall take positive steps to encourage the exchange among its members of information relating to the nature and peaceful uses of atomic energy and shall serve as an intermediary among its members for this purpose.

ARTICLE IX Supplying of materials

A. Members may make available to the Agency such quantities of special fissionable materials as they deem advisable and on such terms as shall be agreed with the Agency. The materials made available to the Agency may, at the discretion of the member making them available, be stored either by the member concerned or, with the agreement of the Agency, in the Agency's depots.

B. Members may also make available to the Agency source materials as defined in article XX and other materials. The Board of Governors shall determine the quantities of such materials which the Agency will accept under agreements provided for in article XIII.

C. Each member shall notify the Agency of the quantities, form, and composition of special fissionable materials, source materials, and other materials which that member is prepared, in conformity with its laws, to make available

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immediately or during a period specified by the Board of Governors.

D. On request of the Agency a member shall, from the materials which it has made available, without delay deliver to another member or group of members such quantities of such materials as the Agency may specify, and shall without delay deliver to the Agency itself such quantities of such materials as are really necessary for operations and scientific research in the facilities of the Agency.

E. The quantities, form and composition of materials made available by any member may be changed at any time by the member with the approval of the Board of Governors.

F. An initial notification in accordance with paragraph C of this article shall be made within three months of the entry into force of this Statute with respect to the member concerned. In the absence of a contrary decision of the Board of Governors, the materials initially made available shall be for the period of the calendar year succeeding the year when this Statute takes effect with respect to the member concerned. Subsequent notifications shall likewise, in the absence of a contrary action by the Board, relate to the period of the calendar year following the notification and shall be made no later than the first day of November of each year.

G. The Agency shall specify the place and method of delivery and, where appropriate, the form and composition,

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of materials which it has requested a member to deliver from the amounts which that member has notified the Agency it is prepared to make available. The Agency shall also verify the quantities of materials delivered and shall report those quantities periodically to the members.

H. The Agency shall be responsible for storing and protecting materials in its possession. The Agency shall ensure that these materials shall be safeguarded against (1) hazards of the weather, (2) unauthorized removal or diversion, (3) damage or destruction, including sabotage, and (4) forcible seizure. In storing special fissionable materials in its possession, the Agency shall ensure the geographical distribution of these materials in such a way as not to allow concentration of large amounts of such materials in any one country or region of the world.

I. The Agency shall as soon as practicable establish or acquire such of the following as may be necessary:

1. Plant, equipment, and facilities for the receipt, storage, and issue of materials;

2. Physical safeguards;

3. Adequate health and safety measures;

4. Control laboratories for the analysis and verification of materials received;

5. Housing and administrative facilities for any staff required for the foregoing.

J. The materials made available pursuant to this article shall be used as determined by the Board of Governors in accordance with the provisions of this Statute. No member shall have the right to require that the materials it makes available to the Agency be kept separately by the Agency or to designate the specific project in which they must be used.

ARTICLE X Services, equipment, and facilities

Members may make available to the Agency services, equipment, and facilities which may be of assistance in fulfilling the Agency's objectives and functions.

ARTICLE XI Agency projects

A. Any member or group of members of the Agency desiring to set up any project for research on, or development or practical application of, atomic energy for peaceful purposes may request the assistance of the Agency in securing special fissionable and other materials, services, equipment, and facilities necessary for this purpose. Any such request shall be accompanied by an explanation of the purpose and extent of the project and shall be considered by the Board of Governors.

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B. Upon request, the Agency may also assist any member or group of members to make arrangements to secure necessary financing from outside sources to carry out such projects. In extending this assistance, the Agency will not be required to provide any guarantees or to assume any financial responsibility for the project.

C. The Agency may arrange for the supplying of any materials, services, equipment, and facilities necessary for the project by one or more members or may itself undertake to provide any or all of these directly, taking into consideration the wishes of the member or members making the request.

D. For the purpose of considering the request, the Agency may send into the territory of the member or group of members making the request a person or persons qualified to examine the project. For this purpose the Agency may, with the approval of the member or group of members making the request, use members of its own staff or employ suitably qualified nationals of any member.

E. Before approving a project under this article, the Board of Governors shall give due consideration to:

1. The usefulness of the project, including its scientific and technical feasibility;

2. The adequacy of plans, funds, and technical personnel to assure the effective execution of the project;

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3. The adequacy of proposed health and safety standards for handling and storing materials and for operating facilities;

4. The inability of the member or group of members making the request to secure the necessary finances, materials, facilities, equipment, and services;

5. The equitable distribution of materials and other resources available to the Agency;

6. The special needs of the under-developed areas of the world; and

7. Such other matters as may be relevant.

F. Upon approving a project, the Agency shall enter into an agreement with the member or group of members submitting the project, which agreement shall:

1. Provide for allocation to the project of any required special fissionable or other materials;

2. Provide for transfer of special fissionable materials from their then place of custody, whether the materials be in the custody of the Agency or of the member making them available for use in Agency projects, to the member or group of members submitting the project, under conditions which ensure the safety of any shipment required and meet applicable health and safety standards;

3. Set forth the terms and conditions, including charges, on which any materials, services, equipment, and

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facilities are to be provided by the Agency itself, and, if any such materials, services, equipment, and facilities are to be provided by a member, the terms and conditions as arranged for by the member or group of members submitting the project and the supplying member;

4. Include undertakings by the member or group of members submitting the project: (a) that the assistance provided shall not be used in such a way as to further any military purpose; and (b) that the project shall be subject to the safeguards provided for in article XII, the relevant safeguards being specified in the agreement;

5. Make appropriate provision regarding the rights and interests of the Agency and the member or members concerned in any inventions or discoveries, or any patents therein, arising from the project;

6. Make appropriate provision regarding settlement of disputes;

7. Include such other provisions as may be appropriate.

G. The provisions of this article shall also apply where appropriate to a request for materials, services, facilities, or equipment in connexion with an existing project.

ARTICLE XII Agency safeguards

A. With respect to any Agency project, or other arrangement where the Agency is requested by the parties concerned to

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apply safeguards, the Agency shall have the following rights and responsibilities to the extent relevant to the project or arrangement:

1. To examine the design of specialized equipment and facilities, including nuclear reactors, and to approve it only from the view-point of assuring that it will not further any military purpose, that it complies with applicable health and safety standards, and that it will permit effective application of the safeguards provided for in this article;

2. To require the observance of any health and safety measures prescribed by the Agency;

3. To require the maintenance and production of operating records to assist in ensuring accountability for source and special fissionable materials used or produced in the project or arrangement;

4. To call for and receive progress reports;

5. To approve the means to be used for the chemical processing of irradiated materials solely to ensure that this chemical processing will not lend itself to diversion of materials for military purposes and will comply with applicable health and safety standards; to require that special fissionable materials recovered or produced as a by-product be used for peaceful purposes under continuing Agency safeguards for research or in reactors, existing or under construction, specified by the member or members concerned; and to require deposit with the

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Agency of any excess of any special fissionable materials recovered or produced as a by-product over what is needed for the above-stated uses in order to prevent stockpiling of these materials, provided that thereafter at the request of the member or members concerned special fissionable materials so deposited with the Agency shall be returned promptly to the member or members concerned for use under the same provisions as stated above.

6. To send into the territory of the recipient State or States inspectors, designated by the Agency after consultation with the State or States concerned, who shall have access at all times to all places and data and to any person who by reason of his occupation deals with materials, equipment, or facilities which are required by this Statute to be safeguarded, as necessary to account for source and special fissionable materials supplied and fissionable products and to determine whether there is compliance with the undertaking against use in furtherance of any military purpose referred to in sub-paragraph F-4 of article XI, with the health and safety measures referred to in sub-paragraph A-2 of this article, and with any other conditions prescribed in the agreement between the Agency and the State or States concerned. Inspectors designated by the Agency shall be accompanied by representatives of the authorities of the State concerned, if that State so requests, provided that the inspectors shall not thereby be delayed or otherwise impeded in the exercise of their functions;

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7. In the event of non-compliance and failure by the recipient State or States to take requested corrective steps within a reasonable time, to suspend or terminate assistance and withdraw any materials and equipment made available by the Agency or a member in furtherance of the project.

B. The Agency shall, as necessary, establish a staff of inspectors. The Staff of inspectors shall have the responsibility of examining all operations conducted by the Agency itself to determine whether the Agency is complying with the health and safety measures prescribed by it for application to projects subject to its approval, supervision or control, and whether the Agency is taking adequate measures to prevent the source and special fissionable materials in its custody or used or produced in its own operations from being used in furtherance of any military purpose. The Agency shall take remedial action forthwith to correct any non-compliance or failure to take adequate measures.

C. The staff of inspectors shall also have the responsibility of obtaining and verifying the accounting referred to in subparagraph A-6 of this article and of determining whether there is compliance with the undertaking referred to in subparagraph F-4 of article XI, with the measures referred to in sub-paragraph A-2 of this article, and with all other conditions of the project prescribed in the agreement between the Agency and the State or States concerned. The inspectors shall report any non-compliance to the Director General

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who shall thereupon transmit the report to the Board of Governors. The Board shall call upon the recipient State or States to remedy forthwith any non-compliance which it finds to have occurred. The Board shall report the non-compliance to all members and to the Security Council and General Assembly of the United Nations. In the event of failure of the recipient State or States to take fully corrective action within a reasonable time, the Board may take one or both of the following measures: direct curtailment or suspension of assistance being provided by the Agency or by a member, and call for the return of materials and equipment made available to the recipient member or group of members. The Agency may also, in accordance with article XIX, suspend any non-complying member from the exercise of the privileges and rights of membership.

ARTICLE XIII Reimbursement of members

Unless otherwise agreed upon between the Board of Governors and the member furnishing to the Agency materials, services, equipment, or facilities, the Board shall enter into an agreement with such member providing for reimbursement for the items furnished.

ARTICLE XIV Finance

A. The Board of Governors shall submit to the General Conference the annual budget estimates for the expenses of

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the Agency. To facilitate the work of the Board in this regard, the Director General shall initially prepare the budget estimates. If the General Conference does not approve the estimates, it shall return them together with its recommendations to the Board. The Board shall then submit further estimates to the General Conference for its approval.

B. Expenditures of the Agency shall be classified under the following categories:

- 1. Administrative expenses: these shall include:
- (a) Costs of the staff of the Agency other than the staff employed in connexion with materials, services, equipment, and facilities referred to in subparagraph B-2 below; costs of meetings; and expenditures required for the preparation of Agency projects and for the distribution of information;
- (b) Costs of implementing the safeguards referred to in article XII in relation to Agency projects or, under sub-paragraph A-5 of article III, in relation to any bilateral or multilateral arrangement, together with the costs of handling and storage of special fissionable material by the Agency other than the storage and handling charges referred to in paragraph E below;

2. Expenses, other than those included in subparagraph 1 of this paragraph, in connexion with any materials, facilities, plant, and equipment acquired or established by the Agency in carrying out its authorized

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functions, and the costs of materials, services, equipment, and facilities provided by it under agreements with one or more members.

C. In fixing the expenditures under sub-paragraph B-1 (b) above, the Board of Governors shall deduct such amounts as are recoverable under agreements regarding the application of safeguards between the Agency and parties to bilateral or multilateral arrangements.

D. The Board of Governors shall apportion the expenses referred to in sub-paragraph B-1 above, among members in accordance with a scale to be fixed by the General Conference. In fixing the scale the General Conference shall be guided by the principles adopted by the United Nations in assessing contributions of Member States to the regular budget of the United Nations.

E. The Board of Governors shall establish periodically a scale of charges, including reasonable uniform storage and handling charges, for materials, services, equipment, and facilities furnished to members by the Agency. The scale shall be designed to produce revenues for the Agency adequate to meet the expenses and costs referred to in subparagraph B-2 above, less any voluntary contributions which the Board of Governors may, in accordance with paragraph F, apply for this purpose. The proceeds of such charges shall be placed in a separate fund which shall be used to pay members for any materials, services, equipment, or facilities furnished by them and to meet other expenses

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referred to in sub-paragraph B-2 above which may be incurred by the Agency itself.

F. Any excess of revenues referred to in paragraph E over the expenses and costs there referred to, and any voluntary contributions to the Agency, shall be placed in a general fund which may be used as the Board of Governors, with the approval of the General Conference, may determine.

G. Subject to rules and limitations approved by the General Conference, the Board of Governors shall have the authority to exercise borrowing powers on behalf of the Agency without, however, imposing on members of the Agency any liability in respect of loans entered into pursuant to this authority, and to accept voluntary contributions made to the Agency.

H. Decisions of the General Conference on financial questions and of the Board of Governors on the amount of the Agency's budget shall require a two-thirds majority of those present and voting.

ARTICLE XV Privileges and immunities

A. The Agency shall enjoy in the territory of each member such legal capacity and such privileges and immunities as are necessary for the exercise of its functions.

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B. Delegates of members together with their alternates and advisers, Governors appointed to the Board together with their alternates and advisers, and the Director General and the staff of the Agency, shall enjoy such privileges and immunities as are necessary in the independent exercise of their functions in connexion with the Agency.

C. The legal capacity, privileges, and immunities referred to in this article shall be defined in a separate agreement or agreements between the Agency, represented for this purpose by the Director General acting under instructions of the Board of Governors, and the members.

ARTICLE XVI Relationship with other organizations

A. The Board of Governors, with the approval of the General Conference, is authorized to enter into an agreement or agreements establishing an appropriate relationship between the Agency and the United Nations and any other organizations the work of which is related to that of the Agency.

B. The agreement or agreements establishing the relationship of the Agency and the United Nations shall provide for:

1. Submission by the Agency of reports as provided for in sub-paragraphs B-4 and B-5 of article III;

2. Consideration by the Agency of resolutions relating to it adopted by the General Assembly or any of the

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Councils of the United Nations and the submission of reports, when requested, to the appropriate organ of the United Nations on the action taken by the Agency or by its members in accordance with this Statute as a result of such consideration.

ARTICLE XVII Settlement of disputes

A. Any question or dispute concerning the interpretation or application of this Statute which is not settled by negotiation shall be referred to the International Court of Justice in conformity with the Statute of the Court, unless the parties concerned agree on another mode of settlement.

B. The General Conference and the Board of Governors are separately empowered, subject to authorization from the General Assembly of the United Nations, to request the International Court of Justice to give an advisory opinion on any legal question arising within the scope of the Agency's activities.

ARTICLE XVIII Amendments and withdrawals

A. Amendments to this Statute may be proposed by any member. Certified copies of the text of any amendment proposed shall be prepared by the Director General and

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communicated by him to all members at least ninety days in advance of its consideration by the General Conference.

B. At the fifth annual session of the General Conference following the coming into force of this Statute, the question of a general review of the provisions of this Statute shall be placed on the agenda of that session. On approval by a majority of the members present and voting, the review will take place at the following General Conference. Thereafter, proposals on the question of a general review of this Statute may be submitted for decision by the General Conference under the same procedure.

C. Amendments shall come into force for all members when:

- Approved by the General Conference by a two-thirds majority of those present and voting after consideration of observations submitted by the Board of Governors on each proposed amendment, and
- (ii) Accepted by two-thirds of all the members in accordance with their respective constitutional processes. Acceptance by a member shall be effected by the deposit of an instrument of acceptance with the depositary Government referred to in paragraph C of article XXI.

D. At any time after five years from the date when this Statute shall take effect in accordance with paragraph E of article XXI or whenever a member is unwilling to accept an amendment to this Statute, it may withdraw from the Agency

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by notice in writing to that effect given to the depositary Government referred to in paragraph C of article XXI, which shall promptly inform the Board of Governors and all members.

E. Withdrawal by a member from the Agency shall not affect its contractual obligations entered into pursuant to article XI or its budgetary obligations for the year in which it withdraws.

ARTICLE XIX Suspension of privileges

A. A member of the Agency which is in arrears in the payment of its financial contributions to the Agency shall have no vote in the Agency if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two years. The General Conference may, nevertheless, permit such a member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the member.

B. A member which has persistently violated the provisions of this Statute or of any agreement entered into by it pursuant to this Statute may be suspended from the exercise of the privileges and rights of membership by the General Conference acting by a two-thirds majority of the members present and voting upon recommendation by the Board of Governors.

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ARTICLE XX Definitions

As used in this Statute:

1. The term "special fissionable material" means plutonium-239; uranium-233; uranium enriched in the isotopes 235 or 233; any material containing one or more of the foregoing; and such other fissionable material as the Board of Governors shall from time to time determine; but the term "special fissionable material" does not include source material.

2. The term "uranium enriched in the isotopes 235 or 233" means uranium containing the isotopes 235 or 233 or both in an amount such that the abundance ratio of the sum of these isotopes to the isotope 238 is greater than the ratio of the isotope 235 to the isotope 238 occurring in nature.

3. The term "source material" means uranium containing the mixture of isotopes occurring in nature; uranium depleted in the isotope 235; thorium; any of the foregoing in the form of metal, alloy, chemical compound, or concentrate; any other material containing one or more of the foregoing in such concentration as the Board of Governors shall from time to time determine; and such other material as the Board of Governors shall from time to time determine.

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ARTICLE XXI Signature, acceptance, and entry into force

A. This Statute shall be open for signature on 26 October 1956 by all States Members of the United Nations or of any of the specialized agencies and shall remain open for signature by those States for a period of ninety days.

B. The signatory States shall become parties to this Statute by deposit of an instrument of ratification.

C. Instruments of ratification by signatory States and instruments of acceptance by States whose membership has been approved under paragraph B of article IV of this Statute shall be deposited with the Government of the United States of America, hereby designated as depositary Government.

D. Ratification or acceptance of this Statute shall be effected by States in accordance with their respective constitutional processes.

E. This Statute, apart from the Annex, shall come into force when eighteen States have deposited instruments of ratification in accordance with paragraph B of this article, provided that such eighteen States shall include at least three of the following States: Canada, France, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. Instru-

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ments of ratification and instruments of acceptance deposited thereafter shall take effect on the date of their receipt.

F. The depositary Government shall promptly inform all States signatory to this Statute of the date of each deposit of ratification and the date of entry into force of the Statute. The depositary Government shall promptly inform all signatories and members of the dates on which States subsequently become parties thereto.

G. The Annex to this Statute shall come into force on the first day this Statute is open for signature.

ARTICLE XXII Registration with the United Nations

A. This Statute shall be registered by the depositary Government pursuant to Article 102 of the Charter of the United Nations.

B. Agreements between the Agency and any member or members, agreements between the Agency and any other organization or organizations, and agreements between members subject to approval of the Agency, shall be registered with the Agency. Such agreements shall be registered by the Agency with the United Nations if registration is required under Article 102 of the Charter of the United Nations.

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ARTICLE XXIII Authentic texts and certified copies

This Statute, done in the Chinese, English, French, Russian and Spanish languages, each being equally authentic, shall be deposited in the archives of the depositary Government. Duly certified copies of this Statute shall be transmitted by the depositary Government to the Governments of the other signatory States and to the Governments of States admitted to membership under paragraph B of article IV.

In witness whereof the undersigned, duly authorized, have signed this Statute.

DONE at the Headquarters of the United Nations, this twenty-sixth day of October, one thousand nine hundred and fifty-six.

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ANNEX

PREPARATORY COMMISSION

A. A Preparatory Commission shall come into existence on the first day this Statute is open for signature. It shall be composed of one representative each of Australia, Belgium, Brazil, Canada, Czechoslovakia, France, India, Portugal, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, and United States of America, and one representative each of six other States to be chosen by the International Conference on the Statute of the International Atomic Energy Agency. The Preparatory Commission shall remain in existence until this Statute comes into force and thereafter until the General Conference has convened and a Board of Governors has been selected in accordance with article VI.

B. The expenses of the Preparatory Commission may be met by a loan provided by the United Nations and for this purpose the Preparatory Commission shall make the necessary arrangements with the appropriate authorities of the United Nations, including arrangements for repayment of the loan by the Agency. Should these funds be insufficient, the Preparatory Commission may accept advances from Governments. Such advances may be set off against the contributions of the Governments concerned to the Agency.

C. The Preparatory Commission shall:

1. Elect its own officers, adopt its own rules of procedure, meet as often as necessary, determine its own place of meeting and establish such committees as it deems necessary;

2. Appoint an executive secretary and staff as shall be necessary, who shall exercise such powers and perform such duties as the Commission may determine;

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3. Make arrangements for the first session of the General Conference, including the preparation of a provisional agenda and draft rules of procedure, such session to be held as soon as possible after the entry into force of this Statute;

4. Make designations for membership on the first Board of Governors in accordance with sub-paragraphs A-1 and A-2 and paragraph B of article VI;

5. Make studies, reports, and recommendations for the first session of the General Conference and for the first meeting of the Board of Governors on subjects of concern to the Agency requiring immediate attention, including (a) the financing of the Agency; (b) the programmes and budget for the first year of the Agency; (c) technical problems relevant to advance planning of Agency operations; (d) the establishment of a permanent Agency staff; and (e) the location of the permanent headquarters of the Agency;

6. Make recommendations for the first meeting of the Board of Governors concerning the provisions of a headquarters agreement defining the status of the Agency and the rights and obligations which will exist in the relationship between the Agency and the host Government;

7. (a) Enter into negotiations with the United Nations with a view to the preparation of a draft agreement in accordance with article XVI of this Statute, such draft agreement to be submitted to the first session of the General Conference and to the first meeting of the Board of Governors; and

(b) make recommendations to the first session of the Conference and to the first meeting of the Board of Governors concerning the relationship of the Agency to other international organizations as contemplated in article XVI of this Statute.

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(This document has been derestricted at the meeting of the Board on 19 June 2003)

Board of Governors

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Item 7 (b) of the provisional agenda (GOV/2003/32)

Implementation of the NPT safeguards agreement in the Islamic Republic of Iran

Report by the Director General

A. Introduction

1. At the meeting of the Board of Governors on 17 March 2003, the Director General reported on discussions taking place with the Islamic Republic of Iran (hereinafter referred to as Iran) on a number of safeguards issues that needed to be clarified and actions that needed to be taken with regard to the implementation of the Agreement between Iran and the IAEA for the Application of Safeguards in connection with the Treaty on the Non-Proliferation of Nuclear Weapons (the Safeguards Agreement)¹. This report provides further information on the nature of the safeguards issues involved and the actions that need to be taken, and describes developments in this regard since March. More general reporting of safeguards implementation in Iran is not addressed in this document, but in the Safeguards Implementation Reports.²

B. Recent Developments

2. At the September 2002 regular session of the IAEA General Conference, Vice President of the Islamic Republic of Iran and President of the Atomic Energy Organization of Iran (AEOI), H.E. Mr. R. Aghazadeh, stated that Iran was "embarking on a long-term plan to construct nuclear power plants with a total capacity of 6000 MW within two decades". He also stated that such a sizeable project entailed "an all out planning, well in advance, in various field of nuclear technology such as fuel cycle, safety and waste management".

¹ The Safeguards Agreement, reproduced in document INFCIRC/214, entered into force on 15 May 1974. ² The Agency has been applying safeguards at a range of facilities in Iran since the mid-1970s pursuant to its Safeguards Agreement. The list of facilities under safeguards is set out in the Annex to this report.

3. During the General Conference, the Director General met with the Vice President, and asked that Iran confirm whether it was building a large underground nuclear related facility at Natanz and a heavy water production plant at Arak, as reported in the media in August 2002. The Vice President provided some information on Iran's intentions to develop further its nuclear fuel cycle, and agreed on a visit to the two sites later in 2002 by the Director General, accompanied by safeguards experts, and to a discussion with Iranian authorities during that meeting on Iran's nuclear development plans.

4. The visit to Iran was originally scheduled for October 2002, but finally took place from 21 to 22 February 2003. The Director General was accompanied by the Deputy Director General for Safeguards (DDG-SG) and the Director of the Division of Safeguards Operations (B).

5. During his visit, the Director General was informed by Iran of its uranium enrichment programme, which was described as including two new facilities located at Natanz, namely a pilot fuel enrichment plant (PFEP) nearing completion of construction, and a large commercial-scale fuel enrichment plant (FEP) also under construction. These two facilities were declared to the Agency for the first time during that visit, at which time the Director General was able to visit both of them. Iran also confirmed that the heavy water production plant³, referred to in paragraph 3 above, was under construction in Arak.

6. During the visit, the Director General was informed that Iran would accept modifications to its Subsidiary Arrangements, as requested by the Board of Governors in 1992⁴, which would henceforth require the early provision of design information on new facilities and on modifications to existing facilities, as well as the early provision of information on new locations outside of facilities where nuclear material is customarily used (LOFs). This was confirmed to the Agency in a letter dated 26 February 2003 (see paragraph 15 below).

7. In addition, in response to the Agency's enquiry about certain transfers of nuclear material to Iran, only recently confirmed by the supplier State in response to repeated Agency enquiries, Iran acknowledged the receipt in 1991 of natural uranium, which had not been reported previously to the Agency, in the form of UF₆ (1000 kg), UF₄ (400 kg) and UO₂ (400 kg), which was now being stored at the previously undeclared Jabr Ibn Hayan Multipurpose Laboratories (JHL) located at the Tehran Nuclear Research Centre (TNRC). Iran also informed the Agency that it had converted most of the UF₄ into uranium metal in 2000 at JHL. This information was subsequently confirmed by Iran in a separate letter to the Agency dated 26 February 2003.

8. During the discussions in Iran in February between DDG-SG and the Iranian authorities, reference was made by the Agency to information in open sources on the possible conduct of enrichment activities at the workshop of the Kalaye Electric Company in Tehran. The Iranian authorities acknowledged that the workshop had been used for the production of centrifuge components, but stated that there had been no operations in connection with its centrifuge enrichment development programme involving the use of nuclear material, either at the Kalaye Electric Company or at any other location in Iran. According to the Iranian authorities, all testing had been carried out using simulation studies. While a centrifuge component production facility is not a nuclear facility required to be declared to the Agency under Iran's NPT Safeguards Agreement, Iran was requested, in light of its stated policy of transparency, to permit the Agency to visit the workshop and to take environmental samples there to assist the Agency in verifying Iran's declaration and confirming the absence of undeclared nuclear material and activities. The request was initially declined. The Iranian authorities

³ Heavy water production facilities are not nuclear facilities under comprehensive NPT safeguards agreements, and are thus not required to be declared to the Agency thereunder.

GOV/2554/Att.2/Rev.2; GOV/OR/777, paras. 74-76.

told the Agency that Iran considered such visits, and the requested environmental sampling, as being obligatory only when an Additional Protocol was in force. However, they subsequently agreed to permit access to the workshop (to limited parts of the location in March, and to the entire workshop in May), and have recently indicated that they would consider permitting the taking of environmental samples during the visit of the Agency's enrichment experts to Iran scheduled to take place between 7 and 11 June 2003 (see paragraph 11 below).

9. On 26 February 2003, a list of additional questions and requests for clarification was submitted to Iran regarding its centrifuge and laser enrichment programmes and its heavy water programme, and a written reply requested. A written response was received from Iran on 4 June 2003, and its contents will be followed up with the Iranian authorities.

10. In a letter dated 5 May 2003, Iran informed the Agency for the first time of its intention to construct a heavy water research reactor at Arak (the 40 MW(th) Iran Nuclear Research Reactor IR-40). Iran also informed the Agency of its plan to commence construction in 2003 of a fuel manufacturing plant at Esfahan (FMP).

11. During a meeting between the Vice President and the Director General on 5 May 2003, the Director General reiterated the Agency's earlier request for permission to send Agency inspectors to the workshop of the Kalaye Electric Company in Tehran, and to take environmental samples. The Director General also referred to an earlier proposal the Agency had made in April for a group of Agency experts to visit Iran to discuss the centrifuge research and development programme to seek to assess how the current status of the project could have been achieved without using any nuclear material during tests. Iran agreed to consider the proposal for an expert mission, and subsequently agreed that the mission could take place from 7 to 11 June 2003.

C. Implementation of Safeguards

12. Article 8 of Iran's Safeguards Agreement requires Iran to provide the Agency with information "concerning nuclear material subject to safeguards under the Agreement and the features of facilities relevant to safeguarding such material."

13. As provided for in Article 34(c) of the Safeguards Agreement, nuclear material of a composition and purity suitable for fuel fabrication or for being isotopically enriched, and any nuclear material produced at a later stage in the nuclear fuel cycle, is subject to all of the safeguards procedures specified in the Agreement. These procedures include, inter alia, requirements for Iran to report to the Agency changes in the inventory of nuclear material through the submission of inventory change reports (ICRs).⁵ Certain inventory changes entail additional reporting requirements. These include the import of nuclear material in quantities in excess of one effective kilogram, which, in accordance with Article 95 of the Safeguards Agreement, requires reporting to the Agency in advance of the import.

⁵ Inventory changes, as defined in Article 98.J of Iran's Safeguards Agreement, include, for example, imports, exports, domestic receipts and shipments, production of nuclear material in a reactor, loss of nuclear material due to its transformation into other elements or isotopes as a result of nuclear reactions, accidental losses of nuclear material and the generation of waste from processing which is deemed to be unrecoverable for the time being but which is stored.

14. To enable the Agency to verify the inventory and flow of nuclear material, Iran is also required to provide design information on facilities (as defined in Article 98.I of Iran's Safeguards Agreement), and information on LOFs. Pursuant to Article 42 of Iran's Safeguards Agreement, the time limit for the provision of design information on new nuclear facilities is to be specified in the Subsidiary Arrangements, but in any event it is to be provided "as early as possible before nuclear material is introduced into a new facility". Article 49 requires that information on LOFs be provided "on a timely basis".

15. The Subsidiary Arrangements General Part in force with Iran from 1976 to 26 February 2003 included what was, until 1992, standard text which called for provision to the Agency of design information on a new facility no later than 180 days before the introduction of nuclear material into the facility, and the provision of information on a new LOF together with the report relating to the receipt of nuclear material at the LOF. With the acceptance by Iran on 26 February 2003 of the modifications to the Subsidiary Arrangements proposed by the Agency, the Subsidiary Arrangements General Part now requires Iran to inform the Agency of new nuclear facilities and modifications to existing facilities through the provision of preliminary design information as soon as the decision to construct, to authorize construction or to modify has been taken, and to provide the Agency with further design information as it is developed. Information is to be provided early in the project definition, preliminary design, construction and commissioning phases.

C.1. Imported Nuclear Material

16. The UF₆, UF₄ and UO₂ imported by Iran in 1991 are materials that, as provided for in Article 34(c) of Iran's Safeguards Agreement, are subject to all of the safeguards procedures specified in the Agreement, including, in particular, the requirement to report inventory changes. Therefore, Iran was obliged to have reported the import of the material in question at the time of import. Equally, Iran was obliged to have reported design information as soon as possible before nuclear material was introduced to the receiving facility, and a Facility Attachment concluded for that facility.

17. In its letter of 26 February 2003 confirming its receipt of the material in question, Iran stated that its interpretation of Articles 34(c) and 95 of the Safeguards Agreement had been that no reporting to the Agency was required since the total amount of uranium did not exceed one effective kilogram. However, as indicated in paragraph 13 above, all material referred to in Article 34(c) of the Safeguards Agreement must be reported to the Agency. Article 95 simply imposes an additional requirement, that of advance notification, with respect to imports of material in excess of one effective kilogram.

18. Iran submitted on 15 April 2003 an ICR with regard to the import of the nuclear material, and, on 5 May 2003, preliminary design information for JHL, where most of the material is currently being stored.

C.1.1. Processing of UF₆

19. The Iranian authorities have stated that the imported UF_6 has not been processed, and specifically that it has not been used in any enrichment, centrifuge or other tests. The one large and two small UF_6 cylinders declared as containing the imported UF_6 were shown to the Agency in February. The cylinders were made available for Agency verification at JHL in March, at which time, after the Agency inspectors noted that one of the small cylinders was lighter than declared, the State authorities explained that a small amount of the UF_6 (1.9 kg) was missing due to leaking valves on the two small cylinders. It was explained during the subsequent inspection in April that the leaks had only been noticed a year before. Final evaluation will be completed when destructive samples have been taken, environmental samples have been analysed, and supporting documentation provided by the operator has been examined.

C.1.2. Processing of UF₄

20. Iran has informed the Agency that most of the imported UF_4 was converted to uranium metal at JHL. While the equipment for the conversion process has been dismantled and stored in a container (shown to the Agency during the February visit), Iran is now refurbishing that part of the facility as a uranium metal processing laboratory. The uranium metal, together with the remaining UF_4 and the related waste, has been presented for Agency verification. Final evaluation will be done when the results of destructive analysis become available, and supporting documentation provided by the facility operator has been examined. The role of uranium metal in Iran's declared nuclear fuel cycle still needs to be fully understood, since neither its light water reactors nor its planned heavy water reactors require uranium metal for fuel.

C.1.3. Processing of UO₂

21. During the February 2003 discussions, the Agency was informed by Iran that some of the imported UO_2 had been used at JHL for the testing of uranium purification and conversion processes. The experiments involved the dissolution of UO_2 with nitric acid, and the use of the resulting uranyl nitrate for testing a pulse column and ammonium uranyl carbonate (AUC) production processes envisioned for the Uranium Conversion Facility (UCF), a facility declared to the Agency in 2000 and currently under construction at Esfahan. In April, in response to Agency enquiries, the Iranian authorities informed the Agency that some of the UO_2 had also been used for isotope production experiments, including the undeclared irradiation of small amounts of the UO_2 , at the Tehran Research Reactor (TRR). In addition, they informed the Agency that another small amount of UO_2 had been used in pellets to test the chemical processes of the Molybdenum, Iodine and Xenon Radioisotope Production Facility (MIX Facility). The unused UO_2 has been presented for Agency verification at JHL.

22. Most of the UO_2 used in the <u>UCF-related experiments</u> has been presented for Agency verification as liquid waste at Esfahan; the remaining waste has been disposed of at a location near Qom and cannot be verified. The whereabouts of the AUC produced during the UCF-related experiments is being discussed. Final evaluation of the accountancy will be completed when the results of destructive analysis become available, and the supporting documentation provided by the facility operator has been examined.

23. With respect to the <u>isotope production experiments</u>, Iran has stated that small amounts of the imported UO_2 were prepared for targets at JHL, irradiated at TRR, and sent to a laboratory belonging to the MIX Facility in Tehran for separation of I-131 in a lead-shielded cell. Iran has informed the Agency that the remaining nuclear waste was solidified and eventually transferred to a waste disposal site at Anarak. The operators at TRR and the MIX Facility have provided supporting documentation, which is being examined. The Agency is still awaiting relevant updated design information for the MIX Facility and TRR. Plans are in place to visit the waste site at Anarak in June.

24. With respect to the UO_2 to <u>test the chemical processes of the MIX Facility</u>, the material, including the resulting waste, has been presented for Agency verification at JHL. Final evaluation will be completed when the results of the destructive analysis become available, and supporting documentation provided by the facility operator has been examined.

C.2. Uranium Enrichment Programme

25. During the visit of the Director General in February 2003, the Vice President informed the Agency that over 100 of the approximately 1000 planned centrifuge casings had already been installed at the pilot plant and that the remaining centrifuges would be installed by the end of the year. In addition, he

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informed the Agency that the commercial scale enrichment facility, which is planned to contain over 50 000 centrifuges, was not scheduled to receive nuclear material in the near future.

26. The Agency has been informed that the pilot enrichment plant is scheduled to start operating in June 2003, initially with single machine tests, and later with increasing numbers of centrifuges. The Iranian authorities have also informed the Agency that the commercial enrichment plant is planned to start accepting centrifuges in early 2005, after the design is confirmed by the tests to be conducted in the pilot enrichment plant. Iran has also stated that the design and research and development work, which had been started about five years ago, were based on extensive modelling and simulation, including tests of centrifuge rotors both with and without inert gas, and that the tests of the rotors, carried out on the premises of the Amir Khabir University and the AEOI in Tehran, were conducted without nuclear material.

27. In May 2003, Iran provided preliminary design information on the enrichment facilities under construction in Natanz, which are being examined by the Agency. Since March 2003, Agency inspectors have visited facilities at Natanz three times to conduct design information verification and to take environmental samples at the pilot enrichment plant. A first series of environmental and destructive analysis samples has been taken at a number of locations. Additional samples are expected to be taken in the near future. Iran has co-operated with the Agency in this regard. The Agency has presented to the Iranian authorities a safeguards approach for the pilot enrichment plant.

28. As indicated above, on 26 February 2003, the Agency forwarded a number of questions regarding Iran's research and development on centrifuges, including the chronology of its enrichment programme, with a view to assessing, inter alia, Iran's declaration that it had been developed without the centrifuges having been tested with UF₆ process gas. Similar questions and concerns have been raised by the Agency in relation to the UO₂, UF₄ and UF₆ production at the large scale conversion facility UCF, which is stated to have been constructed without any testing, even on a small scale, of key processes.

29. The Agency is also pursuing enquiries into Iran's laser programme. Iran has acknowledged the existence of a substantial programme on lasers, and Agency inspectors have visited some locations said to have been involved in that programme. However, Iran has stated that no enrichment related laser activities have taken place.

C.3. Heavy Water Programme

30. According to information provided by the Iranian authorities (see Section B above), the Iranian heavy water reactor programme consists of the heavy water production plant currently under construction at Arak; the 40 MW(th) IR-40, construction of which is planned to start at Arak in 2004; and the FMP at Esfahan, construction of which is planned for 2003, commissioning for 2006 and commencement of operation for 2007.

31. The stated purposes of the IR-40, which will use natural UO_2 fuel and heavy water (both as a coolant and as a moderator), are reactor research and development, radioisotope production and training. The stated purpose of the FMP is fabrication of fuel assemblies for the IR-40 and for the Bushehr Nuclear Power Plant (BNPP).

D. Findings and Initial Assessment

32. Iran has failed to meet its obligations under its Safeguards Agreement with respect to the reporting of nuclear material, the subsequent processing and use of that material and the declaration of facilities where the material was stored and processed. These failures, and the actions taken thus far to correct them, can be summarized as follows:

(a) Failure to declare the import of natural uranium in 1991, and its subsequent transfer for further processing.

On 15 April 2003, Iran submitted ICRs on the import of the UO_2 , UF_4 and UF_6 . Iran has still to submit ICRs on the transfer of the material for further processing and use.

(b) Failure to declare the activities involving the subsequent processing and use of the imported natural uranium, including the production and loss of nuclear material, where appropriate, and the production and transfer of waste resulting therefrom.

Iran has acknowledged the production of uranium metal, uranyl nitrate, ammonium uranyl carbonate, UO_2 pellets and uranium wastes. Iran must still submit ICRs on these inventory changes.

(c) Failure to declare the facilities where such material (including the waste) was received, stored and processed.

On 5 May 2003, Iran provided preliminary design information for the facility JHL. Iran has informed the Agency of the locations where the undeclared processing of the imported natural uranium was conducted (TRR and the Esfahan Nuclear Technology Centre), and provided access to those locations. It has provided the Agency access to the waste storage facility at Esfahan, and has indicated that access would be provided to Anarak, as well as the waste disposal site at Qom.

(d) Failure to provide in a timely manner updated design information for the MIX Facility and for TRR.

Iran has agreed to submit updated design information for the two facilities.

(e) Failure to provide in a timely manner information on the waste storage at Esfahan and at Anarak.

Iran has informed the Agency of the locations where the waste has been stored or discarded. It has provided the Agency access to the waste storage facility at Esfahan, and has indicated that access will be provided to Anarak.

33. Although the quantities of nuclear material involved have not been large⁶, and the material would need further processing before being suitable for use as the fissile material component of a nuclear explosive device, the number of failures by Iran to report the material, facilities and activities in question in a timely manner as it is obliged to do pursuant to its Safeguards Agreement is a matter of concern. While these failures are in the process of being rectified by Iran, the process of verifying the correctness and completeness of the Iranian declarations is still ongoing.

⁶ The total amount of material, approximately 1.8 tonnes, is 0.13 effective kilograms of uranium. This is, however, not insignificant in terms of a State's ability to conduct nuclear research and development activities.

- 34. The Agency is continuing to pursue the open questions, including through:
 - (a) The completion of a more thorough expert analysis of the research and development carried out by Iran in the establishment of its enrichment capabilities. This will require the submission by Iran of a complete chronology of its centrifuge and laser enrichment efforts, including, in particular, a description of all research and development activities carried out prior to the construction of the Natanz facilities. As agreed to by Iran, this process will also involve discussions in Iran between Iranian authorities and Agency enrichment experts on Iran's enrichment programme, and visits by the Agency experts to the facilities under construction at Natanz and other relevant locations.
 - (b) Further follow-up on information regarding allegations about undeclared enrichment of nuclear material, including, in particular, at the Kalaye Electric Company. This will require permission for the Agency to carry out environmental sampling at the workshop located there.
 - (c) Further enquiries about the role of uranium metal in Iran's nuclear fuel cycle.
 - (d) Further enquiries about Iran's programme related to the use of heavy water, including heavy water production and heavy water reactor design and construction.

35. The Director General has repeatedly encouraged Iran to conclude an Additional Protocol. Without such protocols in force, the Agency's ability to provide credible assurances regarding the absence of undeclared nuclear activities is limited. This is particularly the case for States, like Iran, with extensive nuclear activities and advanced fuel cycle technologies. In the view of the Director General, the adherence by Iran to an Additional Protocol would therefore constitute a significant step forward. The Director General will continue to keep the Board informed of developments.

LIST OF NUCLEAR FACILITIES UNDER IAEA SAFEGUARDS

LOCATION	AS IN SEPTEMBER 2002	NEW FACILITIES AS OF JUNE 2003
TEHRAN	Tehran Research Reactor (TRR)	
	Molybdenum, Iodine and Xenon Radioisotope Production Facility (MIX Facility)	
		Jabr Ibn Hayan Multipurpose Laboratories (JHL)
BUSHEHR	Bushehr Nuclear Power Plant (BNPP)	
ESFAHAN	Miniature Neutron Source Reactor (MNSR)	
	Light Water Sub-Critical Reactor (LWSCR)	
	Heavy Water Zero Power Reactor (HWSPR)	
	Fuel Fabrication Laboratory (FFL)	
	Uranium Chemistry Laboratory (UCL)	
	Uranium Conversion Facility (UCF)	
	Graphite Sub-Critical Reactor, decommissioned (GSCR)	
		Fuel Manufacturing Plant (FMP)
NATANZ		Pilot Fuel Enrichment Plant (PFEP)
		Fuel Enrichment Plant (FEP)
ARAK		Iran Nuclear Research Reactor (IR-40)



Board of Governors

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Item 5 (b) of the provisional agenda (GOV/2003/44)

Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

Report by the Director General

A. Introduction

1. On 6 June 2003, the Director General submitted to the Board of Governors for its consideration a report (GOV/2003/40) on a number of safeguards issues that needed to be clarified and actions that needed to be taken in connection with the implementation of the Agreement between the Islamic Republic of Iran (hereinafter referred to as Iran) and the IAEA for the application of safeguards in connection with the Treaty on the Non-Proliferation of Nuclear Weapons (INFCIRC/214) (the Safeguards Agreement).

2. In that report, the Director General stated that Iran had failed to meet its obligations under its Safeguards Agreement with respect to the reporting of nuclear material imported into Iran and the subsequent processing and use of the material, and the declaration of facilities and other locations where the material was stored and processed. He described these failures and the actions being taken by Iran to correct them. In his report, the Director General also referred to the Agency's ongoing activities to verify the correctness and completeness of Iran's declarations and the safeguards measures the Secretariat intended to take in order to pursue questions that remained open.

3. At the conclusion of the Board's consideration of the Director General's report, the Chairperson summarized the Board's discussion. In the summary, the Chairperson stated that the Board shared the concern expressed by the Director General at the number of past failures by Iran to report material, facilities and activities as required by its safeguards obligations, and noted the actions taken by Iran thus far to correct these failures. The Board urged Iran promptly to rectify all safeguards problems identified in the Director General's report and to resolve questions that remained open. The Board welcomed Iran's reaffirmed commitment to full transparency and expressed its expectation that Iran would grant the Agency all necessary access. The Board encouraged Iran, as a confidence-building measure, not to introduce nuclear material at the Pilot Fuel Enrichment Plant (PFEP) located at Natanz

pending the resolution of related outstanding issues. The Board called on Iran to co-operate fully with the Agency in its on-going work, and took note of the introductory statement of the Director General, in which he called on Iran to permit the Agency to take environmental samples at the workshop of the Kalaye Electric Company in Tehran. The Board welcomed Iran's readiness to look positively at signing and ratifying an Additional Protocol, and urged Iran promptly and unconditionally to conclude and implement such a protocol, in order to enhance the Agency's ability to provide credible assurances regarding the peaceful nature of Iran's nuclear activities, particularly the absence of undeclared material and activities. Finally, the Board of Governors requested the Director General to provide a further report on the situation whenever appropriate.

B. Chronology since June 2003

4. As foreseen in GOV/2003/40, an Agency team of centrifuge technology experts visited Iran from 7 to 11 June 2003 to discuss Iran's centrifuge enrichment research and development (R&D) programme. On 24 June 2003, the Agency submitted to Iran for comments a summary report reflecting the results of those discussions and the findings of the Agency's centrifuge technology experts, and proposed a follow-up meeting with the Agency experts in July. That meeting ultimately took place from 9 to 12 August 2003 as indicated below.

5. On 11 June 2003, the Agency provided to the Permanent Mission of Iran in Vienna "talking points" on the results of environmental samples taken from the chemical traps of PFEP at Natanz indicating the presence of high enriched uranium particles, which was not consistent with the nuclear material declarations made by Iran. The Agency emphasized the need to clarify this issue promptly, and suggested that it be addressed during the proposed centrifuge technology expert meeting.

6. On 9 July 2003, the Director General, accompanied by the Deputy Director General for Safeguards and the Director of the Division of Safeguards Operations (B), visited Iran to discuss safeguards implementation issues. He met with the President, H.E. Mr. M. Khatami; the Foreign Minister, H.E. Mr. K. Kharrazi; and Vice President of Iran and President of the Atomic Energy Organization of Iran (AEOI), H.E. Mr. R. Aghazadeh. During these meetings, the Director General emphasized the importance of the urgent resolution of outstanding safeguards issues, such as those raised by the results of environmental sampling at PFEP and the findings by the Agency's centrifuge technology experts, and in that connection, the need for full transparency by Iran. He also stressed the importance of the conclusion of an Additional Protocol by Iran to enable the Agency to provide comprehensive and credible assurances about the peaceful nature of Iran's nuclear programme. The President of Iran assured the Director General of the readiness of Iran to co-operate fully with the Agency and reiterated Iran's positive attitude towards the conclusion of an Additional Protocol, but indicated that some technical and legal aspects needed to be clarified. It was agreed that technical discussions should follow the Director General's visit, and that the Agency should dispatch a team to clarify technical and legal aspects related to the Model Additional Protocol (INFCIRC/540 (Corr.)).

7. During the follow-up technical discussions, which were held from 10 to 13 July 2003 in Iran, the Agency team raised again the issue of the results of the environmental sampling at PFEP, and reiterated the Agency's request that, in fulfilment of Iran's stated commitment to full transparency, Iran permit the Agency to take environmental samples at the workshop of the Kalaye Electric Company in Tehran. The team also inquired as to whether, in accordance with that policy, Iran would permit the Agency to visit two locations near Hashtgerd (Lashkar Ab'ad and Ramandeh) at which it had been alleged, according to recent reports in open sources, that nuclear related activities were being

or had been conducted. The Iranian authorities indicated that they were not yet ready to discuss the findings of the Agency's centrifuge technology experts, nor were they willing at this stage to permit the Agency to take environmental samples at the workshop of the Kalaye Electric Company or to accede to the Agency's request to visit the two locations near Hashtgerd. The Iranian authorities indicated that they would like to propose a comprehensive solution to all of the enrichment related issues, but that it would take some time on their side. During the discussions, the specific issues that needed to be resolved were identified, and the Iranian side agreed to propose at an early date a timetable for resolving those issues.

8. In response to Iran's request for the clarification of aspects of the Additional Protocol, a team of Agency legal and technical experts participated in a meeting held in Tehran on 5 and 6 August 2003 with officials from a number of ministries of the Iranian Government. During the meeting, the Agency provided clarification of the Model Additional Protocol, and responded to detailed questions raised by the Iranian officials.

9. On 23 July 2003, the Agency received from the AEOI Vice President of Nuclear Safety and Safeguards a letter proposing a timetable for actions to be taken by 15 August 2003 in relation to urgent outstanding issues. In its reply of 25 July 2003, the Agency agreed to send to Iran a team of technical experts, with the understanding that the team would: (a) discuss the results of the environmental samples taken at Natanz; (b) take environmental samples at the workshop of the Kalaye Electric Company; (c) discuss the findings of the Agency centrifuge technology experts; and (d) visit the sites near Hashtgerd. This mission took place from 9 through 12 August 2003.

10. In a letter dated 19 August 2003, the AEOI provided additional information on the issues identified in the timetable, including Iran's heavy water reactor programme, Iran's use of previously imported UO_2 in experiments to produce UF_4 , "bench scale" conversion experiments and Iran's past interest in laser fusion and spectroscopy.

11. In a letter dated 24 August 2003, the Resident Representative of Iran to the Agency informed the Director General that Iran was "prepared to begin negotiation with the [IAEA] on the Additional Protocol" and expressed the hope that, "in this negotiation the concerns of [Iran] and the ambiguities on the Additional Protocol are removed".

C. Implementation of Safeguards

C.1. Uranium Conversion

12. In GOV/2003/40, the Director General identified a number of corrective actions by Iran which were necessary to enable the Agency to verify the previously unreported nuclear material declared to have been imported by Iran in 1991. These actions included:

- (a) The submission of inventory change reports (ICRs) on the transfer of the imported UO_2 , UF_4 and UF_6 for further processing and use.
- (b) The submission of ICRs on the production of uranium metal, uranyl nitrate, ammonium uranyl carbonate, UO_2 pellets and uranium wastes from the imported material.

- (c) The provision of design information on the waste storage facility at Esfahan, and the granting of access to that facility as well as to Anarak and Qom, where waste resulting from the processing of the imported material is stored or has been disposed of.
- (d) The submission of updated design information for the Molybdenum, Iodine and Xenon Radioisotope Production (MIX) Facility and for the Tehran Research Reactor (TRR) to reflect activities involving the imported nuclear material.

13. Since the June report of the Director General, Iran has provided ICRs on the transfer of the imported natural uranium for its further processing and use, as well as physical inventory lists (PILs) and material balance reports (MBRs) reflecting its use in the production of uranium metal, uranyl nitrate, UO_2 pellets and wastes (Iran has stated that no ammonium uranyl carbonate was produced from that material). In addition, Iran provided updated design information for MIX and TRR on the use of the imported material in experiments at those facilities. Iran has also provided information on the storage of waste at Esfahan, and has granted Agency inspectors access to that location and to the waste sites at Anarak and Qom.

14. Iran stated on a number of occasions between February and July 2003 that no R&D using nuclear material, even on a laboratory scale, had been conducted on the conversion and production of any other nuclear material at the Uranium Conversion Facility (UCF) (specifically, UO_2 , UF_4 and UF_6). The Agency was told that the basic design of the UCF processes, and test reports for those processes, had been obtained from abroad. According to the AEOI, this information was sufficient to permit Iran to complete indigenously the detailed design and manufacturing of the equipment for UCF.

15. In a letter dated 19 August 2003, however, the Iranian authorities acknowledged that, in the early 1990s, there had been "bench scale" uranium conversion experiments. Iran has indicated that more time will be needed to find the people involved in these experiments and to trace any other closed down facilities. The Iranian authorities have indicated that they are currently preparing a response to the Agency questionnaires on closed down and decommissioned facilities in Iran and on Iran's nuclear fuel cycle, and that further information on the conversion experiments will be included in that response.

16. Drawing on this information, the Agency will continue with the verification of the imported nuclear material and its subsequent processing. In addition to physical verification activities and the evaluation of the ICRs, PILs and MBRs, this task involves the auditing of source documents on the shipment and subsequent processing of the nuclear material at various installations. Since some of the experiments took place a number of years ago and some of the imported material has been mixed with other nuclear material, the auditing and verification process is expected to be difficult and time consuming.

C.1.1. Processing of Imported UF₆

17. In March 2003, the Agency took environmental samples from the surfaces of all three of the cylinders said to have contained the imported UF_6 (two small S-type cylinders and a large 30B-type cylinder). The results of the analysis of those samples are now available and are consistent with the declaration by Iran that the material contained in them was natural uranium.

18. As previously reported to the Board of Governors (GOV/2003/40, para. 19), the Iranian authorities have stated that none of the imported UF_6 had been processed, and, specifically, that it had not been used in any centrifuge tests. It was observed during Agency verification in March 2003, however, that some of the UF_6 (1.9 kg) was missing from the two small cylinders. The Iranian authorities have stated that this might be due to leakage from the cylinders resulting from mechanical failure of the valves and possible evaporation due to their storage in a place where temperatures reach

 55° C during the summer. On 18 August 2003, the Agency took environmental samples at the locations where Iran indicated that the small cylinders had been stored; these samples will need to be analysed and the results assessed. Investigation of this issue is continuing.

19. Verification of the contents of the large cylinder entail the weighing of the cylinder, nondestructive analysis (NDA), and destructive analysis of samples taken from the contents of the cylinder. While the weighing and NDA have been carried out, the taking of samples for destructive analysis can only be carried out when the equipment necessary for UF₆ transfer and sample taking has been installed at Natanz.

C.1.2. Processing of Imported UF₄

20. As described in the previous report (GOV/2003/40, para. 20), most of the imported natural UF_4 had been converted to uranium metal. As further noted therein, the Secretariat was seeking more information about the role of uranium metal in Iran's nuclear fuel cycle.

21. This matter was discussed further in the technical meetings held on 10–13 July in Iran. In a letter to the Agency dated 23 July 2003, the Iranian authorities stated that 113 experiments had been carried out at the Jabr Ibn Hayan Multipurpose Laboratories (JHL) using the imported UF₄ with a view to optimizing reaction conditions and parameters for producing uranium metal. In that same letter, Iran stated further that, "In the early [90's] when the country decided to reconsider its nuclear program, we were not sure whether it will consist of CANDU reactors, Magnox reactors¹ or light water reactors. Therefore it was decided to include a U-metal production line in the Uranium Conversion Facility (UCF) which could also be used to produce shielding material. However, as the picture is now more clear, uranium metal experiments could be considered as a process to gain know-how in nuclear material production". The Secretariat is pursuing this matter further with the Iranian authorities in light of the construction at JHL of a uranium metal purification and casting laboratory.

22. Recent results from the destructive analysis referred to in the previous report (GOV/2003/40, para. 20) indicated the presence of depleted uranium in a UF_4 sample taken from JHL. The Agency requested Iran to explain the source of that material, since no such material is reflected in the declared inventory of Iran. The Agency also reiterated its request that Iran investigate further whether any experiments on the conversion processes had been conducted using nuclear material.

23. In its letter of 19 August 2003, Iran stated that, after intensive investigations, it had been found that, "around the 1990's", some laboratory scale experiments had been carried out in the radiochemistry section of the NRC (the Tehran Nuclear Research Centre) to produce UF_4 using depleted UO_2 imported by Iran in 1977, but that neither the laboratory nor the radiochemistry section still existed.

C.1.3. Processing of Imported UO₂

24. The report in GOV/2003/40 described (paras 21–24) experiments said by Iran to have been carried out using the imported natural UO_2 . These involved the testing of processes envisioned for UCF, isotope production experiments at TRR, and the use of pellets for testing chemical processes for the MIX Facility. Waste from these experiments was said to have been transferred to Esfahan, Anarak and Qom.

25. During the 9–12 August 2003 meeting with Iranian authorities, the Agency referred to earlier discussions which had taken place with Iran on samples taken at the hot cells of TRR and at the MIX

¹ A reactor type that uses uranium metal.

Facility which indicated the presence of depleted uranium, material which is not included in Iran's declared nuclear material inventory. Iran was provided with a summary of these sampling results. It was suggested by Iran that the presence of depleted uranium could, in some cases, have originated from shielded containers received from other countries (identified by Iran during that meeting). The Agency has investigated the matter further through a comparison of the recent sample analysis results with analytical results of environmental samples taken in those other countries, and it has concluded that the depleted uranium particles could have originated from the imported containers.

26. As anticipated in the Director General's June report, Agency inspectors have now visited the waste disposal site at Qom and the waste storage location at Anarak where uranium bearing wastes from some of the experiments have been stored. Iran has informed the Agency that the waste currently located at Anarak will be transferred to JHL. Based on explanations provided by Iran, the nuclear material in the waste transferred to and disposed of at Qom is considered to be measured discard.

C.2. Uranium Enrichment

C.2.1. Gas Centrifuge Enrichment Programme

27. The Agency is continuing its analysis of Iran's enrichment R&D programme. This process has included thus far a visit by Agency centrifuge technology experts to Iran in June 2003 and subsequent technical discussions with the Iranian authorities. The primary focus of these discussions has been to seek clarification of the statement made by the Iranian authorities in February 2003 that the design and development work, which had been started in 1997, had been based on information from open sources and extensive modelling and simulation, including tests of centrifuge rotors both with and without inert gas, and that the tests of the rotors, carried out on the premises of the Amir Khabir University and the premises of the AEOI in Tehran, had been conducted without nuclear material.

28. During the Agency's June visit, AEOI officials stated that the enrichment factor used in Iran's calculations had been obtained from some original centrifuge drawings, not from experiments. The Agency requested to be shown the original drawings. In August 2003, the AEOI presented redrawn copies of those documents, which included a design of a 164-machine cascade. The Iranian authorities have yet to show the Agency the originals.

29. In their summary report prepared after that visit, the experts judged that:

- (a) Machines at PFEP at Natanz can be recognized as an early European design; and
- (b) It is not possible to develop enrichment technology, to the level seen at Natanz, based solely on open source information and computer simulations, without process testing with UF_{6} .

30. These findings were provided to Iran, and were discussed with Iranian officials during the meetings that took place on 9–12 August 2003. In that discussion, in contrast to earlier information provided about the launch dates of the programme and its indigenous nature, AEOI officials stated that the decision to launch a centrifuge enrichment programme had actually been taken in 1985, and that Iran had received drawings of the centrifuge through a foreign intermediary around 1987. The officials described the programme as having consisted of three phases: activities during the first phase, from 1985 until 1997, had been located mainly at the AEOI premises in Tehran; during the second phase, between 1997 and 2002, the activities had been concentrated at the Kalaye Electric Company in Tehran; during the third phase, 2002 to the present, the R&D and assembly activities were moved to Natanz.

31. The Iranian authorities also explained that during the first phase, components had been obtained from abroad through foreign intermediaries or directly by Iranian entities, but that no help had been

received from abroad to assemble centrifuges or provide training. Efforts were concentrated on achieving an operating centrifuge, but many difficulties had been encountered as a result of machine crashes attributed to poor quality components. According to the AEOI officials, no experiments with inert or UF_6 gas were conducted. Iran indicated its willingness to make available for interview key scientists responsible for that phase of the enrichment programme. According to Iranian officials, from 1997 through 2002, the activities were concentrated at Kalaye Electric Company, and involved the assembly and testing of centrifuges, but again without inert or UF_6 gas.

32. During their 9–12 August 2003 visit to Iran, Agency inspectors were permitted to take environmental samples at the Kalaye Electric Company workshop, with a view to assessing the role of that company in Iran's enrichment R&D programme. The results of the analysis of these samples are not yet available. It was noted by inspectors that there had been considerable modification of the premises since their first visit in March 2003. Iranian authorities have informed the Agency that these modifications are attributable to the fact that the workshop is being transformed from use as a storage facility to its use as a laboratory for non-destructive analysis. This modification may impact on the accuracy of the environmental sampling and the Agency's ability to verify Iran's declarations about the types of activities previously carried out there.

33. On 25 June 2003, Iran introduced UF_6 into the first centrifuge for the purpose of single machine testing, and on 19 August 2003 began the testing of a small ten-machine cascade with UF_6 . Iran continues to co-operate with the Agency in implementing safeguards measures now in place at PFEP for monitoring single machine and small cascade testing.

34. In accordance with its standard practice, the Agency took baseline environmental samples at PFEP at Natanz before nuclear material was introduced in the facility. This baseline sampling campaign was conducted during inspections carried out between March and June 2003, and samples were taken at many locations within the facility. While the Agency has already received the results from some of the samples (see below), which have been provided to Iran, other samples are still being analysed by a number of laboratories that participate in the Agency's Network of Analytical Laboratories.

35. Iran has stated that it has not carried out any enrichment and that no nuclear material was introduced to the PFEP prior to the Agency's having taken its first baseline environmental samples there. However, the sampling results which were provided to Iran on 11 June 2003, revealed particles of high enriched uranium. During the 10–13 July and 9–12 August 2003 technical meetings, more complete environmental sampling results were provided to Iran and the matter was discussed further.

36. The PFEP environmental sample results indicate the possible presence in Iran of high enriched uranium, material that is not on its inventory of declared nuclear material. During the August meeting, Iranian authorities indicated that they had carried out extensive investigation with a view to resolving this question, and had come to the conclusion that the high enriched uranium particles which had been detected must have resulted from contamination originating from centrifuge components which had been imported by Iran.

37. At that meeting, Agency inspectors explained that subsequent environmental sample analysis revealed the presence of two types of high enriched uranium, and noted that there had been differences among the samples taken from the surfaces of the centrifuge casings installed for the single machine tests. The Agency asked the Iranian authorities to investigate whether there were differences in the manufacturing history of those pieces of equipment. To investigate this matter further, the Agency took two additional samples from centrifuge components which were said to have been imported and those said to have been produced domestically. The results are not yet available.

38. Conceptually, it is possible to envisage a number of possible scenarios to explain the presence of high enriched uranium in environmental samples at Natanz. As part of the Agency's ongoing detailed plan of investigation each scenario will be considered carefully by Agency experts.

39. The Agency also intends to follow up with Iran information about other sites at which unreported nuclear activities allegedly are being or have been carried out.

C.2.2. Laser Programme

40. Iran has a substantial R&D programme on lasers. Iran has stated that it currently has no programme for laser isotope separation.

41. In May 2003, the Agency requested additional information about two sites near Hashtgerd owned by the AEOI which had been referred to in open source reports as locations allegedly engaged in laser and centrifuge uranium enrichment activities. The Agency was permitted to visit those locations on 12 August 2003.

42. One of the locations was Ramandeh, which belongs to the AEOI and is part of the Karaj Agricultural and Medical Centre. This location is primarily involved with agricultural studies said to be unrelated to nuclear fuel cycle activities. The other location visited was a laser laboratory at Lashkar Ab'ad belonging to the Research and Development Division of the AEOI. During that visit, Iranian officials stated that the laboratory had originally been devoted to laser fusion research and laser spectroscopy, but that the focus of the laboratory had been changed, and the equipment not related to current projects, such as a large imported vacuum vessel, had been moved. Among other activities observed by the Agency were the production and testing of copper vapour lasers of up to 100 watts. However, there appeared to be no activities directly related to laser spectroscopy or enrichment being carried out at the laboratory. The Iranian authorities were asked to confirm that there had not been in the past any activities related to uranium laser enrichment at this location or at any other location in Iran. The Agency has requested permission to take environmental samples at the laboratory, which the Iranian authorities have undertaken to consider.

43. In the letter from Iran dated 19 August 2003, the Agency was informed that, in the past, apart from planned co-operation in laser fusion and laser spectroscopy which never materialized, there had been a research thesis on laser spectroscopy of SF_6 prepared by a university student in co-operation with the laser division of AEOI. While such a study could be seen as relevant to laser enrichment, the underlying experiments appear not to have involved nuclear material.

C.3. Heavy Water Reactor Programme

44. On 13 July 2003 the Iranian authorities made a presentation on some technical features of the 40 MW(th) heavy water reactor (the Iran Nuclear Research Reactor, IR-40), construction of which is planned to start in 2004. The reactor, which Iranian officials have stated is based on indigenous design, is currently moving from the basic design phase to the detailed design phase. Iranian officials have further stated that Iran had tried unsuccessfully on several occasions to acquire from abroad a research reactor suitable for medical and industrial isotope production and for R&D to replace the old research reactor in Tehran. Iranian officials had concluded, therefore, that the only alternative was a heavy water reactor, which could use the UO₂ produced in UCF and the Zirconium Production Plant in Esfahan. According to the Iranian authorities, to meet the isotope production requirements, such a reactor should have a neutron flux of 10^{13} to 10^{14} n/cm²/s, which would require power on the order of 30–40 MW(th) when using natural UO₂ fuel.

45. The Agency was provided on 4 August 2003 with an updated DIQ, which is currently being reviewed. The DIQ does not contain any references to hot cells, contrary to what would be expected

given the radioisotope production purposes of the facility. Iran has been asked to look into this matter further, particularly in light of recent open source accounts of alleged efforts by Iran to import remote manipulators and windows that would be suitable for use in hot cells.

46. In its 19 August 2003 letter, the AEOI provided information on the heavy water reactor programme, stating that a decision to start the R&D had been taken in the early 1980s. It further stated that, in the mid-1980s, laboratory scale experiments to produce heavy water had been conducted in the Esfahan Nuclear Technology Centre, and that a decision to construct a heavy water reactor had been taken in the mid-1990s. The letter provided additional information on the amount of heavy water initially needed for the IR-40, and on the design capacity of the heavy water production plant under construction at Khondab near Arak. According to the information provided in the letter, Iran plans to start the production of heavy water next year.

D. Findings, Assessments and Next Steps

47. In connection with the nuclear material imported by Iran in 1991, Iran has submitted ICRs, PILs and MBRs, as well as relevant DIQs. The Agency has verified nuclear material presented to it and is currently auditing relevant source data. The issue of depleted uranium in the UF_4 remains to be resolved, and the environmental samples taken in connection with the UF_6 cylinders need to be analysed. To confirm that the pellet irradiation experiments have been solely for radioisotope production, the Agency has taken samples from the hot cells and lead shielded cells at the laboratories of the Tehran Nuclear Research Centre. The analytical results are not yet available.

48. In its letter of 19 August 2003, Iran acknowledged that it had carried out uranium conversion experiments in the early 1990s, experiments that Iran should have reported in accordance with its obligations under the Safeguards Agreement. Iran has stated, however, that it is taking corrective action in that regard. The Agency will continue its evaluation of the uranium conversion programme.

49. As regards enrichment, and as mentioned earlier, during the meeting of 9–12 August 2003, the Agency team received new information about the chronology and details of Iran's centrifuge enrichment programme. Agency evaluation of the new information will require, inter alia, an assessment of the various phases of the programme and analysis of environmental samples taken at the Kalaye Electric Company workshop.

50. Additional work is also required to enable the Agency to arrive at conclusions about Iran's statements that there have been no uranium enrichment activities in Iran involving nuclear material. The Agency intends to continue its assessment of the Iranian statement that the high enriched uranium particles identified in samples taken at Natanz could be attributable to contamination from imported components. As agreed to by Iran, this process will involve discussions in Iran with Iranian officials and staff involved in the R&D efforts and visits by Agency inspectors and enrichment technology experts to facilities and other relevant locations. In that connection, Iran has agreed to provide the Agency with all information about the centrifuge components and other contaminated equipment it obtained from abroad, including their origin and the locations where they have been stored and used in Iran, as well as access to those locations so that the Agency may take environmental samples. It is also essential that the Agency receive information from Member States either from which nuclear related equipment or other assistance relevant to the development of Iran's nuclear programme has been exported to Iran, or which have information on such assistance.

51. In connection with the Agency's investigation of Iran's heavy water reactor programme, the Agency is currently evaluating design information provided on the heavy water reactor.

52. Since the last report was issued, Iran has demonstrated an increased degree of co-operation in relation to the amount and detail of information provided to the Agency and in allowing access requested by the Agency to additional locations and the taking of associated environmental samples. The decision by Iran to start the negotiations with the Agency for the conclusion of an Additional Protocol is also a positive step. However, it should be noted that information and access were at times slow in coming and incremental, and that, as noted above, some of the information was in contrast to that previously provided by Iran. In addition, as also noted above, there remain a number of important outstanding issues, particularly with regard to Iran's enrichment programme, that require urgent resolution. Continued and accelerated co-operation and full transparency on the part of Iran are essential for the Agency to be in a position to provide at an early date the assurances required by Member States.

53. The Director General will inform the Board of additional developments for its further consideration at the November meeting of the Board, or earlier, as appropriate.



Board of Governors

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Item 3 (b) of the provisional agenda (GOV/2003/71)

Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

Report by the Director General

1. This report on safeguards issues in the Islamic Republic of Iran (hereinafter referred to as Iran) responds to paragraph 7 of the Board of Governors' resolution GOV/2003/69 of 12 September 2003. It covers relevant developments from the time of the Director General's visit to Iran on 20-21 February 2003 and Iran's acknowledgement of its centrifuge enrichment programme, but concentrates on the period since his last report (GOV/2003/63 of 23 August 2003). This report begins with the background to the issues in question (Section A) and a chronology of recent events (Section B). Information on the Agency's verification activities is summarized in Section C, organized according to the various technical processes involved (the details of which are set out in Annex 1). Section D provides a summary of the Agency's findings, while Section E sets out its current assessment and next steps. Annexes 2 and 3 to this report contain, respectively, a list of the locations identified to date as relevant to the implementation of safeguards in Iran, and a map showing those locations. Annex 4 is a list of relevant abbreviations and terms used in the text of the report.

A. Background

2. At the meeting of the Board of Governors on 17 March 2003, the Director General reported on discussions taking place with Iran on a number of safeguards issues that needed to be clarified and actions that needed to be taken in connection with the implementation of the Agreement between Iran and the IAEA for the Application of Safeguards in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons (INFCIRC/214) (the Safeguards Agreement).

3. On 6 June 2003, the Director General submitted to the Board of Governors a report (GOV/2003/40) providing further information on the nature of the safeguards issues involved and the actions that needed to be taken, and describing developments in that regard since March 2003. In that report, the Director General stated that Iran had failed to meet its obligations under its Safeguards Agreement with respect to the reporting of nuclear material imported into Iran and the subsequent

processing and use of the material, and the declaring of facilities and other locations where the material had been stored and processed. He described these failures and the actions being taken by Iran to correct them.

4. On 18–19 June 2003, the Board considered the above report of the Director General. In its conclusions, the Board noted its concern about the number of past failures by Iran to report material, facilities and activities as required by its safeguards obligations, and noted the actions taken by Iran to correct those failures. The Board urged Iran to rectify promptly all of the safeguards problems identified in the Director General's report and to resolve questions that remained open. It welcomed Iran's reaffirmed commitment to full transparency and expressed its expectation that Iran would grant the Agency all necessary access. The Board encouraged Iran, as a confidence building measure, not to introduce nuclear material at the Pilot Fuel Enrichment Plant (PFEP) located at Natanz pending the resolution of related outstanding issues. The Board called on Iran to co-operate fully with the Agency in its ongoing work. It welcomed Iran's readiness to look positively at signing and ratifying an Additional Protocol, and urged Iran to promptly and unconditionally conclude and implement such a protocol, in order to enhance the Agency's ability to provide credible assurances regarding the peaceful nature of Iran's nuclear activities, particularly the absence of undeclared material and activities.

5. On 26 August 2003, the Director General submitted to the Board for its consideration a further report (GOV/2003/63) on relevant developments since June 2003. The report included: a summary of the state of the Agency's understanding of Iran's nuclear programme at that time; the Agency's findings and assessments, including the identification of some additional failures to report and the issues that needed to be clarified (particularly with regard to enrichment); and the corrective actions that needed to be taken. In the report, the Director General noted an increased degree of co-operation by Iran, while noting that some of the information and access were at times slow in coming and incremental, and that some of the information was in contrast to that previously provided by Iran.

6. At its meeting on 12 September 2003, the Board of Governors adopted a resolution (GOV/2003/69) in which it, inter alia:

- Called on Iran to provide accelerated co-operation and full transparency to allow the Agency to provide at an early date the assurances required by Member States (GOV/2003/69, para. 1).
- Called on Iran to ensure that there were no further failures to report material, facilities and activities that Iran is obliged to report pursuant to its Safeguards Agreement (GOV/2003/69, para. 2).
- Called on Iran to suspend all further uranium enrichment related activities and, as a confidence building measure, any reprocessing activities, pending provision by the Director General of the assurances required by Member States and pending satisfactory application of the provisions of the Additional Protocol (GOV/2003/69, para. 3).
- Decided that, in order to ensure Agency verification of non-diversion of nuclear material, it was essential and urgent that Iran remedy all failures identified by the Agency and co-operate fully with the Agency by taking certain specified actions by the end of October 2003 (GOV/2003/69, para. 4).
- Requested all third countries to co-operate closely and fully with the Agency in the clarification of open questions on the Iranian nuclear programme (GOV/2003/69, para. 5).
- Requested that Iran work with the Secretariat to sign, ratify and fully implement the Additional Protocol promptly and unconditionally, and as a confidence building measure to act henceforth in accordance with the Additional Protocol (GOV/2003/69, para. 6).

7. The Board also asked the Director General to submit a report to the Board, in November 2003 or earlier if appropriate, on the implementation of the Board's resolution, enabling it to draw definitive conclusions.

B. Chronology since September 2003

8. Between 14 and 18 September 2003, the Agency conducted a safeguards inspection at the Tehran Research Reactor (TRR) and at the PFEP in Natanz. The inspection activities at TRR included physical inventory verification and design information verification, as well as a number of activities to follow up on issues related to the natural uranium imported in 1991, including further examination of the cylinders from which imported UF₆ gas was said to have leaked (see GOV/2003/63, para. 18).

9. On 16 September 2003, the Agency met representatives of Iran to discuss the results of the analysis of the environmental samples taken at the Kalaye Electric Company in August 2003, which had revealed the presence of high enriched uranium (HEU) particles and low enriched uranium (LEU) particles which were not consistent with the nuclear material in the declared inventory of Iran. Also discussed were the results of the environmental sampling taken at PFEP, which had revealed the presence of other types of HEU particles, as well as LEU and other particles, not of a type on Iran's inventory.

10. The Deputy Director General for Safeguards (DDG-SG) and the Director of Safeguards Operations Division B (DIR-SGOB) travelled to Iran on 2–3 October 2003 to discuss the most urgent safeguards implementation issues that remained open. Following these discussions, a technical team of the Agency visited Iran from 4 to 12 October 2003 in order to carry out activities related to the verification of Iran's activities in the areas of uranium conversion and laser and gas centrifuge enrichment. Following up on recent open source reports of enrichment activities being undertaken at an industrial complex in Kolahdouz in western Tehran, the team was permitted on 5 October 2003 to visit three locations which the Agency had identified as corresponding to those mentioned in the reports. While no work was seen at those locations that could be linked to uranium enrichment, environmental samples were taken.

11. In a letter to the Agency dated 9 October 2003 from Mr. E. Khalilipour, Vice President of the Atomic Energy Organization of Iran (AEOI), Iran provided information that had not been provided earlier on research activities carried out on uranium conversion processes, including acknowledgement of laboratory and bench scale experiments. Specifically, Iran confirmed that, between 1981 and 1993, it had carried out at the Esfahan Nuclear Technology Centre (ENTC) bench scale preparation of UO_2 and, at the Tehran Nuclear Research Centre (TNRC), bench scale preparation of ammonium uranyl carbonate (AUC), UO_3 , UF_4 and UF_6 .

12. Between 13 and 22 October 2003, an Agency inspection team conducted safeguards inspections at PFEP and other facilities in Esfahan and Tehran. These inspections included follow-up activities related to the HEU and LEU particles found at the Kalaye Electric Company and at Natanz and to the newly acknowledged existence of nuclear material resulting from uranium conversion experiments.

13. On 16 October 2003, at the invitation of the Iranian Government, the Director General met in Tehran with H.E. Dr. H. Rohani, Secretary of the Supreme National Security Council of Iran, to discuss the open issues requiring urgent resolution. These issues related to the use of nuclear material in the testing of centrifuges (including the presence of LEU and HEU particles at the Kalaye Electric Company and at Natanz); the testing of conversion processes; the purpose of uranium metal

production; the existence of laser isotope enrichment; and details of Iran's heavy water reactor programme. At this meeting, Dr. Rohani stated that a decision had been taken to provide the Agency, in the course of the following week, with a full disclosure of Iran's past and present nuclear activities. He also expressed Iran's readiness to conclude an Additional Protocol and, pending its entry into force, to act in accordance with the Protocol and with a policy of full transparency.

14. Upon the request of the Iranian authorities, a meeting was held on 18–19 October 2003, also in Tehran, between legal, policy and technical staff of the Agency and Iranian officials to discuss issues related to the conclusion by Iran of an Additional Protocol.

15. As a follow-up to the 16 October 2003 meeting, in a letter to the Director General dated 21 October 2003 and received on 23 October 2003, H.E. Mr. R. Aghazadeh, Vice President of the Islamic Republic of Iran and President of the AEOI, reaffirmed that "the Islamic Republic of Iran ha[d] decided to provide a full picture of its nuclear activities, with a view to removing any ambiguities and doubts about the exclusively peaceful character of these activities and commencing a new phase of confidence and co-operation in this field at the international level." Mr. Aghazadeh stated further in his letter that Iran was prepared "to provide, in full transparency, any additional clarifications that the Agency may deem necessary."¹

16. In that letter, Iran acknowledged that: between 1998 and 2002 it had carried out some testing of centrifuges at the Kalaye Electric Company using UF₆ imported in 1991; between 1991 and 2000 it had had a laser enrichment programme, in the course of which it had used 30 kg of uranium metal not previously declared to the Agency; and between 1988 and 1992 it had irradiated 7 kg of UO₂ targets and extracted small quantities of plutonium. Attached to the letter was significant additional information with respect to those activities, as well as information concerning Iran's conversion and heavy water reactor programmes.

17. Between 27 October and 1 November 2003, a technical team from the Agency, led by DIR-SGOB and including centrifuge technology experts, visited Iran to follow up on these and other issues, including, in particular, the source of HEU and LEU contamination.

18. On 10 November 2003, the Agency received from the Government of Iran a letter of the same date in which Iran conveyed its acceptance of the draft text of the Additional Protocol based on the Model Additional Protocol (INFCIRC/540 (Corr.)) Iran indicated that it was prepared to sign the Additional Protocol, and that, pending its entry into force, Iran would act in accordance with the provisions of that Protocol.

19. On the same day, the Iranian Government informed the Director General that it had decided to suspend, with effect from 10 November 2003, all enrichment related and reprocessing activities in Iran², and specifically: to suspend all activities on the site of Natanz, not to produce feed material for enrichment processes and not to import enrichment related items.

¹ In his letter, Mr. Aghazadeh also referred to his Government's expectation that the Agency would "take cognizance, in preparing its report, of Iran's concerns and constraints for the full disclosure of detailed information about these activities in the past, notably the concern about expansion of illegal sanctions to prevent Iran from exercising its inalienable right to nuclear technology for peaceful purposes stipulated in Article IV of the [Treaty on the Non-Proliferation of Nuclear Weapons]."

² It should be noted also that, on 21 October 2003, the Iranian Government and the Foreign Ministers of France, Germany and the United Kingdom issued in Tehran an agreed statement on Iran's nuclear programme. In that statement, Iran indicated that it had "decided voluntarily to suspend all uranium enrichment and reprocessing activities as defined by the IAEA."

C. Verification Activities

C.1. Uranium Conversion

20. The Agency received preliminary design information on the Uranium Conversion Facility (UCF) under construction at ENTC in July 2000, and has been carrying out continuous design information verification (DIV) since then. In that design information, the facility was described as being intended for the conversion of uranium ore concentrate into UF_6 , for enrichment outside Iran, and for the subsequent conversion (at UCF) of the enriched UF_6 into low enriched UO_2 , enriched uranium metal and depleted uranium metal. Following its declaration of the enrichment facilities at Natanz in February 2003, Iran acknowledged that it intended to carry out the enrichment activities domestically using UF_6 to be produced by UCF.

21. At the time of the Director General's last report to the Board of Governors (GOV/2003/63), questions remained about the completeness of Iran's declarations concerning the chronology and details of its uranium conversion activities, in particular in light of its previous assertion that it had designed UCF without having used nuclear material to test the most difficult conversion processes.

22. While Iran acknowledged in February 2003 having used some of the *natural* uranium imported in 1991 for testing certain parts of the conversion process (i.e. uranium dissolution, purification using pulse columns and the production of uranium metal), it denied having tested other processes (e.g. conversion of UO_2 to UF_4 and conversion of UF_4 to UF_6), stating that they had been developed based on the supplier's drawings. In a letter dated 19 August 2003, Iran further acknowledged that it had carried out UF_4 conversion experiments on a laboratory scale during the 1990s at the Radiochemistry Laboratories of TNRC using imported *depleted* UO_2 which had previously been declared as having been lost during processing (process loss). This activity was acknowledged by Iran only after the Agency's July 2003 waste analysis results indicated the presence of depleted UF_4 .

23. On 9 October 2003, Iran further acknowledged that, contrary to its previous statements, practically all of the materials important to uranium conversion had been produced in laboratory and bench scale experiments (in kilogram quantities) between 1981 and 1993 without having been reported to the Agency. These activities were carried out at TNRC and ENTC.

24. The information provided in Iran's letter of 21 October 2003 reveals that, in conducting these experiments, Iran had used nuclear material imported by Iran in 1977 and 1982, some of which had been exempted from safeguards, as well as safeguarded nuclear material which had been declared to the Agency as a process loss. Iran also declared that, using nuclear material imported in 1991 and reported to the Agency in February 2003, experiments had been carried out on the conversion of some of the UF₄ to UF₆, and on the conversion of UO₂ to UF₄. On 1 November 2003, Iran agreed to submit all relevant inventory change reports (ICRs) and design information to cover these activities.

25. In addition to the issues associated with the testing of UCF processes, the Agency had previously raised with Iran questions related to the purpose and use of nuclear material to be produced at UCF, such as uranium metal. In its letter of 21 October 2003, Iran acknowledged that the uranium metal had been intended not only for the production of shielding material, as previously stated, but also for use in the laser enrichment programme (as discussed below).

C.2. Reprocessing Experiments

26. In its letter of 21 October 2003, Iran acknowledged the irradiation of depleted UO_2 targets at TRR and subsequent plutonium separation experiments in a hot cell in the Nuclear Safety Building of TNRC. Neither the activities nor the separated plutonium had been reported previously to the Agency.

27. In the meetings held 27 October–1 November 2003, Iran provided additional information about these experiments. According to Iranian officials, the experiments took place between 1988 and 1992, and involved pressed or sintered UO_2 pellets prepared at ENTC using depleted uranium that had been exempted from safeguards in 1978. The capsules containing the pellets had been irradiated in TRR in connection with a project to produce fission product isotopes of molybdenum, iodine and xenon. The plutonium separation was carried out at TNRC in three shielded glove boxes, which, according to Iran, were dismantled in 1992 and later stored in a warehouse at ENTC along with related equipment. Iran stated that these experiments had been carried out to learn about the nuclear fuel cycle, and to gain experience in reprocessing chemistry.

28. According to Iran, a total of about 7 kg of UO_2 was irradiated, 3 kg of which was processed to separate plutonium. The small amount of separated plutonium was stored in a laboratory of Jabr Ibn Hayan Multipurpose Laboratories (JHL), while the remaining 4 kg of unprocessed irradiated UO_2 targets was placed in containers and stored at the TNRC site, and the wastes disposed of at the Qom salt marsh.

29. On 1 November 2003, Iran agreed to submit all nuclear material accountancy reports, and design information for ENTC and JHL, covering these activities. On that date, Iran also presented the separated plutonium and the irradiated unprocessed targets to Agency inspectors at JHL. Verification of the material, as well as of possible nuclear material hold-up in the dismantled glove boxes, is foreseen to take place during the 8–15 November 2003 inspection.

C.3. Uranium Enrichment

C.3.1. Gas Centrifuge Enrichment

30. In February 2003, Iran acknowledged the existence of two centrifuge enrichment plants under construction at Natanz: PFEP and a large commercial-scale Fuel Enrichment Plant (FEP). In February 2003, Iran also acknowledged that the workshop of the Kalaye Electric Company in Tehran had been used for the production of centrifuge components, but stated that there had been no testing of these components involving the use of nuclear material, either at the Kalaye Electric Company or at any other location in Iran. According to Iran, its enrichment programme was indigenous and based on information from open sources.

31. During the visit of 2–3 October 2003, the Agency was shown, for the first time, the centrifuge drawings previously requested by it (see GOV/2003/63, para. 28).

32. In its letter of 21 October 2003, Iran acknowledged that "a limited number of tests, using small amounts of UF₆, [had been] conducted in 1999 and 2002" at the Kalaye Electric Company. In a meeting with enrichment technology experts held during the 27 October–1 November 2003 visit, Iranian authorities explained that the experiments that had been carried out at the Kalaye Electric Company had involved the 1.9 kg of imported UF₆, the absence of which the State authorities had earlier attempted to conceal by attributing the loss to evaporation due to leaking valves on the cylinders containing the gas (see GOV/2003/63, para. 18).

33. During that visit, the Agency was able to meet with the individual who had been in charge of the centrifuge research and development work during the period 1992–2001 with a view to clarifying issues associated with these activities. Iran has agreed to provide the relevant ICRs and design information, and to present the nuclear material for Agency verification during the inspection scheduled for 8–15 November 2003.

34. As mentioned above, environmental samples taken by the Agency at PFEP and at the Kalaye Electric Company revealed particles of HEU and LEU indicating the possible presence in Iran of

nuclear material that had not been declared to the Agency. The Iranian authorities attributed the presence of these particles to contamination originating from centrifuge components which had been imported by Iran. In connection with its efforts to verify that information, the Agency requested, and Iran provided in October 2003, a list of imported and domestically produced centrifuge components, material and equipment, and an indication of the batches of items that Iran claims to have been the source of the contamination. The Agency carried out another sample-taking campaign in October 2003, at which time all major imported and domestically produced components, as well as various pieces of manufacturing equipment, were sampled.

35. In a meeting on 1 November 2003, the Iranian authorities stated that all nuclear material in Iran had been declared to the Agency, that Iran had not enriched uranium beyond 1.2% U-235 using centrifuges and that, therefore, the contamination could not have arisen as a result of indigenous activities. The Agency has now obtained information about the origin of the centrifuge components and equipment which Iran claims to be the source of HEU contamination. The Agency will continue its investigation of the source of HEU and LEU contamination, including through follow up with other relevant parties.

C.3.2. Laser Enrichment

36. As reflected in GOV/2003/63 (para. 41), Iran permitted the Agency to visit in August 2003 a laboratory located at Lashkar Ab'ad, which was described by Iran as originally having been devoted to laser fusion research and laser spectroscopy, but whose focus had been changed to research and development and the manufacture of copper vapour lasers (CVLs). In its 19 August 2003 letter to the Agency, Iran stated that it had had a substantial research and development programme on lasers, but that it currently had no programme for laser isotope separation.

37. During discussions which took place in Iran from 2 to 3 October 2003, in response to Agency questioning, the Iranian authorities acknowledged that Iran had imported and installed at TNRC laser related equipment from two countries: in 1992, a laser spectroscopy laboratory intended for the study of laser induced fusion, optogalvanic phenomena and photoionization spectroscopy; and in 2000, a large vacuum vessel, now stored at Karaj, for use in the spectroscopic studies referred to in the previous paragraph.

38. On 6 October 2003, Agency inspectors were permitted to take at Lashkar Ab'ad the environmental samples requested by the Agency in August 2003. The inspectors also visited a warehouse in the Karaj Agricultural and Medical Centre of the AEOI, where a large imported vacuum vessel and associated hardware were stored. The Iranian authorities stated that the equipment had been imported in 2000, that it had never been used, and that it had now been packed for shipment back to the manufacturer, since the contract related to its supply had been terminated by the foreign partner in 2000. The inspectors were informed that later during their visit to Tehran the equipment related to the laboratory imported in 1992 would be made available for examination and environmental sampling and the individuals involved in the projects would be available for interviews. However, these interviews and the presentation of the equipment were deferred by Iran.

39. In its letter dated 21 October 2003, Iran acknowledged that, starting in the 1970s, it had had contracts related to laser enrichment with foreign sources from four countries. These contracts are discussed in detail in Annex 1 to this report.

40. During the inspectors' follow-up visit to Iran between 27 October and 1 November 2003, Iran provided more information on Lashkar Ab'ad and acknowledged that a pilot plant for laser enrichment had been established there in 2000. The project for the establishment of the plant consisted of several contracts covering not only the supply of information, as indicated in Iran's letter of 21 October 2003 to the Agency, but also the delivery of additional equipment. Iran also stated that uranium laser

enrichment experiments had been conducted between October 2002 and January 2003 using previously undeclared natural uranium metal imported from one of the other suppliers. According to Iranian authorities, all of the equipment was dismantled in May 2003 and transferred to Karaj for storage together with the uranium metal. The equipment and material were presented to Agency inspectors at Karaj on 28 October 2003.

41. In the meeting of 1 November 2003, Iran agreed to submit all of the relevant ICRs and design information, and to present the nuclear material for Agency verification during the inspection scheduled for 8–15 November 2003.

C.4. Heavy Water Reactor Programme

42. On 12 July 2003, the Iranian authorities made a presentation on the technical features, said to have been based on indigenous design, of the Iran Nuclear Research Reactor (IR-40) to be constructed at Arak. The purpose of the reactor was declared to be research and development and the production of radioisotopes for medical and industrial use. Iran explained that it had tried to acquire a reactor from abroad to replace the old research reactor in Tehran (TRR), but that those attempts had failed, and that Iran had concluded, therefore, that the only alternative was a heavy water reactor which could use domestically produced UO_2 and zirconium. In order to have a sufficient neutron flux, a reactor with power on the order of 30–40 MW(th) was said to be required.

43. During their visit in July 2003, Agency inspectors were provided with drawings of the IR-40. Contrary to what would have been expected given the declared radioisotope production purpose of the facility, the drawings contained no references to hot cells. The Agency raised this issue during that visit, particularly in light of open source reports of recent efforts by Iran to acquire from abroad heavy manipulators and leaded windows designed for hot cell applications. The Agency indicated to the Iranian authorities that, given the specifications of the manipulators and windows which were the subject of those reports, a design for hot cells should have existed already and that therefore the hot cell, or cells, should already have been declared, at least on a preliminary basis, as part of the facility or as a separate installation.

44. In its letter of 21 October 2003, Iran acknowledged that two hot cells had been foreseen for this project. However, according to the information provided in that letter, neither the design nor detailed information about the dimensions or the actual layout of the hot cells was available yet, since they did not know the characteristics of the manipulators and shielded windows which they could procure. On 1 November 2003, Iran confirmed that it had tentative plans to construct at the Arak site yet another building with hot cells for the production of radioisotopes. Iran has agreed to submit the relevant preliminary design information with respect to that building in due course.

D. Findings

45. Iran's nuclear programme, as the Agency currently understands it, consists of a practically complete front end of a nuclear fuel cycle, including uranium mining and milling, conversion, enrichment, fuel fabrication, heavy water production, a light water reactor, a heavy water research reactor and associated research and development facilities.

46. Iran has now acknowledged that it has been developing, for 18 years, a uranium centrifuge enrichment programme, and, for 12 years, a laser enrichment programme. In that context, Iran has admitted that it produced small amounts of LEU using both centrifuge and laser enrichment processes,

and that it had failed to report a large number of conversion, fabrication and irradiation activities involving nuclear material, including the separation of a small amount of plutonium.

47. Based on all information currently available to the Agency, it is clear that Iran has failed in a number of instances over an extended period of time to meet its obligations under its Safeguards Agreement with respect to the reporting of nuclear material and its processing and use, as well as the declaration of facilities where such material has been processed and stored. In his June and August 2003 reports to the Board of Governors (GOV/2003/40 and GOV/2003/63), the Director General identified a number of instances of such failures and the corrective actions that were being, or needed to be, taken with respect thereto by Iran.

48. Since the issuance of the Director General's last report, a number of additional failures have been identified. These failures can be summarized as follows:

- (a) Failure to report:
 - (i) the use of imported natural UF_6 for the testing of centrifuges at the Kalaye Electric Company in 1999 and 2002, and the consequent production of enriched and depleted uranium;
 - (ii) the import of natural uranium metal in 1994 and its subsequent transfer for use in laser enrichment experiments, including the production of enriched uranium, the loss of nuclear material during these operations, and the production and transfer of resulting waste;
 - (iii) the production of UO₂, UO₃, UF₄, UF₆ and AUC from imported depleted UO₂, depleted U_3O_8 and natural U_3O_8 , and the production and transfer of resulting wastes;
 - (iv) the production of UO_2 targets at ENTC and their irradiation in TRR, the subsequent processing of those targets, including the separation of plutonium, the production and transfer of resulting waste, and the storage of unprocessed irradiated targets at TNRC;
- (b) Failure to provide design information for:
 - (i) the centrifuge testing facility at the Kalaye Electric Company;
 - (ii) the laser laboratories at TNRC and Lashkar Ab'ad, and locations where resulting wastes were processed and stored, including the waste storage facility at Karaj;
 - (iii) the facilities at ENTC and TNRC involved in the production of UO_2 , UO_3 , UF_4 , UF_6 and AUC;
 - (iv) TRR, with respect to the irradiation of uranium targets, and the hot cell facility where the plutonium separation took place, as well as the waste handling facility at TNRC; and
- (c) Failure on many occasions to co-operate to facilitate the implementation of safeguards, through concealment.

49. As corrective actions, Iran has undertaken to submit ICRs relevant to all of these activities, to provide design information with respect to the facilities where those activities took place, to present all nuclear material for Agency verification during its forthcoming inspections and to implement a policy of co-operation and full transparency.

E. Assessment and Next Steps

50. The recent disclosures by Iran about its nuclear programme clearly show that, in the past, Iran had concealed many aspects of its nuclear activities, with resultant breaches of its obligation to comply with the provisions of the Safeguards Agreement. Iran's policy of concealment continued until last month, with co-operation being limited and reactive, and information being slow in coming, changing and contradictory. While most of the breaches identified to date have involved limited quantities of nuclear material, they have dealt with the most sensitive aspects of the nuclear fuel cycle, including enrichment and reprocessing. And although the materials would require further processing before being suitable for weapons purposes, the number of failures by Iran to report in a timely manner the material, facilities and activities in question as it is obliged to do pursuant to its Safeguards Agreement has given rise to serious concerns.

51. Following the Board's adoption of resolution GOV/2003/69, the Government of Iran informed the Director General that it had now adopted a policy of full disclosure and had decided to provide the Agency with a full picture of all of its nuclear activities. Since that time, Iran has shown active cooperation and openness. This is evidenced, in particular, by Iran's granting to the Agency unrestricted access to all locations the Agency requested to visit; by the provision of information and clarifications in relation to the origin of imported equipment and components; and by making individuals available for interviews. This is a welcome development.

52. The Agency will now undertake all the steps necessary to confirm that the information provided by Iran on its past and present nuclear activities is correct and complete. To date, there is no evidence that the previously undeclared nuclear material and activities referred to above were related to a nuclear weapons programme. However, given Iran's past pattern of concealment, it will take some time before the Agency is able to conclude that Iran's nuclear programme is exclusively for peaceful purposes. To that end, the Agency must have a particularly robust verification system in place. An Additional Protocol, coupled with a policy of full transparency and openness on the part of Iran, is indispensable for such a system.

53. In that context, Iran has been requested to continue its policy of active co-operation by answering all of the Agency's questions, and by providing the Agency with access to all locations, information and individuals deemed necessary by the Agency. One issue requiring investigation as a matter of urgency is the source of HEU and LEU contamination. The Agency intends to pursue the matter with a number of countries, whose full co-operation is essential to the resolution of this issue.

54. The recent announcement of Iran's intention to conclude an Additional Protocol, and to act in accordance with the provisions of the Protocol pending its entry into force, is a positive development. The draft Additional Protocol is now being submitted to the Board for its consideration.

55. Iran's decision to suspend its uranium enrichment related and reprocessing activities is also welcome.³ The Agency intends to verify, in the context of the Safeguards Agreement and the Additional Protocol, the implementation by Iran of this decision.

56. The Director General will inform the Board of additional developments for its further consideration at the March 2004 meeting of the Board, or earlier, as appropriate.

³ It should be noted that Iran introduced UF_6 into the first centrifuge at PFEP on 25 June 2003, and, on 19 August 2003, began testing a small ten-machine cascade. On 31 October 2003, Agency inspectors observed that no UF_6 gas was being fed into the centrifuges, although construction and installation work at the site was continuing.

DETAILED TECHNICAL CHRONOLOGY

Uranium Conversion

The Uranium Conversion Facility (UCF)

1. According to Iran, UCF was originally based on a design provided by a foreign supplier in the mid-1990s. The plant was supposed to have been constructed by the supplier under a turnkey contract, but the contract was cancelled in 1997 and, according to Iran, the supplier did not provide any equipment to Iran. The AEOI has acknowledged having received from the supplier the blueprint of the facility, including equipment test reports and some design information on the equipment, but has stated that all the parts and equipment for the plant were manufactured domestically based on detailed designs developed without external assistance. Construction of the plant was begun in 1999.

2. Preliminary design information on UCF was submitted to the Agency on 31 July 2000. The Agency has performed DIV at UCF since then on a regular basis with a view to monitoring progress in construction and equipment installation, and to develop a safeguards approach. The proposed safeguards approach was given to the Iranian authorities in February 2002.

3. The design information provided to the Agency in July 2000 described the purpose of this facility as the conversion of uranium ore concentrate (UOC or U_3O_8) into natural UO_2 , UF_6 and uranium metal. The production design capacity was said to be 200 t of UF_6 annually. The facility was described as having the following process lines: conversion of natural UOC into UF_6 ; conversion of low enriched UF_6 into UO_2 (30 t per year of UO_2 enriched to 5% U-235); conversion of depleted UF_6 to UF_4 (170 t per year of depleted UO_4); conversion of low enriched UF_6 LEU metal (30 kg per year of uranium metal enriched to 19.7% U-235), and the conversion of depleted UF_4 to depleted uranium metal. According to information provided by Iran, commissioning of the first line (for the conversion of U_3O_8 to ammonium uranyl carbonate (AUC)) is expected to begin in November 2003.

4. While conducting a DIV at the facility in 2002, inspectors noticed that the depleted uranium metal line had been changed to a line for natural uranium metal production. The updated design information, which was provided to the Agency on 9 April 2003, now includes an additional line for conversion to natural UO₂ and a line for conversion to natural uranium metal. In a letter dated 19 August 2003, Iran stated that the uranium metal production line could be used to produce shielding material, and that the natural UO₂ line was envisaged to meet the needs of the heavy water reactor programme.

Uranium Conversion Experiments and Testing

5. The explanations by Iran that it had not conducted any tests using nuclear material on certain parts of the conversion process and that those processes had been based on the supplier's drawings and test reports, raised questions, particularly given that the simpler steps of the conversion process (such as U_3O_8 dissolution and uranium purification using pulse columns) had undergone extensive testing. According to Agency experts, such an approach would be inconsistent with the normal practice of first validating the processes and carrying out pilot scale production before proceeding to the final design and construction of a commercial conversion plant.

6. As indicated in GOV/2003/63, Iran acknowledged in August 2003 that it had carried out some bench scale uranium conversion experiments in the early 1990s, experiments that Iran should have reported in accordance with its obligations under the Safeguards Agreement.

7. On 9 October 2003, the Agency received acknowledgement that, contrary to Iran's previous communications, practically all of the materials important to uranium conversion (AUC, UO₃, UF₄ and UF₆) had been produced in laboratory and bench scale experiments (kilogram quantities) conducted between 1981 and 1993 without having been reported to the Agency. On 1 November 2003, Iran explained that, due to foreign involvement in the design and construction of UCF, it was decided in 1993 to terminate domestic research and development on UF₄ and UF₆. Iran further explained that the facilities related to the UF₄ and UF₆ experiments had been dismantled, and that the equipment had been moved to waste storage at Karaj. This is being evaluated by the Agency.

8. For ease of reference, a summary of major processing experiments by Iran using imported uranium, based on information currently available to the Agency, is provided in Table 1.

Year of Import	Material Type & Quantity	Use by Iran
1977	20 kg U ₃ O ₈ (depleted)	 At Iran's request the U₃O₈ was exempted from safeguards in 1978 (de-exempted in 1998). Processing activities were carried out between 1981 and 1993 and reported to the Agency in 1998. 5.2 kg U₃O₈ was declared a process loss from the experiments.
	50 kg UO ₂ (depleted)	 At Iran's request the UO₂ was exempted from safeguards in 1978 (de-exempted in 1998). Fuel fabrication research was carried out between 1985 and 1993 at FFL and reported to the Agency in 1998; 13.1 kg depleted UO₂ was declared as a process loss from these experiments. Lab-scale experiments using UO₂, reported in 1998 as a loss, were used between 1989 and 1993 to produce UF₄ at TNRC. UO₂ targets were produced from 1988 to 1992 at ENTC using about 6.9 kg UO₂, previously declared as a process loss in 1998, subsequently irradiated at TRR; the resulting plutonium separated at TNRC was stored together with the irradiated unprocessed targets at TNRC.
1982	531 t U ₃ O ₈ concentrate (natural)	 Processing of 85 kg U₃O₈ between 1982 and 1993 was carried out at UCL and reported to the Agency in 1998; 45 kg was declared as a process loss from these experiments. Between 1982 and 1987 about 12.2 kg UO₂ was produced using U₃O₈ declared in 1998 as a loss. This UO₂, combined with some other materials, was used between 1989 and 1993 to produce about 10 kg UF₄ at TNRC.
1991	1005 kg UF ₆ (natural)	• 1.9 kg UF ₆ was used for testing of centrifuges at Kalaye Electric between 1999 and 2002.
	402 kg UF ₄ (natural)	• 376.6 kg UF ₄ was converted to U metal in 113 experiments at JHL; and about 9.4 kg UF ₄ , which had been declared earlier in 2003 as a process loss, was used to produce 6.5 kg UF ₆ at TNRC between 1991 and 1993.
	401.5 kg UO ₂ (natural)	 44 kg UO₂ was used in testing of pulse columns and pellet production at JHL. 1-2 g UO₂ was irradiated in experiments in TRR and processed at JHL. 2.7 kg UO₂ was used to produce UF₄.
1993	50 kg uranium metal	 8 kg uranium metal was used for AVLIS experiments from 1999 to 2000 at TNRC. 22 kg uranium metal was used for AVLIS experiments from October 2002 to February 2003 at Lashkar Ab'ad.

 TABLE 1: Major Processing Experiments by Iran Using Imported Uranium

9. In 1977, Iran imported 20 kg of depleted U_3O_8 and 50 kg of depleted UO_2 . Upon request by Iran in 1978, these materials were exempted from safeguards. In 1982, Iran imported 531 t of natural U_3O_8 concentrate, which it reported to the Agency in 1990.

10. In 1981 and 1984, respectively, Iran commissioned with a foreign supplier the construction at ENTC of a Uranium Chemistry Laboratory (UCL) and a Fuel Fabrication Laboratory (FFL). The existence of these laboratories was disclosed to the Agency during a visit of the then DDG-SG in 1993, and formally reported to the Agency in 1998. Between 1981 and 1993, Iran carried out at UCL and FFL unreported activities involving the exempted depleted U_3O_8 , the exempted depleted UO_2 , and the U_3O_8 concentrate (see paras. 11 and 12 below). These activities were only reported to the Agency in 1998 after lengthy discussions between the Agency and Iranian officials. The material was de-exempted in 1998, and what remained of it was stored at ENTC. In 1998, Iran declared that UCL had been closed down since 1987. FFL is still in operation.

11. Between 1981 and 1993, processing activities involving the 20 kg of exempted depleted U_3O_8 and some of the 531 t of natural U_3O_8 concentrate were carried out at UCL. Of the original 20 kg of depleted U_3O_8 , 5.2 kg was reported in 1998 as process losses by Iran. Iran also reported in 1998 that it had processed 85 kg of the 531 t of U_3O_8 concentrate, of which 45 kg was declared as process losses.

12. During the period 1985 through 1993, FFL was used for research in fuel fabrication, the main activity having been the manufacture of sintered pellets using the imported 50 kg of exempted depleted UO_2 . Iran reported the existence of FFL, and the processing of the nuclear material there, in 1998, at which time it declared that 13.1 kg of the material had been lost during processing.

13. In a letter dated 19 August 2003, Iran acknowledged that it had carried out UO_2 to UF_4 conversion experiments on a laboratory scale during the 1990s at the Radiochemistry Laboratories of the TNRC using some of the imported depleted UO_2 referred to in the previous paragraph. Until August 2003, Iran had claimed that it had carried out no UF_4 production experiments. This activity was acknowledged by Iran only after the July 2003 waste analysis results of samples taken to verify experiments using nuclear material imported in 1991 indicated the presence of depleted UF_4 mixed with natural UF_4 . Iran acknowledged that the UO_2 which had been used had been part of that previously declared by Iran as having been lost during experiments at FFL.

14. On 9 October 2003, Iran provided further details on these UF₄ experiments, stating that, between 1987 and 1993, there had been bench scale production of UF₄ at the Radiochemistry Laboratories. This information was further amplified in Iran's letter dated 21 October 2003 and in a subsequent meeting on 1 November 2003. According to that information, the UF₄ production experiments included testing of wet and dry production methods. Between 1982 and 1987, approximately 12.2 kg of natural UO₂ was produced at UCL using imported U₃O₈ concentrate that had been reported as a process loss in 1998 (see para. 11 above). This material, together with 1 kg of the UO₂ imported in 1991, and 1.23 kg of depleted UO₂ that had been reported in 1998 as a process loss at UCL (see para. 12 above), was used for the production of UF₄ at the Radiochemistry Laboratories through the wet method. In addition, 2.5 kg of UF₄ was produced with the dry method, using UO₂ imported in 1991 as the source material.

15. Between 1991 and 1992, 0.2 kg of UO_3 and 4.45 kg of AUC were produced in the Radiochemistry Laboratories using, as source material, some of the U_3O_8 concentrate imported in 1982.

16. On 1 November 2003, Iran agreed, as a corrective measure, to submit ICRs for UCL, FFL, JHL and the waste storage facility at Karaj, as well as design information for the waste storage facility.

17. Final evaluation of the information provided on these conversion experiments will depend on the results of the destructive and environmental sample analysis and the assessment of the experiment reports provided by Iran.

18. Following the import in 1991 of natural uranium (1005 kg of UF_6 , 402 kg of UF_4 and 401.5 kg of UO_2), Iran carried out a number of experiments, on a laboratory scale, at JHL located at TNRC. The import of the nuclear material in question was only acknowledged by Iran in March 2003. The status of the imported material, as currently declared, is as follows:

- Of the 1005 kg of UF₆, 1.9 kg was found to have been missing from two cylinders in which the material is said to have been delivered. This loss was originally attributed by Iran to evaporation of the material due to high temperatures during storage of the material. Iran has now acknowledged that it used that material for testing centrifuges at the Kalaye Electric Company, as described below.
- Of the 402 kg of UF₄, 376.6 kg was converted to uranium metal. The conversion was declared by Iran in March 2003, and in June 2003, it was described as having been achieved through 113 experiments carried out at JHL in the early 1990s. In October 2003, Iran also acknowledged having used 9.43 kg of the UF₄ for conversion to UF₆, as described below.
- Of the 401.5 kg of UO₂, 44 kg was used in testing pulse column process and pellet production experiments at JHL. In addition, between June 1987 and February 1999, small amounts (1 to 2 g) of UO₂ were irradiated in TRR in about 50 experiments and sent to the Molybdenum, Iodine and Xenon Radioisotope Production Facility (MIX Facility) for separation of I-131. In October 2003, Iran acknowledged having used 2.7 kg of the UO₂ in conversion experiments to produce UF₄.

19. Iran has provided ICRs on its import of the material referred to in the preceding paragraph, as well as on its subsequent processing. Iran has also submitted physical inventory listings (PILs) and material balance reports (MBRs) reflecting the current status of nuclear material at JHL, including uranium metal, uranyl nitrate, UO_2 pellets and waste containing uranium.

20. JHL, where many of these experiments are declared to have been carried out, consists of several rooms where conversion activities took place using the nuclear material imported in 1991. The facility was declared to the Agency in March 2003. In May 2003, design information for JHL was received, and verification thereof commenced. Iran has been informed that the design information is not yet complete, and has been requested to provide an update.

Production and use of UF_6

21. Until recently, the Iranian authorities repeatedly asserted that the UF₆ imported in 1991 had not been processed, and specifically that it had not been used in any centrifuge, enrichment or other tests. The State authorities explained that the small amount of UF₆ (1.9 kg) missing from the two smaller cylinders in which the material had been imported might have been due to leaking valves, an explanation challenged by the Agency on the basis of its technical assessment and verification activities. In the information submitted on 23 October 2003, however, Iran acknowledged that it had used 1.9 kg of the imported UF₆ to test centrifuge machines at the Kalaye Electric Company workshop between 1999 and 2002, before the dismantling of the test facility at the end of 2002. This material is currently declared as hold-up in the dismantled equipment currently stored at PFEP.

22. The remaining container of the UF_6 imported in 1991, a large 30 B-type cylinder currently stored at Natanz, was presented to Agency inspectors, and appeared to have been intact. However, destructive analysis sampling of its contents need to be performed. This will be done as soon as the

necessary equipment is installed. In the meantime, environmental samples and non-destructive measurements have been taken in order to confirm the presence of natural uranium.

23. In contrast to its earlier declarations that it had not used nuclear material to test the production of UF_6 , Iran acknowledged in its letter dated 21 October 2003 that, between 1987 and 1993, it had carried out in the Radiochemical Laboratories at TNRC bench scale preparation of UF_6 using as feed 9.43 kg of the UF_4 which had been imported in 1991. The laboratory equipment has since then been dismantled. On 12 October 2003, the equipment was presented for Agency verification in a container at the Karaj Nuclear Research Centre for Medicine and Agriculture, together with a number of cylinders containing approximately 6.5 kg of UF_6 . Final evaluation will depend on the results of environmental sampling and assessment of experiment records provided by Iran.

24. On 1 November 2003, Iran agreed to submit ICRs for JHL, PFEP and the waste storage facility at Karaj and to provide design information for those facilities.

Production of uranium metal

25. In March 2003, Iran informed the Agency that most of the natural UF_4 imported in 1991 had been converted to uranium metal at JHL between 1995 and 2000 in the course of 113 experiments. Neither the experiments nor the facility where these experiments were conducted were declared to the Agency at the time the experiments were conducted. The nuclear material resulting from these experiments was verified by the Agency during its May 2003 inspection, and Iran has submitted the relevant ICRs, PILS and MBRs, as well as updated design information for JHL.

26. In its letter dated 21 October 2003, Iran admitted that the uranium metal production capabilities had also been intended for use in Iran's laser enrichment programme (see discussion below).

Reprocessing Experiments

27. In March 2003, Iran stated that some of the UO_2 imported in 1991 had been used for pellet fabrication experiments. In April 2003, Iran informed the Agency that some of the UO_2 had also been used in isotope production experiments involving irradiation at TRR of the *natural* UO_2 targets and the subsequent separation of molybdenum, xenon and iodine. The liquid uranium-containing waste resulting from these experiments is said by Iran to have been sent to Esfahan.

28. In its letter of 21 October 2003, Iran acknowledged the irradiation of *depleted* UO_2 targets at TRR and subsequent plutonium separation experiments in a hot cell in the Nuclear Safety Building of TNRC between 1988 and 1992. Neither the activities nor the separated plutonium had been reported to the Agency previously.

29. In the meetings held 27 October–1 November 2003, additional information was provided about the experiments involving the depleted uranium. Iran stated that they had been carried out to learn about the nuclear fuel cycle, and to gain experience in reprocessing chemistry. The experiments took place between 1988 and 1992, and involved 7 kg of pressed or sintered UO₂ pellets prepared at ENTC using depleted uranium that had been exempted, at the request of Iran, in 1978. In 1997, this material was reported as a process loss at FFL. The capsules containing the pellets were irradiated typically for two weeks in TRR in connection with a project to produce fission product isotopes of molybdenum, iodine and xenon. The plutonium separation, based on the Purex process, was carried out on the site of TNRC, on a laboratory scale, in three shielded glove boxes, which, according to Iran, were dismantled in 1992 and later stored in a warehouse at ENTC along with related equipment.

30. The Agency was informed that a total of about 7 kg of UO_2 was used, of which 3 kg had been irradiated and processed to separate plutonium. The remaining 4 kg of irradiated UO_2 targets was

placed in containers and stored on the TNRC site; the separated plutonium was stored in a laboratory of JHL following the dismantling of the glove boxes; and the wastes were disposed of at Qom.

31. In August 2003, Agency inspectors visited the waste storage location at Anarak where the waste referred to in paragraph 27 above had been stored. Iran has agreed to transfer that waste to JHL.

32. On 1 November 2003, Iran agreed to submit all nuclear material accountancy reports from 1988 through the present covering the manufacture of the UO_2 targets, their irradiation and subsequent processing and the storage of the remaining nuclear material and wastes. In addition, Iran has agreed to submit design information covering these activities and nuclear material at ENTC and JHL.

33. On 1 November 2003, Iran presented both the separated plutonium and the irradiated unprocessed targets to Agency inspectors at JHL. Verification of that material, as well as possible hold-up in dismantled glove boxes, is foreseen to take place during the forthcoming inspection.

Uranium Enrichment

Gas Centrifuge Enrichment

34. In February 2003, in response to inquiries by the Agency, Iran acknowledged the existence of two centrifuge enrichment plants under construction at Natanz: PFEP and the large commercial scale FEP. In February 2003, Iran also acknowledged that the workshop of the Kalaye Electric Company in Tehran had been used for the production of centrifuge components, but stated that there had been no operations in connection with its centrifuge enrichment development programme involving the use of nuclear material, either at the Kalaye Electric Company or at any other location in Iran. According to Iran, all testing had been carried out either in vacuum or using simulation studies. Iranian officials stated that the enrichment programme had been started in 1997 and that it was indigenous and based on information available from open sources, such as scientific publications and patents.

35. A team of Agency centrifuge technology experts met on 7–11 June 2003 with Iranian officials to seek clarification about Iran's centrifuge enrichment programme, in particular about its statement that the design and development, which was said to have been begun in 1997, had been based on information from open sources and extensive modelling and simulation, and that the tests of centrifuge rotors at the Amir Khabir University and on the premises of the AEOI in Tehran had been conducted without nuclear material. This meeting was followed by a round of technical discussions in Tehran in July 2003, and further meetings of the centrifuge technology experts with Iranian officials in Iran on 9–12 August 2003, 4–9 October 2003 and 27 October–1 November 2003.

36. Following up on recent open source reports of enrichment activities being undertaken at an industrial complex in Kolahdouz in western Tehran, the Agency was permitted on 5 October 2003 to visit three locations which the Agency had identified as corresponding to those mentioned in the reports. Iran stated that there were no nuclear related activities being carried out at this site. While no work was seen at those locations that could be linked to uranium enrichment, environmental samples were taken.

The Natanz Facilities

37. At the time Iran disclosed the construction of PFEP, in February 2003, over 100 of the approximately 1000 planned centrifuge casings had already been installed. Iran informed the Agency that the remaining centrifuges were scheduled to be installed by the end of 2003. Iran also informed the Agency that the commercial scale FEP, which is planned to contain over 50 000 centrifuges, was scheduled to start accepting centrifuges in early 2005, after the design is confirmed by the tests to be conducted in PFEP, but that FEP was not scheduled to receive nuclear material in the near future.

38. The Agency took baseline environmental samples at PFEP on several occasions between March and May 2003 before nuclear material was introduced in the facility, the results of which revealed particles of HEU indicating the possible presence in Iran of nuclear material that had not been declared to the Agency. In June 2003, the results were provided to Iran for comments. In August 2003, the Iranian authorities attributed the presence of HEU particles to contamination originating from centrifuge components that had been imported by Iran.

39. Subsequent environmental samples revealed the presence in Iran of natural uranium, LEU and at least two other types of HEU particles. It was also noted that there had been differences among the samples taken from the surfaces of the centrifuge casings installed for the single machine tests. The Agency asked the Iranian authorities to investigate whether there were differences in the manufacturing history of those pieces of equipment.

40. In August 2003, the IAEA was allowed to take swipe samples of imported components stored at Natanz, as well as of some of the newly machined components that had been produced in Iran. At the request of the Agency, Iran provided a list of imported and domestically produced centrifuge components and equipment in October 2003.

41. Agency inspectors were told in early October 2003 that all of the centrifuges from the Kalaye Electric Company had been scrapped, and therefore were not available for inspection, whereas it became clear later that the centrifuges had in fact been stored at another location in Tehran and were finally shown to the inspectors at Natanz on 30–31 October 2003, at which time Agency experts examined the centrifuges and associated equipment, and took environmental samples. All major imported and domestically produced components, as well as various pieces of manufacturing equipment have now been sampled. The results of the sample analyses are not expected to be available before December 2003. The nuclear material held in this equipment will be verified during the forthcoming inspections. The Agency has now also obtained information about the source of the components that Iran claims to have been contaminated.

42. On 25 June 2003, Iran introduced UF₆ into the first centrifuge at PFEP for the purpose of single machine testing. On 19 August 2003, Iran began the testing of a small ten-machine cascade at PFEP with UF₆. As of October 2003, some single machine testing using UF₆ had been carried out at PFEP and the installation of a 164-machine cascade was being finalized. Agency inspectors visited PFEP on 31 October 2003, and observed that no UF₆ gas was being fed into the first centrifuges of the 164-centrifuge machine cascade. However, construction and installation work at the site was continuing.

Kalaye Electric Company

43. In March 2003, during an Agency visit to the workshop at the Kalaye Electric Company, the Iranian authorities refused Agency access to one of the workshop buildings, claiming that the building was used for storage and that no keys to the building were available.

44. During their 9–12 August 2003 visit to Iran, Agency inspectors were permitted to take environmental samples at the Kalaye Electric Company workshop, with a view to assessing the role of that company in Iran's enrichment research and development programme. During that visit, the inspectors noted that there had been considerable modification of the premises since their visits in March and May 2003, which the Iranian authorities attributed to the transformation of the workshop from use as a storage facility to its use as a laboratory for non-destructive analysis. As reflected in the Director General's previous report to the Board, this could impact on the accuracy of the environmental sampling and the Agency's ability to verify Iran's declarations about the types of activities previously carried out there.

45. On 16 September 2003, the Agency informed representatives of Iran of the results of the analysis of the environmental samples taken at the Kalaye Electric Company in August 2003, which had revealed the presence of HEU and LEU particles which were not consistent with the nuclear material in the declared inventory of Iran.

46. In its letter of 21 October 2003, Iran acknowledged that "a limited number of tests, using small amounts of UF_6 , [had been] conducted in 1999 and 2002" at the Kalaye Electric Company. The equipment used between 1999 and 2000 at Kalaye Electric Company was suitable for pilot scale uranium isotope separation. As an isotope separation plant is defined in Article 98.I.(a) of the Safeguards Agreement as a facility, the existence of this facility should have been declared to the Agency.

Enrichment research and development activities

47. As indicated in the Director General's previous report, in contrast to the initial information provided about the chronology of the enrichment programme and its indigenous nature, Iran informed the Agency in August 2003 that the decision to launch a centrifuge enrichment programme had actually been taken in 1985, and that Iran had received drawings of the centrifuge through a foreign intermediary around 1987. Iranian officials further described the programme as having consisted of three phases: the first phase, from 1985 until 1997, during which related activities had been located mainly at the AEOI premises in Tehran (with laboratory work at the Plasma Physics Laboratories of TNRC); the second phase, between 1997 and 2002, during which the activities had been relocated and concentrated at the Kalaye Electric Company in Tehran and Iran was able to make all components had some success in mechanically testing centrifuges and decided to construct the enrichment facilities at Natanz; and the third phase, 2002 to the present, when the research and development and assembly activities were moved to Natanz.

48. According to information provided by Iran in August 2003, during the first phase, about 2000 components and some subassemblies had been obtained from abroad through foreign intermediaries or directly by Iranian entities, but no help was received from abroad in the assembly of centrifuges or in training, nor were any completed centrifuges imported. Efforts had been concentrated on achieving an operating centrifuge, but many difficulties were encountered as a result of machine crashes attributed to poor quality components. Iran described the second phase of activities as having involved the assembly and testing of centrifuges, but again without inert (e.g. xenon) or UF₆ gas.

49. In pursuit of its verification of Iran's statement that it had not tested any centrifuges using nuclear material, the Agency's team of centrifuge technology experts inquired of Iran how it had developed the 'enrichment factor'⁴ and 'separative output'⁵ used in the relevant calculations. The Agency was

⁴ The "enrichment factor" of a centrifuge is the ratio of the amount of U-235 in the product to the amount of U-235 in the feed.

told that they had been obtained from an original centrifuge 'sketch', supported by theoretical calculations using open literature, and not from experiments.

50. The Agency's centrifuge technology experts remained of the view that, based on all information available to them, Iran's assertion that no UF_6 or any simulation gas had ever been introduced into a centrifuge machine in Iran was inconsistent with other countries' experience, and they still could not conclude that the then current status of the centrifuges installed at Natanz could have been achieved solely on the basis of open source information and computer simulations without additional confirmation through the use of UF_6 in laboratory testing.

51. No new information was provided by Iran with respect to the issue of testing of centrifuges using nuclear material until October 2003. In its letter of 21 October 2003, Iran acknowledged that, in order to ensure the performance of centrifuge machines, a limited number of tests using small amounts of UF_6 imported in 1991 had been carried out at the Kalaye Electric Company. According to Iran, the first test of the centrifuges was conducted in 1998 using an inert gas (xenon). Series of tests using UF_6 were performed between 1999 and 2002. In the course of the last series of tests, an enrichment level of 1.2% U-235 was achieved.

52. In a meeting with enrichment technology experts held during the 27 October–1 November 2003 visit, Iran provided additional information about its gas centrifuge programme. The authorities explained that the experiments which had been carried out at the Kalaye Electric Company had involved the 1.9 kg of imported UF₆ the absence of which the State authorities had earlier attributed to evaporation due to leaking valves on the cylinders containing the gas. The individual who had been in charge of the actual research and development work during the period 1992–2001 was made available for discussions with the Agency. Although there were no detailed technical or nuclear material accountancy reports available, the individual interviewed by the Agency was able to provide, as supporting documentation, his personal notebooks.

53. On 1 November 2003, the Iranian authorities stated that all nuclear material had been declared to the Agency and that Iran had not enriched uranium beyond 1.2% U-235 using centrifuges, and that, therefore, the contamination could not have arisen as a result of indigenous activities. In the course of these investigations and interviews of individuals involved in the nuclear programme, the Agency has obtained information on the origin of the centrifuge components and equipment which Iran claims to be the source of HEU, LEU and other particle contamination at the Kalaye Electric Company and at PFEP. The Agency will continue to investigate this matter.

54. As a corrective measure, Iran has agreed to submit ICRs for JHL and for PFEP, and to provide updated design information for PFEP.

Laser Enrichment

55. During the Agency's 12 August 2003 visit to the laser laboratory located at Lashkar Ab'ad, the Iranian authorities described the laboratory as originally having been devoted to laser fusion research and laser spectroscopy, but stated that its focus had been changed and the equipment unrelated to the site's current projects, including a large vacuum vessel imported by Iran in 2000, had been moved. The Agency requested that Iran confirm that there had not been in the past any activities related to uranium laser enrichment at this location or at any other location in Iran, and requested permission to take environmental samples at the laboratory.

⁵ The "separative output" of a centrifuge defines the amount of enrichment achieved by the centrifuge. The "separative output" multiplied by the number of centrifuges in an enrichment plant defines the total output achievable by the plant.

56. In response to that request, in its 19 August 2003 letter to the Agency, Iran stated that, in the past, apart from planned co-operation in laser fusion and laser spectroscopy which never materialized, there had been a research thesis on laser spectroscopy of SF_6 prepared by a university student in co-operation with the laser division of AEOI. As indicated in the Director General's previous report to the Board, Iran stated that it had a substantial research and development programme on lasers, but that it currently had no programme for laser isotope separation.

57. During discussions which took place in Iran from 2 to 3 October 2003, the Iranian authorities informed Agency inspectors that Iran had received from a foreign source, in 1992, a laser spectroscopy laboratory intended for the study of laser induced fusion, optogalvanic phenomena and photoionization spectroscopy, and from another foreign source, in 2000, the large vacuum vessel referred to above, but that the equipment had been only for spectroscopic studies. It was agreed that the Agency would be shown the equipment and permitted to take environmental samples, as had been requested by the Agency on 12 August 2003.

58. On 6 October 2003, Agency inspectors were permitted to take environmental samples at Lashkar Ab'ad. The inspectors also visited a warehouse in the Karaj Agricultural and Medical Centre of the AEOI, where a large imported vacuum vessel (approximately 5 m long, 1 m in diameter) with associated hardware were stored. The Iranian authorities stated that it was the equipment which had been imported in 2000, that it had never been used, and that it had now been packed for shipment back to the manufacturer, since the contract related to its supply had been terminated by the foreign partner in 2000. The inspectors were informed that the individuals involved with the projects would be made available for interviews, but that the interviews would take place later in Tehran, where the equipment related to the laboratory imported from another country in 1992 would be made available for examination and environmental sampling. However, these interviews and the presentation of the other equipment were deferred by Iran until the end of October 2003.

59. In its letter dated 21 October 2003, Iran acknowledged that, starting in the 1970s, it had had contracts related to laser enrichment using atomic vapour laser isotope separation (AVLIS) and molecular laser isotope separation (MLIS) techniques with foreign entities from four countries:

- (a) 1975 a contract for the establishment of a laboratory to study the spectroscopic behaviour of uranium metal, which had been abandoned in the 1980s as the laboratory had not functioned properly. The laboratory had also contained two mass spectrometers, purchased from the same source in 1976, which had been used to analyse samples of nuclear material obtained from enrichment experiments at Kalaye Electric Company, TNRC and Lashkar Ab'ad. While the import of the nuclear material used in that project had been reported to the Agency, the laboratory where the laser equipment had been installed (at TNRC) was not. None of these activities involving the nuclear material had been reported to the Agency.
- (b) Late 1970s a contract with a second supplier to study MLIS, under which four 5 μ m CO lasers and four vacuum chambers were delivered, but which was ultimately terminated due to the political situation prevailing at that time.
- (c) 1991 a contract with a third supplier for the establishment of a laser laboratory, consisting of two parts: the "Laser Spectroscopy Laboratory" (LSL), for the spectroscopic study of uranium metal; and the "Comprehensive Separation Laboratory" (CSL), at which enrichment would be carried out on a milligram scale. The contract also provided for the supply to Iran of 50 kg of natural uranium metal (which was imported in 1993). The equipment was able to enrich uranium up to the contracted level of 3% U-235, and even slightly beyond, in the course of the

experiments. It was used until October 2002, when the laboratories, and the nuclear material, were moved from TNRC to Lashkar Ab'ad. None of these activities involving nuclear material were reported to the Agency.

(d) 1998 – a contract with a fourth supplier to obtain information related to laser enrichment, and the supply of relevant equipment. However, due to the inability of the supplier to secure export licences, only some of the equipment was delivered (to Lashkar Ab'ad).

60. The equipment imported in connection with the above mentioned AVLIS and MLIS projects was presented to the Agency inspectors in October 2003, and the inspectors were able to discuss the projects with individuals who had been involved with them and to take environmental samples. Final assessment must await evaluation of the recently available information and the environmental sampling results.

61. In October 2003, Iran provided more information on Lashkar Ab'ad, and acknowledged that it had in fact contained a pilot plant for laser enrichment using AVLIS techniques, which had been established in 2000 pursuant to a project involving the fourth country. As indicated above, this contract was not fully implemented, since export licences were not obtained for all of the equipment. The project had consisted of several contracts covering not only the supply of information, as indicated in Iran's letter of 21 October 2003 to the Agency, but also delivery of more powerful copper vapour lasers (CVLs) up to 150 kW. Since the delivery of the CVLs was blocked due to the lack of export licences, the equipment at LSL and CSL was moved to Lashkar Ab'ad in October 2002, and, taking advantage of the CVL and dye lasers from these laboratories and the large vacuum chamber and associated equipment imported in 2000 and already located there, experiments were conducted from October 2002 through January 2003 using 22 kg of the 50 kg of imported natural uranium metal. According to Iranian authorities, the uranium metal was located at Lashkar Ab'ad from December 2002 through May 2003. The equipment was dismantled in May 2003 and transferred together with uranium metal to Karaj, where they were presented to Agency inspectors on 28 October 2003. The Agency took environmental samples from the equipment and nuclear material presented to it.

62. In its letter of 21 October 2003, Iran also informed the Agency that it had used for separation experiments at LSL and CSL at TNRC 8 kg of the 50 kg of natural uranium metal imported in 1993.

63. The equipment received in 1992 and 1999 was suitable for pilot plant scale operations of uranium isotope separation using AVLIS. As an isotope separation plant is defined in Article 98.I.(a) of the Safeguards Agreement as a facility, the existence of these facilities should have been declared to the Agency, and information provided on an as-built basis at Lashkar Ab'ad, and its subsequent transfer to Karaj.

64. Iran had failed to report the receipt and use of uranium metal and to provide design information for LSL, CSL and Lashkar Ab'ad. In the meeting of 1 November 2003, Iran agreed, as a corrective measure, to submit the relevant ICRs concerning the use of the uranium metal, which will be presented for Agency verification during the inspection scheduled for 8–15 November 2003. Iran also agreed to submit design information for a new storage facility at Karaj, where the waste from the laser enrichment programme is being stored along with the dismantled equipment, and to amend the design information for JHL to cover the mass spectrometer and laser laboratories as well as some waste tanks containing nuclear material.

65. Final assessment is pending evaluation of the new information, the verification results from the November 2003 inspection and the results of environmental and other sample taking.

Heavy Water Reactor Programme

66. In response to Agency enquiries in September 2002, Iran confirmed in February 2003 its construction of a Heavy Water Production Plant at Arak. In explaining the need for such a plant, Iranian officials said that they had not known whether their uranium enrichment programme would succeed, and that, therefore, they had considered in the 1980s the possibility of constructing a natural uranium nuclear power plant using heavy water as the moderator and coolant. They further explained that, now that the enrichment programme had succeeded, there was no need for heavy water production, and they were not sure whether the plant would be completed. On 26 February 2003, the Agency submitted a number of questions to Iran about its heavy water reactor programme, requesting that it provide further information, in particular on any plans Iran had to build heavy water reactors.

Design and Purpose of the IR-40

67. The Agency was first informed of Iran's construction of a heavy water reactor in a letter from Iran dated 5 May 2003. In that letter, Iran stated that it intended to construct a 40 MW(th) heavy water reactor, the Iran Nuclear Research Reactor (IR-40) at Arak. Enclosed with the letter was only preliminary design information on the reactor, in which the reactor power output of 40 MW(th) was confirmed; it did not include information on the fuel or the reactor design. At the same time, Iran provided preliminary information on a facility intended to manufacture fuel for IR-40, namely the Fuel Manufacturing Plant (FMP) to be built on the Esfahan site.

68. During a technical visit to Iran by the Agency on 10–13 July 2003, the Iranian authorities made a presentation on some of the technical features of the IR-40, and informed the Agency that the construction was planned to start in 2004. According to statements made in the course of this presentation, Iran had decided to replace TRR because, after 35 years of operation, it was reaching the safety limits for which it had been designed and because of its location within what had become the suburbs of the city of Tehran. However, as it had tried, unsuccessfully, on several occasions to import a research reactor suitable for medical, industrial isotope production and for research and development, Iran had decided in the mid-1980s to construct its own reactor. The only alternative was a heavy water reactor which could use UO_2 and zirconium produced in Esfahan. According to the Iranian authorities, to meet its isotope production requirements, such a reactor should have a neutron flux of 10^{13} to 10^{14} n/cm²/s, based on a power of the order of 30-40 MW(th) when using natural UO_2 fuel.

69. During the presentation, the Iranian authorities informed the Agency that the facility was based on indigenous design, and that it was currently in the detailed design phase and would be built in the Khondab area near Arak. The core fuel assemblies would be made from natural UO_2 and supplied by FMP, the feed for which would be supplied by UCF, currently under construction at Esfahan. The Agency was informed that the construction of FMP would begin in 2003 and be completed in 2006, and that operations were planned to start in 2007. Iran provided updated design information on the IR-40 on 26 July 2003, and preliminary design information on FMP in 2003.

70. In a letter to the Agency dated 19 August 2003, the AEOI provided more information on Iran's heavy water reactor programme, stating that a decision to start the research and development had been made in the early 1980s.

71. As indicated above, Iran previously stated that the IR-40 was of indigenous design. According to the information provided by Iran in its letter of 21 October 2003, however, foreign experts had been consulted in the development of some parts of the design of the reactor. When asked, Iranian

authorities stated that they had conducted extensive reactor core calculations for the fuel management strategies and to control the excess reactivity⁶ of the core. In that letter, Iran stated further that the reactor design had been 90% completed by the end of 2002, and the detailed design was expected to be completed by the end of 2005.

72. On 29 October 2003, Iran informed the Agency that the production of both "short lived" and "long lived" isotopes had been considered for this project, and that the exact amount and type of these isotopes would be decided upon during the detailed design stage of the project.

Hot Cells

73. During its July 2003 visit to Tehran, the Agency was provided with drawings of the reactor. Contrary to what would have been expected given the declared radioisotope production purpose of the facility, the drawings contained no references to hot cells. The Agency raised this issue during that visit, particularly in light of open source reports of recent efforts by Iran to acquire from abroad heavy manipulators and leaded windows designed for hot cell applications. The Agency indicated to the Iranian authorities that, given the specifications of the manipulators and windows which were the subject of those reports, a design for hot cells should exist already and that, therefore, the hot cell, or cells, should already have been declared, at least on a preliminary basis, as part of the facility or as a separate installation. On 4 August 2003, the Agency was provided with updated design information on the IR-40 which did not contain any references to hot cells. Later in August, Iran informed the Agency that, as Iran had not been certain about the success of its procurement efforts, the design of the hot cell(s) had not been included in the preliminary drawings of the IR-40 Research Reactor.

74. In its letter of 21 October 2003, Iran acknowledged that two hot cells had been foreseen for this project. However, according to the information provided in that letter, neither the design nor detailed information about the dimensions or the actual layout of the hot cells were available at the present time, since they did not know the characteristics of the manipulators and shielded windows for the hot cells which they could procure. Iran indicated in that letter that manipulators would be needed for: 4 hot cells for the production of medical radioisotopes, 2 hot cells for the production of Co-60 and Ir-192 sources, 3 hot cells for waste processing, and 10 back-up manipulators. The 21 October 2003 letter included a drawing of a building which Iran said would contain hot cells for the production of isotopes. In the meeting on 1 November 2003, upon further Agency inquiry, Iran confirmed that there were tentative plans to construct at the Arak site an additional building with hot cells for the production of "short lived" isotopes, and that it intended to construct the other building to produce "long lived" radioisotopes. Iran agreed to provide preliminary design information for the second building.

75. Agency experts will examine in detail all of the available information with a view to making a technical assessment of the explanations provided by Iran concerning the prospective use of the hot cells at Arak and the associated equipment and manipulators.

Heavy water production capacity and inventory

76. According to Iranian statements, the estimated annual need for heavy water at the IR-40 is less than 1 t. In a 19 August 2003 letter to the Agency, Iran provided additional information on the amount of heavy water initially needed for the reactor (approximately 80–90 t), and on the design capacity of

⁶ Excess reactivity is the maximum deviation from criticality attainable at any time by adjustment of the reactor's control rods.

the heavy water production plant under construction at Khondab near Arak (8 t of heavy water per year with expansion capabilities to twice its design capacity). According to the information provided in that letter, Iran plans to start the production of heavy water in 2004. In that letter, Iran stated further that laboratory scale experiments to produce heavy water had been conducted in Esfahan in the 1980s using electrolysis techniques.

77. In a meeting held on 29 October 2003, Iran confirmed that the construction of a second production line, with a production capacity of 8 t, had been started. It was further stated that the Khondab facility was actually a pilot plant, and that no laboratory or other experiments using the Girdler-Sulphide method (to be used at the Arak facility) had been carried out in the past in Iran.

LIST OF LOCATIONS RELEVANT TO THE IMPLEMENTATION OF AGENCY SAFEGUARDS

LOCATION	AS OF NOVEMBER 2003	STATUS
TEHRAN NUCLEAR RESEARCH CENTRE	Tehran Research Reactor (TRR)	Operating
	Molybdenum, Iodine and Xenon Radioisotope Production Facility (MIX Facility)	Constructed, but not operating
	*Jabr Ibn Hayan Multipurpose Laboratories (JHL)	Operating
	*Waste Handling Facility (WHF)	Operating
TEHRAN	*Kalaye Electric Company	Dismantled pilot enrichment facility
BUSHEHR	Bushehr Nuclear Power Plant (BNPP)	Under construction
ESFAHAN NUCLEAR TECHNOLOGY CENTRE	Miniature Neutron Source Reactor (MNSR)	Operating
	Light Water Sub-Critical Reactor (LWSCR)	Operating
	Heavy Water Zero Power Reactor (HWSPR)	Operating
	Fuel Fabrication Laboratory (FFL)	Operating
	Uranium Chemistry Laboratory (UCL)	Closed down
	Uranium Conversion Facility (UCF)	Under construction, first process units being commissioned for operation
	Graphite Sub-Critical Reactor (GSCR)	Decommissioned
	*Fuel Manufacturing Plant (FMP)	In detailed design stage, construction to begin in 2004
NATANZ	*Pilot Fuel Enrichment Plant (PFEP)	Operating
	*Fuel Enrichment Plant (FEP)	Under construction

KARAJ	*Radioactive Waste Storage	Under construction, but partially operating
LASHKAR AB'AD	*Pilot Uranium Laser Enrichment Plant	Dismantled
ARAK	*Iran Nuclear Research Reactor (IR-40)	In detailed design phase
	*Hot cell facility for production of radioisotopes	In preliminary design stage
	*Heavy Water Production Plant (HWPP)	Under construction Not subject to Safeguards Agreement
ANARAK	*Waste storage site	Waste to be transferred to JHL

* Locations declared in 2003



MAP OF IRAN

	1
AEOI	Atomic Energy Organisation of Iran
AUC	ammonium uranyl carbonate
AVLIS	atomic vapour laser isotope separation
BNPP	Bushehr Nuclear Power Plant, Bushehr
СО	carbon monoxide
CSL	Comprehensive Separation Laboratory, TNRC and Lashkar Ab'ad
CVL	copper vapour laser
DIV	design information verification
ENTC	Esfahan Nuclear Technology Centre
FEP	Fuel Enrichment Plant, Natanz
FFL	Fuel Fabrication Laboratory, ENTC
FMP	Fuel Manufacturing Plant, ENTC
GSCR	Graphite, Sub-Critical Reactor, ENTC
HEU	high enriched uranium
HWPP	Heavy Water Production Plant, Arak
HWSPR	Heavy Water Zero Power Reactor, ENTC
ICR	inventory change report
IR-40	Iran Nuclear Research Reactor, Arak
JHL	Jabr Ibn Hayan Multipurpose Laboratories, TNRC
LEU	low enriched uranium
LSL	Laser Separation Laboratory, TNRC and Lashkar Ab'ad
LWSCR	Light Water Sub-Critical Reactor, ENTC
MBR	material balance report
MIX Facility	Molybdenum, Iodine and Xenon Radioisotope Facility, TNRC
MLIS	molecular laser isotope separation
MNSR	Miniature Neutron Source Reactor, ENTC
PFEP	Pilot Fuel Enrichment Plant, Natanz
PIL	physical inventory listing
	1

SF ₆	sulphur hexafluoride
TNRC	Tehran Nuclear Research Centre
TRR	Tehran Research Reactor, Tehran
UCF	Uranium Conversion Facility, ENTC
UCL	Uranium Chemistry Laboratory, ENTC
UF ₄	uranium tetrachloride
UF ₆	uranium hexafluoride
UO ₂	uranium dioxide
UO ₃	uranium trioxide
U ₃ O ₈	urano-uranic oxide
UOC	uranium ore concentrate
WHF	Waste Handling Facility, TNRC
WSF	Waste Storage Facility, Karaj



Derestricted 24 September 2005 (This document has been derestricted at the meeting of the Board on 24 September 2005)

Board of Governors

GOV/2005/77 Date: 24 September 2005

Original: English

For official use only

Item 6(d) of the agenda (GOV/2005/70)

Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

Resolution adopted on 24 September 2005

The Board of Governors,

(a) <u>Recalling</u> the resolutions adopted by the Board on 11 August 2005 (GOV/2005/64), 29 November 2004 (GOV/2004/90), 18 September 2004 (GOV/2004/79), 18 June 2004 (GOV/2004/49, 13 March 2004 (GOV/2004/21), 26 November 2003 (GOV/2003/81) and on 12 September 2003 (GOV/2003/69), the statement of the Board of 19 June 2003 (GOV/OR.1072) and the Chairman of the Board's conclusions of March 2005 (GOV/OR.1122) and of June 2005 (GOV/OR.1130),

(b) <u>Recalling</u> that Article IV of the Treaty on the Non Proliferation of Nuclear Weapons stipulates that nothing in the Treaty shall be interpreted as affecting the inalienable rights of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II of the Treaty,

(c) <u>Commending</u> the Director General and the Secretariat for their professional and impartial efforts to implement the Safeguards Agreement in Iran, to resolve outstanding safeguards issues in Iran and to verify the implementation by Iran of the suspension,

(d) <u>Recalling</u> Iran's failures in a number of instances over an extended period of time to meet its obligations under its NPT Safeguards Agreement (INFCIRC 214) with respect to the reporting of nuclear material, its processing and its use, as well as the declaration of facilities where such material had been processed and stored, as reported by the Director General in his report GOV/2003/75 dated 10 November 2003 and confirmed in GOV/2005/67, dated 2 September 2005,

(e) <u>Recalling also</u> that, as deplored by the Board in its resolution GOV/2003/81, Iran's policy of concealment has resulted in many breaches of its obligation to comply with its Safeguards Agreement,

(f) <u>Recalling</u> that the Director General in his report to the Board on 2 September 2005 noted that good progress has been made in Iran's correction of the breaches and in the Agency's ability to confirm certain aspects of Iran's current declarations,

(g) <u>Noting</u> that, as reported by the Director General, the Agency is not yet in a position to clarify some important outstanding issues after two and a half years of intensive inspections and investigation and that Iran's full transparency is indispensable and overdue,

(h) <u>Uncertain</u> of Iran's motives in failing to make important declarations over an extended period of time and in pursuing a policy of concealment up to October 2003,

(i) <u>Concerned</u> by continuing gaps in the Agency's understanding of proliferation sensitive aspects of Iran's nuclear programme,

(j) <u>Recalling</u> the emphasis placed in past resolutions on the importance of confidence building measures and that past resolutions have reaffirmed that the full and sustained implementation of the suspension notified to the Director General on 14 November 2004, as a voluntary, non legally binding confidence building measure, to be verified by the Agency, is essential to addressing outstanding issues,

(k) <u>Deploring</u> the fact that Iran has to date failed to heed the call by the Board in its resolution of 11 August 2005 to re-establish full suspension of all enrichment related activities including the production of feed material, including through tests or production at the Uranium Conversion Facility,

(1) <u>Also concerned</u> that Iran has to date failed to heed repeated calls to ratify the Additional Protocol and to reconsider its decision to construct a research reactor moderated by heavy water, as these measures would have helped build confidence in the exclusively peaceful nature of Iran's nuclear programme,

(m) <u>Noting</u> that the Director General reported that the Agency "continues to follow up on information pertaining to Iran's nuclear programme and activities that could be relevant to that programme" and that "the Agency's legal authority to pursue the verification of possible nuclear weapons related activity is limited" (GOV/2005/67),

(n) <u>Endorsing</u> the Director General's description of this as a special verification case, and

(o) Noting that the Agency is still not in a position to conclude that there are no undeclared nuclear materials or activities in Iran,

1. <u>Finds</u> that Iran's many failures and breaches of its obligations to comply with its NPT Safeguards Agreement, as detailed in GOV/2003/75, constitute non compliance in the context of Article XII.C of the Agency's Statute;

2. <u>Finds also</u> that the history of concealment of Iran's nuclear activities referred to in the Director General's report, the nature of these activities, issues brought to light in the course of the Agency's verification of declarations made by Iran since September 2002 and the resulting absence of confidence that Iran's nuclear programme is exclusively for peaceful purposes have given rise to questions that are within the competence of the Security Council, as the organ bearing the main responsibility for the maintenance of international peace and security;

3. <u>Requests</u> the Director General to continue his efforts to implement this and previous Resolutions and to report again, including any further developments on the issues raised in his report of 2 September 2005 (GOV/2005/67) to the Board. The Board will address the timing and content of the report required under Article XII.C and the notification required under Article III.B.4;

4. In order to help the Director General to resolve outstanding questions and provide the necessary assurances, <u>urges</u> Iran:

(i) To implement transparency measures, as requested by the Director General in his report, which extend beyond the formal requirements of the Safeguards Agreement and Additional Protocol, and include access to individuals, documentation relating to procurement, dual use equipment, certain military owned workshops and research and development locations;

(ii) To re-establish full and sustained suspension of all enrichment-related activity, as in GOV/2005/64, and reprocessing activity;

(iii) To reconsider the construction of a research reactor moderated by heavy water;

(iv) Promptly to ratify and implement in full the Additional Protocol;

(v) Pending completion of the ratification of the Additional Protocol to continue to act in accordance with the provisions of the Additional Protocol, which Iran signed on 18 December 2003;

5. <u>Calls on</u> Iran to observe fully its commitments and to return to the negotiating process that has made good progress in the last two years;

6. <u>Requests</u> the Director General to continue his efforts to implement the Agency's Safeguards Agreement with Iran, to implement provisionally the Additional Protocol to that Agreement, and to pursue additional transparency measures required for the Agency to be able to reconstruct the history and nature of all aspects of Iran's past nuclear activities, and to compensate for the confidence deficit created; and

7. <u>Decides</u> to remain seized of the matter.



Board of Governors

GOV/2006/15 Date: 27 February 2006

Original: English

For official use only Item 5(c) of the provisional agenda (GOV/2006/8)

Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

Report by the Director General

1. A meeting of the Board of Governors was held from 2 to 4 February 2006 to discuss the implementation of the Agreement between the Islamic Republic of Iran (hereinafter referred to as Iran) and the Agency for the Application of Safeguards in connection with the Treaty on the Non-Proliferation of Nuclear Weapons.¹ The meeting was called in response to the announcement by Iran of its decision to resume from 9 January 2006 "R&D activities on the peaceful nuclear energy programme which has been suspended as part of its expanded voluntary and non-legally binding suspension."²

2. On 4 February 2006, the Board of Governors adopted a resolution (GOV/2006/14) in paragraph 1 of which it, inter alia, underlined that outstanding questions can best be resolved and confidence built in the exclusively peaceful nature of Iran's programme by Iran responding positively to the calls for confidence building measures which the Board has made on Iran, and in this context deemed it necessary for Iran to:

- re-establish full and sustained suspension of all enrichment related and reprocessing activities, including research and development, to be verified by the Agency;
- reconsider the construction of a research reactor moderated by heavy water;
- ratify promptly and implement in full the Additional Protocol;
- pending ratification, continue to act in accordance with the provisions of the Additional Protocol which Iran signed on 18 December 2003;
- implement transparency measures, as requested by the Director General, including in GOV/2005/67, which extend beyond the formal requirements of the Safeguards Agreement

¹ INFCIRC/214.

² See GOV/2006/11.

and Additional Protocol, and include such access to individuals, documentation relating to procurement, dual use equipment, certain military-owned workshops and research and development as the Agency may require in support of its ongoing investigations.

3. As requested by the Board in paragraph 2 of that resolution, on 4 February 2006, the Director General reported to the Security Council of the United Nations that the steps set out in paragraph 1 of the resolution were required of Iran by the Board and reported to the Security Council all IAEA reports and resolutions, as adopted, relating to this issue.

4. In paragraph 8 of GOV/2006/14, the Board also requested the Director General to report on the implementation of that resolution, and previous resolutions, to the next regular session of the Board, for its consideration, and immediately thereafter to convey, together with any resolution from the March Board, that report to the Security Council.

5. This report is being submitted to the Board in response to its request in paragraph 8 of GOV/2006/14.³ It provides an update on the developments that have taken place since November 2005, and an update of the Agency's September 2005 overall assessment, in connection with the implementation of the NPT Safeguards Agreement in Iran and on the Agency's verification of Iran's voluntary suspension of enrichment related and reprocessing activities.

A. Developments since November 2005

A.1. Enrichment Programme

6. As detailed in the Director General's report of 18 November 2005 (GOV/2005/87), during meetings that took place in October and November 2005, the Agency requested Iran to provide additional information on certain aspects of its enrichment programme. Responses to some of these requests were provided during discussions held in Tehran from 25 to 29 January 2006 between Iranian officials and an Agency team headed by the Deputy Director General for Safeguards (DDG-SG). Another Agency team visited Iran from 12 to 14 February 2006 to further discuss, inter alia, the outstanding issues related to both uranium enrichment and the plutonium experiments. On 26 February 2006, the DDG-SG visited Iran again to discuss with Iranian authorities issues related to the Physics Research Centre (PHRC) and the so-called Green Salt Project (see paras 33–39 below).

A.1.1. Contamination

7. As part of its assessment of the correctness and completeness of Iran's declarations concerning its enrichment activities, the Agency is continuing to investigate the source(s) of low enriched uranium

³ The initial report to the Board of Governors on this matter was provided by the Director General orally at the Board's meeting on 17 March 2003. The Director General has since then submitted 16 written reports to the Board: GOV/2003/40, dated 6 June 2003; GOV/2003/63, dated 26 August 2003; GOV/2003/75, dated 10 November 2003; GOV/2004/11, dated 24 February 2004; GOV/2004/34, dated 1 June 2004, and Corr.1, dated 18 June 2004; GOV/2004/60, dated 1 September 2004; GOV/2004/83, dated 15 November 2004; INFCIRC/648, dated 1 August 2005; GOV/2005/61, dated 8 August 2005; GOV/2005/62, dated 10 August 2005; GOV/2005/67, dated 2 September 2005; GOV/INF/2005/13, dated 2 November 2005; GOV/2005/87, dated 18 November 2005; GOV/INF/2006/1, dated 3 January 2006; GOV/INF/2006/2, dated 10 January 2006; and GOV/INF/2006/3, dated 6 February 2006. In addition, the Deputy Director General for Safeguards made oral statements to the Board on 1 March 2005 (GOV/OR.1119), 16 June 2005 (GOV/OR.1130) and 2 February 2006.

(LEU) particles, and some high enriched uranium (HEU) particles, which were found at locations where Iran has declared that centrifuge components had been manufactured, used and/or stored.⁴

8. As reported by the Director General in November 2005,⁵ the analysis of the environmental samples collected at a location in a Member State where, according to Iran, the centrifuge components had been stored by the procurement network in the mid-1990s prior to their shipment to Iran, did not indicate any traces of nuclear material. This could be explained, for example, by the fact that the storage locations had changed ownership and been renovated over the past decade, and the components had mainly been stored in their original packing.

9. To further understand the source of some of the contamination found in Iran, the Agency sampled in December 2005 a centrifuge which had been received by a Member State from the procurement network. The results of the analysis of those samples, together with earlier findings,⁶ tend, on balance, to support Iran's statement about the foreign origin of most of the HEU contamination. However, the origin of some HEU particles, and of the LEU particles, remains to be further investigated. The Agency is awaiting additional information from another Member State from which contaminated components originated.

10. Due to the fact that it is difficult to establish a definitive conclusion with respect to the origin of all of the contamination, it is essential to make progress on the scope and chronology of Iran's experiments with UF_6 in its centrifuge enrichment programme.

A.1.2. Acquisition of P-1 centrifuge technology

11. As previously reported to the Board,⁷ the Agency was shown by Iran in January 2005 a copy of a handwritten one-page document reflecting an offer said to have been made to Iran in 1987 by a foreign intermediary. The document concerned the possible supply of a disassembled centrifuge (including drawings, descriptions and specifications for the production of centrifuges); drawings, specifications and calculations for a "complete plant"; and materials for 2000 centrifuge machines. The document also made reference to: auxiliary vacuum and electric drive equipment; a complete set of workshop equipment for mechanical, electrical and electronic support; and uranium re-conversion and casting capabilities. Iran has declined the Agency's request for a copy of the one-page document.

12. On 25 January 2006, Iran reiterated that that document was the only remaining documentary evidence relevant to the scope and content of the 1987 offer, attributing this to the secret nature of the programme and the management style of the Atomic Energy Organization of Iran (AEOI) at that time. Iran stated that no other written evidence exists, such as meeting minutes, administrative documents, reports, personal notebooks or the like, to substantiate its statements concerning that offer.

13. Iran has maintained that only some components of one or two disassembled centrifuges, and supporting drawings and specifications, were delivered by the network, but that a number of other items of equipment referred to in the document were purchased directly from other suppliers.⁸

14. During the Agency's visit to Iran between 12 and 14 February 2006, Iran provided some clarification of supporting documentation previously shown to the Agency concerning items procured

⁴ GOV/2005/67, paras 9–12.

⁵ GOV/2005/87, para. 3.

⁶ GOV/2005/67, para. 12.

⁷ GOV/2005/67, para. 14.

⁸ GOV/2005/87, paras 5–6.

by Iran. Iran also showed the Agency delivery documents for most of the items said to have been purchased directly by Iran from other suppliers, which tend to confirm the Iranian statement concerning its acquisition of those items.

15. As previously reported to the Board,⁹ according to Iran, there were no contacts by Iran with the network between 1987 and mid-1993. Statements made by Iran and key members of the network about the events leading to the mid-1990s offer are still at variance with each other. In this context, Iran has been requested to provide further clarification of the timing and purpose of certain trips taken by AEOI staff members in the mid-1990s.

16. Iran has said it is unable to supply any documentation or other information about the meetings that led to the acquisition of 500 sets of P-1 centrifuge components in the mid-1990s. The Agency is still awaiting clarification of the dates and contents of the shipments.

17. During the Agency's 12–14 February 2006 visit to Iran, no additional information related to the timing of the mid-1990s trips, or to the chronology or contents of the shipments, was made available by Iran. Iran agreed, however, to provide the Agency with further clarifications in writing regarding the latter issue.

A.1.3. Acquisition of P-2 centrifuge technology

18. Iran still maintains that, as a result of the discussions held with the intermediaries in the mid-1990s, the intermediaries supplied only drawings for P-2 components containing no supporting specifications, and that no P-2 components were delivered by the intermediaries along with the drawings or thereafter. Iran continues to assert that no work was carried out on P-2 centrifuges during the period 1995 to 2002, and that at no time during this period did it ever discuss with the intermediaries the P-2 centrifuge design, or the possible supply of P-2 centrifuge components. In light of information available to the Agency indicating the possible delivery of such components during that period, which information was shared with Iran, Iran was asked in November 2005 to check again whether any deliveries of P-1 or P-2 components had been made after 1995. Iran reiterated to the Agency during its 12–14 February 2006 visit that there had been no such deliveries after 1995.

19. In connection with the research and development (R&D) work on a modified P-2 design, said by Iran to have been carried out by a contracting company between early 2002 and July 2003, Iran has confirmed that the contractor had made enquiries about, and purchased, magnets suitable for the P-2 centrifuge design. During the Agency's mid-February 2006 visit, Iran provided some additional clarification about the types of P-2 magnets it had received, but maintained that only a limited number of magnets had been delivered. In response to Agency questioning about Iran's inquiries into the delivery of larger quantities of magnets (900 pieces) from a foreign entity in mid-2003, Iran stated that it had never ordered or received such magnets. The Agency is still awaiting clarification of all of Iran's efforts to acquire such magnets.

A.2. Uranium Metal

20. As reported to the Board in the Director General's report of November 2005,¹⁰ among the documents shown by Iran to the Agency, said to have been the centrifuge enrichment related drawings, specifications and supporting documentation provided by the intermediaries, was a 15-page document describing the procedures for the reduction of UF_6 to uranium metal in small quantities, and

⁹ GOV/2005/87, para. 11.

¹⁰ GOV/2005/87, para. 6.

for the casting of enriched and depleted uranium metal into hemispheres, related to the fabrication of nuclear weapon components. It did not, however, include dimensions or other specifications for machined pieces for such components. According to Iran, this document was provided on the initiative of the network, and not at the request of the AEOI, but it is not able to establish when Iran received the document. Iran has declined the Agency's request to provide it with a copy of the document, but did permit the Agency, during its visit in January 2006, to examine the document again and to place it under Agency seal. During the visit in mid-February 2006, the Agency again requested a copy of the document in order for the Agency to complete its assessment of the document, which Iran again declined to provide.

21. As described in the Director General's report of November 2004, during the period between 1995 and 2000, Iran conducted a series of experiments to produce uranium metal from UF_4 .¹¹ Based on the results of the Agency's investigations, it appears that Iran's motivation for conducting uranium reduction experiments was initially to make uranium metal for its laser programme and, later, to develop an alternative process for the Uranium Conversion Facility (UCF).¹² While Iran also made a few simple attempts at casting and machining, neither these nor the reduction experiments appear to have followed the procedures outlined in the 15-page document referred to above.

22. Although there is no indication about the actual use of the document, its existence in Iran is a matter of concern. It is related to uranium re-conversion and casting which was part of the original 1987 offer by the intermediaries but which was not, according to Iran, pursued. However, the Agency is aware that the intermediaries had this document, as well as other similar documents, which the Agency has seen in another Member State. Therefore, it is essential to understand the full scope of the offer made by the network in 1987.

A.3. Plutonium Experiments

23. As indicated earlier,¹³ the Agency has been following up with Iran information provided by Iran concerning its plutonium separation experiments.

24. In order to clarify differences between findings by the Agency and statements made by Iran, a number of plutonium discs were brought by the Agency to Vienna for further analysis to determine the exact isotopic composition of the plutonium. The Agency's analysis showed, in particular, that the Pu-240 content measured on eight of the discs was significantly lower than the Pu-240 content of the solution from which the plutonium deposited on the discs was said to have originated.

25. In August 2005, the Agency also conducted detailed verification of unprocessed irradiated UO_2 targets stored in containers in Iran. The results of these non-destructive and destructive analysis measurements indicate that the duration of irradiation was longer than the duration derived from the irradiation parameters provided by Iran.

26. On 6 February 2006, the Agency provided Iran with a summary report of the results of the Agency's analysis of all data available to it as of that date and requested further clarifications in light

¹¹ GOV/2004/83, paras 13–22.

¹² The Agency has noted in past reports that the role of uranium metal in Iran's nuclear fuel cycle still needed to be fully understood. Iran has told the Agency that its rationale for such work was the use of uranium metal: for Iran's possible future Magnox reactors; for the production of radiation shielding; as feed material for its laser enrichment programme; for radiation shielding; and to gain know-how in nuclear material production. The rationale given by Iran for the production of depleted uranium metal was to reduce the storage requirements for depleted UF₆. See GOV/2003/40, paras 20 and 34; GOV/2003/63, paras 20–21; GOV/2003/75, para. 25; GOV/2004/11, para. 15; and GOV/2004/83, para. 20.

¹³ GOV/2005/67, paras 21–25.

of the above inconsistencies. During its 12–14 February 2006 visit to Iran, the Agency met with Iranian officials to discuss the Agency's findings; in the course of the discussion, Iran agreed to provide such clarifications. In a letter dated 15 February 2006, Iran provided some clarifications in connection with the issue referred to in paragraph 25 above, which the Agency is now assessing.

A.4. Other Implementation Issues

27. There are no new developments to report with respect to Iran's uranium mining activities¹⁴ or with respect to Iran's activities involving polonium and beryllium,¹⁵ which the Agency is still assessing.

28. On 19 February 2006, the Agency visited the Iran Nuclear Research Reactor (IR-40) at Arak to carry out design information verification, and confirmed that the civil engineering work was still ongoing. However, according to Iran, the commissioning date for the reactor is likely to be postponed until 2011.

29. On 9 October 2005, the Agency also carried out a design information verification visit at the Fuel Manufacturing Plant (FMP) at Esfahan. The civil engineering construction of the plant is ongoing; however, the Agency was informed that the commissioning date of 2007, as indicated in the design information provided by Iran, was likely to be postponed.

A.5. Voluntary Implementation of the Additional Protocol

30. Iran has continued to facilitate access under its Safeguards Agreement as requested by the Agency and, until 6 February 2006, implemented the Additional Protocol as if it were in force, including by providing, in a timely manner, the requisite declarations and access to locations. Since November 2005, the Agency has conducted complementary access at three locations.

31. On 6 February 2006, Iran informed the Agency, inter alia, that:¹⁶

- "1. As stipulated in Para 7 of INFCIRC/666, from the date of this letter, our commitment on implementing safeguards measures will only be based on the NPT Safeguards Agreement between the Islamic Republic of Iran and the Agency (INFCIRC/214).
 - 2. From the date of this letter, all voluntarily suspended non-legally binding measures including the provisions of the Additional Protocol and even beyond that will be suspended.

Therefore based on the above mentioned, it is requested the following measures be taken by the Agency:

- a. The Agency's inspector presence in the Islamic Republic of Iran for the verification activities should be scheduled only on the basis of the Safeguards Agreement.
- b. All the Agency's containment and surveillance measures which were in place beyond the normal Agency safeguards measures should be removed by mid February 2006.

¹⁴ GOV/2005/67, paras 26–31.

¹⁵ GOV/2005/67, para. 34.

¹⁶ GOV/INF/2006/3.

c. From now on, the regular channels of communication (code 1.1 of the Subsidiary Arrangement) should only be through the Permanent Mission of the Islamic Republic of Iran to the IAEA in Vienna."

A.6. Transparency Visits and Discussions

32. On 1 November 2005, the Agency was given access to a military site at Parchin where several environmental samples were taken.¹⁷ The Agency did not observe any unusual activities in the buildings visited, and the results of the analysis of environmental samples did not indicate the presence of nuclear material at those locations.

33. Since 2004, the Agency has been awaiting additional information and clarifications related to efforts made by the PHRC, which had been established at Lavisan-Shian,¹⁸ to acquire dual use materials and equipment that could be used in uranium enrichment and conversion activities. The Agency also requested interviews with the individuals involved in the acquisition of those items, including the former Head of the PHRC.

34. In that connection, on 26 January 2006, Iran presented to the Agency documentation on efforts by Iran, which it has stated were unsuccessful, to acquire a number of specific dual use items (electric drive equipment, power supply equipment and laser equipment, including a dye laser). Iran stated that, although the documentation suggested the involvement of the PHRC, the equipment had actually been intended for a laboratory at a technical university where the Head of the PHRC worked as a professor. Iran declined to make him available to the Agency for an interview. The Secretariat reiterated its request to interview the professor, explaining that it was essential for a better understanding of the envisioned and actual use of the equipment in question, as well as other equipment that could be relevant to uranium enrichment (balancing machines, mass spectrometers, magnets and fluorine handling equipment).

35. As indicated by the DDG-SG in his February 2006 statement to the Board, in January 2006, the Agency presented to Iran a list of high vacuum equipment purchased by the PHRC, and asked to see the equipment in situ, and to be permitted to take environmental samples from it. Some of the equipment on the Agency's list was presented to the Agency at a technical university, and environmental samples were taken from it, the results of which are still pending. The Agency subsequently wrote to Iran requesting additional clarifications regarding the procurement efforts of the PHRC and the relationship between the PHRC and the technical university. During the Agency's visit in mid-February 2006, Iran declined to discuss this matter further.

36. On 26 February 2006, the Agency met in Iran with the former Head of the PHRC, referred to above. He stated that the electric drive equipment, the power supply equipment, the laser equipment and the vacuum equipment had been used for R&D in various departments of the university. The professor explained that his expertise and connections, as well as resources available at his office in the PHRC, had been used for the procurement of equipment for the technical university. He was not aware, however, of the type of research in which other professors at the university were engaged. To the best of his knowledge, the vacuum equipment referred to above had been ordered for the physics department of the university. In this connection, Iran stated that this equipment had been used for vacuum coating, and was currently being utilized for nano technology applications. The Agency is

¹⁷ GOV/2005/87, para. 16.

¹⁸ According to Iran, the PHRC was established at Lavisan-Shian in 1989, inter alia, to "support and provide scientific advice and services to the Ministry of Defence" (see GOV/2004/60, para. 43).

assessing this information. Iran also agreed to provide the requested clarifications in relation to the balancing machines, mass spectrometers, magnets and fluorine handling equipment.

37. As also indicated by the DDG-SG in his February 2006 statement to the Board, in January 2006, Iran provided additional clarification of its efforts in 2000 to procure some other dual use material (high strength aluminium, special steel, titanium and special oils), as had been discussed in January 2005. High strength aluminium was presented to the Agency, and environmental samples were taken therefrom. Iran stated that the material had been acquired for aircraft manufacturing, but that it had not been used because of its specifications. Iran agreed to provide additional information on inquiries concerning the purchase of special steels, titanium and special oils. Iran also presented information on Iran's acquisition of corrosion resistant steel, valves and filters, which were made available to the Agency on 31 January 2006 for environmental sampling. The results of the environmental samples are still pending.

38. On 5 December 2005, the Secretariat repeated its request for a meeting to discuss information that had been made available to the Secretariat about alleged studies, known as the Green Salt Project, concerning the conversion of uranium dioxide into UF₄ (often referred to as "green salt"), as well as tests related to high explosives and the design of a missile re-entry vehicle, all of which could involve nuclear material and which appear to have administrative interconnections. On 16 December 2005, Iran replied that the "issues related to baseless allegations." Iran agreed on 23 January 2006 to a meeting with the DDG-SG for the clarification of the alleged Green Salt Project, but declined to address the other topics during that meeting. In the course of the meeting, which took place on 27 January 2006, the Agency presented for Iran's review a copy of a process flow diagram related to bench scale conversion and a number of communications related to the project. Iran reiterated that all national nuclear projects are conducted by the AEOI, that the allegations were baseless and that it would provide further clarifications later.

39. On 26 February 2006, the DDG-SG met with Iranian authorities to discuss the alleged Green Salt Project. Iran repeated that the allegations "are based on false and fabricated documents so they were baseless," and that neither such a project nor such studies exist or did exist. It stated that all national efforts had been devoted to the UCF project, and that it would not make sense to develop indigenous capabilities to produce UF_4 when such technology had already been acquired from abroad. According to information provided earlier by Iran, the company alleged to have been associated with the so-called Green Salt Project had, however, been involved in procurement for UCF and in the design and construction of the Gchine ore processing plant.

40. The Agency is assessing this and other information available to it, and is waiting for Iran to address the other topics which could have a military nuclear dimension, as mentioned above.

A.7. Suspension

41. In a letter dated 3 January 2006, Iran informed the Agency that it had decided to resume, as from 9 January 2006, "those R&D on the peaceful nuclear energy programme which ha[d] been suspended as part of its expanded voluntary and non-legally binding suspension".¹⁹ On 7 January 2006, the Agency received a letter from Iran requesting that the Agency remove seals applied at Natanz, Farayand Technique and Pars Trash for the monitoring of suspension of enrichment related

¹⁹ GOV/INF/2006/1.

activities.²⁰ The seals were removed by Iran on 10 and 11 January 2006 in the presence of Agency inspectors.

42. Since the removal of the seals, Iran has begun substantial renovation of the gas handling system at the Pilot Fuel Enrichment Plant (PFEP) at Natanz. Iran has also informed the Agency that quality control of components, and some rotor testing, was being carried out at Farayand Technique and at Natanz. Due to the fact that no centrifuge related raw materials and components are under Agency seal, the Agency is unable effectively to monitor the R&D activities being carried out by Iran except at PFEP, where containment and surveillance measures are being applied to the enrichment process. On 29 January 2006, the two cylinders at PFEP containing UF_6 from which seals had been removed on 10 January 2006 were again placed under Agency containment and surveillance.

43. On 8 February 2006, updated design information for PFEP and for the Fuel Enrichment Plant (FEP) were received by the Agency. Equipment such as process tanks and an autoclave are currently being moved into the FEP; commencement of the installation of the first 3000 P-1 machines at FEP is planned for the fourth quarter of 2006.

44. On 11 February 2006, Iran started enrichment tests by feeding a single P-1 machine with UF_6 gas. At that time, other single P-1 machines were ready for operation and a 10-machine cascade was undergoing vacuum tests. The feeding of the 10-machine cascade was begun on 15 February 2006, and, on 22 February 2006, a 20-machine cascade was subjected to vacuum testing. The enrichment process at PFEP is covered by Agency safeguards containment and surveillance measures.

45. In the letter received from Iran on 6 February 2006, referred to in paragraph 31 above, Iran stated, inter alia, that the implementation of safeguards measures would only be based on its NPT Safeguards Agreement and requested that "[a]ll the Agency's containment and surveillance measures which were in place beyond the normal Agency safeguards measures should be removed by mid February 2006."²¹ Accordingly, on 12 February 2006, the Agency modified the containment and surveillance measures at UCF. The UF₆ filling stations, all filled UF₆ cylinders and all UF₆ produced at UCF, however, remain under Agency safeguards containment and surveillance measures. The uranium conversion campaign which was begun at UCF in November 2005 is continuing and is now expected to end in April 2006. Since September 2005, approximately 85 metric tons of UF₆ has been produced at UCF.

B. Current overall assessment

46. A detailed overall assessment of Iran's nuclear programme and the Agency's efforts to verify Iran's declarations with respect to that programme was provided by the Director General in November 2004²² and again in September 2005.²³ As indicated in those reports, Iran has made substantial efforts over the past two decades to master an independent nuclear fuel cycle, and, to that end, has conducted experiments to acquire the know-how for almost every aspect of the fuel cycle. Many aspects of Iran's nuclear fuel cycle activities and experiments, particularly in the areas of uranium enrichment, uranium conversion and plutonium research, had not been declared to the Agency in accordance with Iran's

²⁰ GOV/INF/2006/2.

²¹ GOV/INF/2006/3.

²² GOV/2004/83, paras 106–114.

²³ GOV/2005/67, paras 42–52.

obligations under its Safeguards Agreement. Iran's policy of concealment continued until October 2003, and resulted in many breaches of its obligation to comply with that Agreement, as summarized in the Director General's report of September 2005.²⁴

47. Since October 2003, Iran has taken corrective actions with respect to those breaches. The Agency has been able to confirm certain aspects of Iran's current declarations, in particular in connection with uranium conversion activities, laser enrichment, fuel fabrication and the heavy water research reactor programme, which the Agency has been following up as routine implementation matters under Iran's Safeguards Agreement and, until 6 February 2006, its Additional Protocol.

48. Two important issues were identified in the Director General's November 2004 report as relevant to the Agency's efforts to provide assurance that there are no undeclared enrichment activities in Iran, specifically: the origin of LEU and HEU particle contamination found at various locations in Iran; and the extent of Iran's efforts to import, manufacture and use centrifuges of both the P-1 and P-2 designs.

49. With respect to the first issue — contamination — as indicated above, based on the information currently available to the Agency, the results of the environmental sample analysis tend, on balance, to support Iran's statement about the foreign origin of most of the observed HEU contamination. It is still not possible at this time, however, to establish a definitive conclusion with respect to all of the contamination, particularly the LEU contamination. This underscores the importance of additional information on the scope and chronology of Iran's P-1 and P-2 centrifuge programmes, which could greatly contribute to the resolution of the remaining contamination issues.

50. With respect to the second issue — the P-1 and P-2 centrifuge programmes — although some progress has been made since November 2004 in the verification of statements by Iran regarding the chronology of its centrifuge enrichment programme, the Agency has not yet been able to verify the correctness and completeness of Iran's statements concerning those programmes. While Iran has provided further clarifications, and access to additional documentation, concerning the 1987 and mid-1990s offers related to the P-1 design, the Agency's investigation of the supply network indicates that Iran should have additional supporting information that could be useful in this regard. Iran has also been asked to provide additional details on the process that led to Iran's decision in 1985 to pursue centrifuge enrichment and on the steps leading to its acquisition of centrifuge enrichment technology in 1987. However, Iran maintains that no information, other than that already provided to the Agency, exists.

51. No additional information or documentation has been provided with respect to Iran's statement that it did not pursue any work on the P-2 design between 1995 and 2002. As indicated above, Iran has been requested to search for more information, and any supporting documentation, relevant to the P-2 programme, in particular with regard to the scope of the original offer in connection with the P-2 centrifuge design and Iran's acquisition of items linked to that programme. Iran, however, maintains that no such information exists.

52. The Agency continues to follow up on all information pertaining to Iran's nuclear programme and activities. Although absent some nexus to nuclear material the Agency's legal authority to pursue the verification of possible nuclear weapons related activity is limited, the Agency has continued to seek Iran's cooperation as a matter of transparency in following up on reports related to equipment, materials and activities which have applications both in the conventional military area and in the civilian sphere as well as in the nuclear military area. In this regard, Iran has permitted the Agency to visit defence related sites at Kolahdouz, Lavisan and Parchin. The Agency did not observe any

²⁴ GOV/2005/67, paras 4–8.

unusual activities in the buildings visited at Kolahdouz and Parchin, and the results of environmental sampling did not indicate the presence of nuclear material at those locations. The Agency is still assessing the available information, and awaiting other additional information, in relation to the Lavisan site and the PHRC.

53. As indicated to the Board in November 2004, and again in September 2005, all the declared nuclear material in Iran has been accounted for. Although the Agency has not seen any diversion of nuclear material to nuclear weapons or other nuclear explosive devices, the Agency is not at this point in time in a position to conclude that there are no undeclared nuclear materials or activities in Iran. The process of drawing such a conclusion, under normal circumstances, is a time consuming process even with an Additional Protocol in force. In the case of Iran, this conclusion can be expected to take even longer in light of the undeclared nature of Iran's past nuclear programme, and in particular because of the inadequacy of information available on its centrifuge enrichment programme, the existence of a generic document related to the fabrication of nuclear weapon components, and the lack of clarification about the role of the military in Iran's nuclear programme, including, as mentioned above, about recent information available to the Agency concerning alleged weapon studies that could involve nuclear material.

54. It is regrettable, and a matter of concern, that the above uncertainties related to the scope and nature of Iran's nuclear programme have not been clarified after three years of intensive Agency verification. In order to clarify these uncertainties, Iran's full transparency is still essential. Without full transparency that extends beyond the formal legal requirements of the Safeguards Agreement and Additional Protocol — transparency that could only be achieved through Iran's active cooperation — the Agency's ability to reconstruct the history of Iran's past programme and to verify the correctness and completeness of the statements made by Iran, particularly with regard to its centrifuge enrichment programme, will be limited, and questions about the past and current direction of Iran's nuclear programme will continue to be raised. Such transparency should primarily include access to, and cooperation by, relevant individuals; access to documentation related to procurement and dual use equipment; and access to certain military owned workshops and R&D locations that the Agency may need to visit in the future as part of its investigation.

55. The Agency will pursue its investigation of all remaining outstanding issues relevant to Iran's nuclear programme, and the Director General will continue to report to the Board as appropriate.



Board of Governors

GOV/2006/14 Date: 4 February 2006

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The adopted agenda (GOV/2006/13)

Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran Resolution adopted on 4 February 2006

The Board of Governors,

- (a) <u>Recalling</u> all the resolutions adopted by the Board on Iran's nuclear programme,
- (b) <u>Recalling</u> also the Director General's reports,

(c) <u>Recalling</u> that Article IV of the Treaty on the Non Proliferation of Nuclear Weapons stipulates that nothing in the Treaty shall be interpreted as affecting the inalienable rights of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II of the Treaty,

(d) <u>Commending</u> the Director General and the Secretariat for their professional and impartial efforts to implement the Safeguards Agreement in Iran, to resolve outstanding safeguards issues in Iran and to verify the implementation by Iran of the suspension,

(e) <u>Recalling</u> the Director General's description of this as a special verification case,

(f) <u>Recalling</u> that in reports referred to above, the Director General noted that after nearly three years of intensive verification activity, the Agency is not yet in a position to clarify some important issues relating to Iran's nuclear programme or to conclude that there are no undeclared nuclear materials or activities in Iran,

(g) <u>Recalling</u> Iran's many failures and breaches of its obligations to comply with its NPT Safeguards Agreement and the absence of confidence that Iran's nuclear programme is exclusively for peaceful purposes resulting from the history of concealment of Iran's nuclear activities, the nature of those activities and other issues arising from the Agency's verification of declarations made by Iran since September 2002,

(h) <u>Recalling</u> that the Director General has stated that Iran's full transparency is indispensable and overdue for the Agency to be able to clarify outstanding issues (GOV/2005/67),

(i) <u>Recalling</u> the requests of the Agency for Iran's cooperation in following up on reports relating to equipment, materials and activities which have applications in the conventional military area and in the civilian sphere as well as in the nuclear military area (as indicated by the Director General in GOV/2005/67),

(j) <u>Recalling</u> that in November 2005 the Director General reported (GOV/2005/87) that Iran possesses a document related to the procedural requirements for the reduction of UF6 to metal in small quantities, and on the casting and machining of enriched, natural and depleted uranium metal into hemispherical forms,

(k) <u>Expressing</u> serious concerns about Iran's nuclear programme, and <u>agreeing</u> that an extensive period of confidence-building is required from Iran,

(1) <u>Reaffirming</u> the Board's resolve to continue to work for a diplomatic solution to the Iranian nuclear issue, and

(m) <u>Recognising</u> that a solution to the Iranian issue would contribute to global nonproliferation efforts and to realising the objective of a Middle East free of weapons of mass destruction, including their means of delivery,

1. <u>Underlines</u> that outstanding questions can best be resolved and confidence built in the exclusively peaceful nature of Iran's programme by Iran responding positively to the calls for confidence building measures which the Board has made on Iran, and in this context <u>deems</u> it necessary for Iran to:

- re-establish full and sustained suspension of all enrichment-related and reprocessing activities, including research and development, to be verified by the Agency;
- reconsider the construction of a research reactor moderated by heavy water;
- ratify promptly and implement in full the Additional Protocol;
- pending ratification, continue to act in accordance with the provisions of the Additional Protocol which Iran signed on 18 December 2003;
- implement transparency measures, as requested by the Director General, including in GOV/2005/67, which extend beyond the formal requirements of the Safeguards Agreement and Additional Protocol, and include such access to individuals, documentation relating to procurement, dual use equipment, certain military-owned workshops and research and development as the Agency may request in support of its ongoing investigations;

2. <u>Requests</u> the Director General to report to the Security Council of the United Nations that these steps are required of Iran by the Board and to report to the Security Council all IAEA reports and resolutions, as adopted, relating to this issue;

3. <u>Expresses</u> serious concern that the Agency is not yet in a position to clarify some important issues relating to Iran's nuclear programme, including the fact that Iran has in its possession a document on the production of uranium metal hemispheres, since, as reported by the Secretariat, this process is related to the fabrication of nuclear weapon components; and, noting that the decision to put this document under Agency seal is a positive step, <u>requests</u> Iran to maintain this document under Agency seal and to provide a full copy to the Agency;

4. <u>Deeply regrets</u> that, despite repeated calls from the Board for the maintaining of the suspension of all enrichment related and reprocessing activities which the Board has declared essential to addressing outstanding issues, Iran resumed uranium conversion activities at its Isfahan facility on 8 August 2005 and took steps to resume enrichment activities on 10 January 2006;

5. <u>Calls on</u> Iran to understand that there is a lack of confidence in Iran's intentions in seeking to develop a fissile material production capability against the background of Iran's record on safeguards as recorded in previous Resolutions, and outstanding issues; and to reconsider its position in relation to confidence-building measures, which are voluntary, and non legally binding, and to adopt a constructive approach in relation to negotiations that can result in increased confidence;

6. <u>Requests</u> Iran to extend full and prompt cooperation to the Agency, which the Director General deems indispensable and overdue, and in particular to help the Agency clarify possible activities which could have a military nuclear dimension;

7. <u>Underlines</u> that the Agency's work on verifying Iran's declarations is ongoing <u>and requests</u> the Director General to continue with his efforts to implement the Agency's Safeguards Agreement with Iran, to implement the Additional Protocol to that Agreement pending its entry into force, with a view to providing credible assurances regarding the absence of undeclared nuclear material and activities in Iran, and to pursue additional transparency measures required for the Agency to be able to resolve outstanding issues and reconstruct the history and nature of all aspects of Iran's past nuclear activities;

8. <u>Requests</u> the Director General to report on the implementation of this and previous resolutions to the next regular session of the Board, for its consideration, and immediately thereafter to convey, together with any Resolution from the March Board, that report to the Security Council; and

9. <u>Decides</u> to remain seized of the matter.



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Inside the Iran Deal: a French Perspective

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Inside the Iran Deal: a French Perspective

The Iranian nuclear crisis, a major challenge for regional security as well as global efforts to limit nuclear proliferation, began in August 2002 with the revelation of the ongoing construction of two covert Iranian facilities: the Natanz uranium enrichment plant and the plutonium-production reactor in Arak. Three European countries—France, Great Britain, and Germany—initially attempted to manage this problem. In 2006, the United States, Russia, and China joined them in a two-pronged strategy of dialogue and pressure through sanctions. This grouping of countries came to be known as the E3+3, or known as the P6 or P5+1 in the United States (for the five permanent members of the UN Security Council, plus Germany). Their strategy led to repeated efforts to undertake negotiations with Iran, which were unproductive due to Iran's reservations concerning the first agreements reached (in May 2005) and its failure to demonstrate any genuine will to negotiate in the following years.

At the same time, Iran continued to increase its capacity, both declared (at Natanz, after it had been discovered in 2002) and undisclosed (at Fordow, a uranium enrichment facility discovered in 2009), while limiting cooperation with the International Agency for Atomic Energy (IAEA). The United Nations applied ever-more stringent sanctions, as did the European Union and the United States unilaterally. In May 2012, just after the French presidential elections and as I became Foreign Minister, the Iranian nuclear question was at a diplomatic impasse—the array of sanctions in place and the disquieting state of advancement of the Iranian nuclear program justified the fear of military intervention to shut it down.

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Given the high stakes that this issue represented for national and regional security as well as for nuclear nonproliferation, we decided, in full agreement with the President of the French Republic, to engage in a policy of "constructive firmness." Our objective? To negotiate and conclude an agreement that would be solid and verifiable, and that would show real progress and create confidence in the international community toward Iran's genuine renunciation of nuclear weapons.

Many things have been written and said about how this major agreement came into being, some true, others less so. This is why I believe that, without waiting for the archival materials to be made public, a precise, straightforward description of the complex discussions as expressed by one of the participants—in this case, myself—would be of use. It is in this spirit that I wrote the following, which serves as a kind of first-hand account of events, and ends with some lessons learned.

April 2012—June 2013: a Dialogue of the Deaf

Discussions on the Iranian nuclear program began again in the spring of 2012, after an interruption since January 2011 without face-to-face meetings but marked by "epistolary diplomacy" between the EU's High Representative, Cathy Ashton, and the Iranian negotiator and secretary of Iran's Supreme National Security Council, Saeed Jalili. Negotiators were able to return to the table because Iran had abandoned a certain number of preconditions: the right to enrichment and the immediate lifting of sanctions. It soon brought these conditions back to the table, however, and the discussions became pointless.

Nevertheless, this temporary opening on the Iranian side did enable a series of consultations to take place among policy chiefs of the E3+3 and Iran at several different times: Istanbul in April 2012, Baghdad in May (which led to the expression "the Baghdad offer"), and Moscow in June. Experts also held their own meetings, such as at Istanbul in July. Iran did not really engage with the debate on the basic E3+3 proposals, which addressed the main concern of Iran enriching uranium to 20 percent, making it highly-enriched uranium that is used for weapons. Indeed since the end of 2011, Iran had accelerated the construction of cascades at the Fordow site, and had begun enriching uranium to 20 percent.

The E3+3 group did advance concrete proposals for cooperation and agreed not to adopt new resolutions on the nuclear program at the UN Security Council. The Iranians refused to respond to the expectations of the three key demands on enrichment: an end to the production of uranium enriched to 20 percent, closure of the Fordow enrichment site, and removal from Iran of the stockpile of uranium that had already been enriched to 20 percent. However, the question of supplying fuel for the Tehran Research Reactor (TRR), which had been the subject of former proposals in the years 2009–2010, was no longer mentioned.

The Iranians in fact only proposed to gradually suspend the enrichment of uranium to 20 percent in the context of a nine-stage plan leading to lifting all sanctions, multilateral and unilateral. This plan, even the existence of which was later challenged by the Iranian negotiator, had in fact been brought forward during a follow-up meeting between Ashton's deputy, Helga Schmid, and Jalili's lead associate, Ali Bagheri, on July 24, 2012, in Istanbul.

It rapidly appeared in the summer of 2012 that the Iranians had a much reduced margin of maneuver for negotiation, given that the regime seemed to be awaiting the results of the November 2012 U.S. presidential elections before making a decision. Concerns further mounted that negotiations would be frozen even longer while the United States would in turn await the results of the June 2013 Iranian presidential elections.

"More for More"

Tensions grew in the summer and fall 2012. The European Union began preparations for a new series of financial and energy sanctions (confirmed on October 15). Israeli Prime Minister Benjamin Netanyahu made a spectacular intervention at the UN General Assembly at the end of September, waving a drawing of a bomb and literally laying down Israel's line in the sand: Iranian possession of enough highly-enriched uranium (HEU) to make a nuclear device could

not be allowed. The tenor of the negotiations changed over several months, as the objective refocused to prevent an Israeli strike rather than on solving the basic problem of Iranian nuclear capacity. The fear of military intervention once again raised the question, so often asked since the beginning of the crisis in 2002: have we tried everything to find a diplomatic resolution to this crisis?

A ministerial meeting of the E3+3 group was scheduled in New York for September 27, 2012. The Russian minister, Sergey Lavrov, cancelled at the last minute; officially, he was ill, but there is The objective in 2012 refocused to prevent an Israeli strike rather than Iranian nuclear capacity.

reason to believe that he did not appreciate the E3 ministers' September 2012 letter to the other Foreign Ministers of the EU Foreign Affairs Council calling for new European Union sanctions on Iran.

The E3+3 ministers agreed in New York to study the possible parameters for a revised "Baghdad offer." This U.S. idea, which held sway at the State Department and in think tanks, was "more for more": ask more from Iran, but offer more in

terms of lifting sanctions. U.S. authorities initially saw this offer to be substantial, but it was watered down progressively as the November U.S. presidential elections approached. Once the elections were over, the United States confirmed what had become an unambitious plan.

An initial meeting of E3+3 experts was held in London on October 10 to start discussing the possible revised parameters of an offer. At that time, a significant divergence of opinion emerged between Russia and China, on the one hand, and the rest of the E3+3 on the other, as the two powers reckoned that pretty much all sanctions should be put in the balance to make for a very attractive offer. E3+3 policy directors met in Brussels on November 21, with their experts, in order to move forward. Previously, during a November 15 videoconference among the E3+3, the Americans had presented the outline of their proposal to revise the Baghdad offer. It merely updated the three demands concerning 20 percent enrichment. It also included, in addition to the offers in the May 2012 Baghdad package, a temporary suspension of certain sanctions (gold and precious metals, export to Iran of petrochemical products) as well as a commitment from the EU (but not the United States, at that stage) not to adopt new sanctions following those of October 15.

The Russians refused to consider any further demands placed on Iran. Not only that, they suggested that the group withdraw some of its demands and offer the Iranians more. The Russians and Chinese worked together on a new proposal, also submitted on November 15. This draft sought the suspension of 20 percent uranium enrichment in Iran (without dismantling Fordow or removing the stock-pile), along with a few verification measures, in exchange for recognition by the E3 +3 group of Iran's right to enrich uranium and the suspension of the European oil embargo.

France then began to study the idea of a "roadmap" that we could bring to our partners, and which would meet Iran's demands to "go beyond the 1st phase" of confidence-building measures in regard to 20 percent enrichment. We estimated it would take a matter of days, a maximum of two weeks, to put together a reasonable "roadmap," given that all the elements had long been worked on at our end.

On December 6 in Berlin, the E3+3 finally approved the update of the offer made to Iran in Baghdad in May 2012. They agreed on a "political chapeau," first suggested by the British, which placed this revised offer in the context of a possible extension beyond the first phase of confidence-building measures. The British and Germans were disappointed by the wait-and-see attitude of the Americans. A clear change in approach took place as of the summer of 2012 in London (related to a change in their policy chief, from Mark Sedwill to Simon Gass, and the Iran task force chief, who was now Ajay Sharma): the Foreign Office, and likely the British Prime Minister's office, explicitly wished to set possible oil sanction relief and maintenance of uranium enrichment in Iran at the top of the negotiations list. Sanctions relief on oil had so far not been envisaged as a top-tier measure. Berlin, with a long-standing position in favor of the right to enrichment, leapt into the British breach and also called for drafting a more attractive offer. But the Americans refused to enter the debate on what would be an acceptable state for the Iranian nuclear program, and the issue was left to stand temporarily. The Russians and Chinese did not press the issue, and seemed satisfied with the prospect of renewed contacts with Iran.

Almaty

The first half of 2013 was marked by a new series of meetings held in Kazakhstan: the E3+3 met the Iranian negotiator, Saeed Jalili, in Almaty on February 26 and 27, then again on April 5 and 6. Despite exchanges that were, for the first time, quite substantial, the group in Almaty found a sizable gap between the Iranian position and their own. Iran was only prepared to discuss very limited measures. These would result in a *status quo* for the nuclear program, while the demand for recognition of Iran's right to enrich and for lifting the most important sanctions remained. In these circumstances, it did not seem possible to plan a new meeting. Negotiators agreed on a "time out" until after the June 2013 Iranian elections.

June 2013–January 2014: from Rouhani to the Implementation of the Geneva Agreement

The election of Hassan Rouhani as President of Iran in June 2013 opened the way to renew negotiations. His victory over the nuclear negotiator himself, Saeed Jalili, and the fact that the issue of sanctions relief had dominated the election campaign was a sign that Iranian diplomacy might be changing track. It was difficult to identify the Iranians' real objective: would they really accept an agreement with a strong framework (meaning verification and restrictive measures on sensitive aspects of the

The election of Hassan Rouhani in June 2013 opened the way to renew negotiations.

nuclear and missile program), an agreement that would require significant concessions?

We reminded our partners of the period when Rouhani was in charge of nuclear negotiations (2003–2005). It is true that during that period Western diplomacy achieved some partial successes: the Tehran agreement of October 2003 on suspension of uranium enrichment; the Paris agreement in November 2004 on a second suspension; a global negotiation process involving the E3/EU and Iran.

But it was also a period marked by Iran's duplicity and failure to truly keep their commitments. President Rouhani's memoirs touch on the Iranian approach to releasing information on the covert program, and they are eloquent: dissimulation, wasting time to avoid being brought before the UN Security Council, leading the Europeans along, a policy of *fait accompli*, research on enrichment proficiency.¹

President Rouhani very quickly asserted that the nuclear crisis could be solved in three to six months. As president, he chose a Minister of Foreign Affairs who was well known to the E3+3: Javad Zarif, former Permanent Representative of Iran to the United Nations, very knowledgeable about the United States and Western diplomatic codes. The Iranian minister, a pleasant man with a perpetual smile, gave an energetic presentation in perfect English of Iran's "new approach." It was an attempt to override the *petitio principii* of the previous team and focus on negotiating the final state of the Iranian nuclear program. The idea was to come to mutual approval of enrichment means within a year, in exchange for relief from all sanctions. There was, however, a reiteration of arguments (like sanctions are illegal and Iran's rights must be recognized), no more discussion of any kind of commitment to suspend particular activities (the 20 percent question was to be "addressed" during negotiations), and the Iranian minister made no mention of the Arak reactor.

I mention in passing that it is difficult to carry out fruitful negotiations when the starting point is the declaration that UNSC resolutions are "illegal." Furthermore, developments on the ground must not contradict the basis of negotiation; yet, for example, construction on the Arak facility continued (and indeed was of increasing concern to international observers, who feared a repeat of the Israeli "Oper-

In early October 2013, it became clear that negotiations outside the E3+3 framework would be dangerous. ation Opera" strike which destroyed the Iraqi Osirak nuclear plant in 1981).

Nevertheless, the E3+3 ministers welcomed the new tone of the new Iranian leadership overall, while underscoring the need to review each item and the precise terms of the Iranian proposal. When the E3+3 ministers held their first meeting with Javad Zarif, I began to outline two key points of the French position: because Iran had stated that it was not seeking to develop nuclear weapons, it had to accept the consequences of that policy; the E3+3 would then, in exchange, be

willing to accept Iran's right to develop peaceful nuclear power capacity.

In early October, it became clear that negotiations outside the framework of the E3+3 group would be dangerous. We began to work on the broad outlines of the regulation of the Iranian program, covering materials (production, existing

capacity, stockpiles), militarization and, ideally, ballistic capacities (even though we were aware from the outset that it was unlikely that we would obtain genuine guarantees). More precisely, we were at that time seeking to stop the enrichment of uranium to 20 percent; a suspension of R&D activities; the closure of the Fordow site; the conversion of the Arak plutonium production reactor into a light-water reactor; abandonment of the heavy-water plant (which is used to enrich uranium) co-located with the reactor; removal of stockpiles at 3.5 percent from Iran (with potential for recovery in future years, if Iran were to develop nuclear power plants); and the application of the highest standards of verification (using the Additional Protocol, Code 3.1, of the Nuclear Non-Proliferation Treaty (NPT)).

Geneva, Act I: "the Zarif Plan"

On October 15 and 16, the policy chiefs of the E3+3, with EU High Representative Cathy Ashton, met Zarif and his deputy minister, Abbas Araghchi, in Geneva. The Iranian minister (suffering from back pain) gave a PowerPoint presentation of his ideas, with the objective titled "Closing an unnecessary crisis: Opening new horizons." These ideas included:

- a "common objective": ensuring that Iran's exercise of its right to nuclear power, including enrichment, would remain entirely peaceful—sanction relief being a prerequisite;
- a final step using the Supreme Leader's *fatwa* (a religious ruling) against Iran building or possessing nuclear weapons, but allowing R&D and enrichment at Natanz and Fordow according to mutually accepted terms, operation of the Arak reactor under "proliferation-resistant" conditions, cooperation on civilian nuclear applications with transparency and international monitoring by the IAEA, along with relief from all sanctions;
- a first phase, which would include addressing: production and stockpiles of 20percent enriched uranium; the level of activities at Natanz and Fordow; increased IAEA monitoring; purchase, transport, insurance and repatriation of Iranian oil revenues; financial transactions; and national restrictions on petrochemical products, automobiles, gold, and other precious metals.

Zarif did not mention the unresolved issues of the Iranian nuclear weapons program; he simply planned on having Iran sign an agreement with the IAEA. He emphasized that there would be no roll-back of the Iranian program.

Behind these big ideas, it nonetheless became apparent during a second, more detailed session with Iranian Deputy Minister Araghchi alone that there were still significant differences with Iran. Araghchi made a distinction between technology, which Iran would continue to develop, and the production of enriched uranium, which was recognized as the heart of our concern. Any gesture made by Iran would be in reciprocity for gestures made by the P5+1, but the first phase could include the complete suspension of enrichment to 20 percent, the conversion or dilution of the 20-percent stockpile, a plan to convert the Arak facility (which was not a high stake for Iran because the start-up had already been postponed), and further measures on transparency (but not the Additional Protocol, because of measures passed by the Iranian parliament).²

An entire session was devoted to sanctions. The E3+3 reaffirmed their position on the first phase: suspension of sanctions on petrochemical products, gold and precious metals, civil aviation products, and a commitment from the UNSC and EU not to adopt new sanctions. Iran reaffirmed it sought the full suspension of sanctions in the first phase.

The discussions in Geneva were carried out in a more constructive and fluid atmosphere than previous encounters, confirming that Iran had modified its approach to negotiations. But still, the Iranian positions remained imprecise and rather far from our own. Our group held a united front, although the British, once again, opened up many new pathways on their own. The Americans seemed to remain very cautious, reiterating basic parameters.

Geneva, Act II:

Revelation of the Secret U.S. Diplomatic Channel and a Clash with France

Negotiations continued in Geneva on November 7, 2013. The E3+3 experts came together without Iran to specify the first-phase parameters would last six months. In reality, this work, which went on late into the night, was only a façade: the main U.S. experts were absent, replaced by a second-string team. In the midst of the discussions, U.S. policy chief Wendy Sherman handed her counterparts a very different kind of document, secret and not fully finalized, that integrated the three elements demanded by Iran in October's Zarif Plan: a common objectives or preamble, a first phase, and a last phase. On the evening of November 7, it gave rise to a tense exchange between the French policy chief and the U.S. Underse-

he Americans had not informed us of the content or even existence of the secret Oman discussions. cretary of State, Bill Burns, with regard to a perceived betrayal of confidence: the Americans had not informed us of the content or even existence of these discussions.

Nevertheless, this was the proposal that served as a basis for E3+3 ministerial-level discussions over the next two days. Because of its shortcomings, it seemed unacceptable to me. The U.S. document did not provide an explicit commitment by Iran not to develop or obtain nuclear weapons; did not address the question of enrichment over the long term (which Iran sought to make unconditional); did not include a satisfactory plan for handling the stockpile of uranium enriched to 20 percent (Iran demanded that, in the first sixmonth period, allowances be made for needs linked to future research reactors); did

not limit production of centrifuges to those needed to replace broken ones; and did not suspend all activities associated with the construction of the Arak reactor and the manufacture or testing of its fuel. As soon as I arrived, at the end of the morning of November 8, I gave my counterparts, and in particular U.S. Secretary of State John Kerry, our demands for shoring up the five major points of the text that we felt necessary.

At the same time, the Americans saw that Iranians were backpedalling on certain points that they believed had been agreed upon in Oman. The British and German ministers stayed on the sidelines, ready to The U.S. draft from the secret Oman talks seemed unacceptable to me because of five shortcomings.

accept any results that satisfied both the Americans and the Iranians. As of that moment, negotiations essentially moved forward between three ministers—American, French, and Iranian.

On Saturday November 9, I went on the radio station *France Inter* to explain our demands. Tensions mounted. The U.S. delegation was annoyed, while the British and Germans encouraged us to be more flexible, meaning to withdraw our demands.

At the end of the morning, I met with Secretary Kerry, who was impatient to push ahead. No concessions were made. I expressed my disagreement with both the method and substance of the proposal: France would not accept a watereddown agreement. After a very tense debate, we finally reached an agreement on a revised proposal addressing the five problematic points. We made our proposal to the rest of the group when the Chinese deputy minister arrived that afternoon. Kerry, who admitted the merits of our positions, advocated for the French demands. After discussion, our partners endorsed the text. Sergey Lavrov, a habitually loquacious diplomat whose contributions bore mostly on procedure, sharply criticized the process as it had occurred—he was unhappy both with the backchannel and with what he saw as a hasty and unprofessional way to conduct negotiations in Geneva. But the P5+1 nevertheless approved a text to be submitted to Javad Zarif at the end of the afternoon.

That evening, Zarif saw that the group's position was substantively unanimous. He had thought that the whole group would have accepted the secret agreement with the Americans, so he expressed—or feigned—surprise at the slightly revised text. At the end of a long exchange of ideas, it appeared that Iran was not ready to accept the text as presented. Zarif delivered a vehement tirade against the "changes" in the agreement that had supposedly been reached in Oman with the Americans. He even hinted at a complete end to negotiations. Ashton and the P5+1 ministers suggested that a new meeting of policy chiefs should be scheduled to resolve the outstanding issues, and it was set for November 20.

In the meantime, Iran fine-tuned its "narrative" about the alleged transparency of its program and signed an agreement on November 11 with the IAEA in Tehran: a "Framework for Cooperation" that gave the impression that the possible military dimensions of the Iranian program would finally be seriously addressed. For my part, I had a deep and sincere conversation with John Kerry between November 9 and 20 on the form and substance of the negotiations, to ensure that the backchannel "process" used by the Americans in Oman would not be repeated.

Geneva, Act III: Interim Agreement

Negotiations on the ministerial level began again on November 22 at the Intercontinental Hotel in Geneva. The method was clarified in comparison to Geneva II: Cathy Ashton negotiated on the basis of the E3+3 mandate concerning each of the five key issues.

Zarif prevaricated for three days, but ultimately accepted our demands. This included a ban on fuel testing (I explained to John Kerry how important it was to block the development of fuel for Arak, not just its production, which would allow for a real freeze of this worrying part of the program, or "plutonium path"), and an important footnote on the production of centrifuges was moved.

The U.S. Secretary of State, with his usual show of will, played the U.S. trump card to Iran: the promise of releasing \$3.6 billion in frozen Iranian assets. A strange discussion took place on the subject of what became known as the "billion for the pilgrims." The Americans first lobbied for "directing" part of the funds freed up to specific purposes, including payment to Saudi foundations to be allocated for Iranian pilgrimages to Mecca. The Iranian minister did not take kindly to this condition. In the end, the earmark was removed from a part of the amount, which was added to the \$3.6 billion

It quickly became apparent that the JPOA contained many ambiguities that would affect implementation. initially offered by the Americans, moving the total to \$4.2 billion.

The parties reached the Joint Plan of Action (JPOA), or what became known as the interim agreement, on November 24 at dawn.

Another Month to Determine Implementation

Experts began negotiations on implementation on December 9 in Vienna; the first meeting went on until the 13th. While progress was made, it quickly became apparent that the

Geneva Agreement contained many ambiguities that would affect

implementation. In addition, Iran made a sudden declaration of the existence and production of a new, advanced-generation centrifuge (later it became the IR-8, but at that time it did not yet have a name) before interrupting the discussions on the pretext of a U.S. announcement that individual Iranian companies linked to nuclear proliferation would be subject to sanctions.

Discussions resumed from December 19–22 in Geneva before halting again, this time because of the announcement that the new, advanced IR-8 centrifuge would be installed at the Natanz pilot facility. The P5+1 were unanimous in their rejection of this development, saying it was unacceptable and contrary to the spirit and the letter of the agreement; the dispute rose up to the policy level. Substantial divergences remained on other nuclear topics (such as the link between the schedule for dilution of 20-percent-enriched uranium and the schedule for releasing frozen oil revenues, the precise definition of measures associated with the Arak heavy water reactor, and R&D issues). Discussions of sanctions relief were more constructive. The Iranians didn't bother to take a "good faith" attitude in negotiating the document. In fact, the "nucleocrats" seemed to take a harder line with diplomats, with Iranian atomic energy authorities trying to save what they could from Zarif's concessions.

A new session was held after Christmas, until the wee hours of December 31. The Americans moved ahead slowly on the "slices," or monthly payments to be made to the Iranians—releasing the \$4.2 billion all at once was out of the question, for fear of Iran "cashing in" and then not delivering on the nuclear measures.

The problem of the new centrifuge was still not resolved. It would be settled in early January after new discussions between Helga Schmid, Abbas Araghchi, and the IAEA yielded a "gentlemen's agreement," supposed to be secret. The centrifuge could remain in place, on the condition that it was not connected to a uranium supply. The agreement could go into effect on January 20, using a "longest day" schedule whereby—thanks to the time difference between Tehran, Vienna, Brussels, and Washington—Iran's nuclear actions and the suspension of sanctions could take place successively, but on the same day.

February-November 2014: Two Failures in the Long-term Negotiations

Long-term negotiations began in February 2014, in the Palais Cobourg hotel; the Austrians had offered to host and finance the negotiations. These took the form of "conversations" to "familiarize" Iranians with the main points that the group wished to see in the agreement, known as "building blocks." These "building blocks" were considered to be the expression of an ambitious ideal rather than real objectives by some of our partners.

The policy chiefs of the E3+3 held a meeting to define the framework for the method in Geneva on January 21, 2014. On February 12 in Berlin, the experts

added technical refinements. The French positions (holding a firm line) converged with those of the Americans. U.S. objectives were clearly stated, and not limited to a breakout time—that is, the interval required for Iran to produce enough fissile material for one bomb. The agreement was initially designed to cover a 20-year period; questions on the possible military dimension of the Iranian nuclear program (coined possible military dimension, or PMD, by the IAEA) were stated as indispensable. The British and Germans mentioned a more limited objective of simply extending the breakout time. Russia's positions were the farthest from the rest of the group. It wanted a reaffirmation of Iran's right to enrichment; wanted an account of the difficulties associated with decommissioning Fordow; and had reservations in regard to the inclusion of ballistic missiles in the negotiations.

Meetings were organized in monthly sessions by policy chiefs in Vienna, interspersed with expert meetings to look more deeply into the policy issues raised. There were meetings with Iranians about every two weeks. P5+1 members took on different "building blocks"; France analysed possible military dimensions (PMD) issues. PMD had always been an essential point for France, as it signaled the lack of clarity of Iran's true intentions regarding its nuclear program. PMD cast a shadow on all other nuclear developments. A threat is always the product of capabilities and intentions.

The launch meeting was held in Vienna from February 18–20. Discussions remained general. Zarif complained to Ashton that the P5+1 were not lifting the sanctions effectively and that relief was only theoretical. In reality, at least at the outset, these problems were related to the uncertainty of the Iranian Central Bank and the indecision of Iranian authorities about the flow and use of funds released from sanctions. The Iranian negotiators also emphasized from the start that certain points would not be altered by negotiation, such as their refusal to consider "breakout time" as a relevant parameter for the discussion; importance of R&D (presented as not covered by the JPOA); that PMD was to be handled with the IAEA (which Iran accused of piling up endless questions on a "fabricated" subject); their demand for sanction relief from the UNSC; and that progress in the size of the agreement would depend on the duration of the agreement.

As soon as the next experts meeting was held, from March 5–7, 2014, the Iranians adopted a maximalist position on enrichment. For the Arak plant, the Russians presented a conversion model that maintained the use of heavy water but relied on low-enriched uranium. The Americans suggested a model using light water, with heavy water as a neutron reflector (which intensifies the nuclear chain reaction). The Chinese advanced the possibility of civil nuclear cooperation with the Iranians.

During the policy chiefs' meeting on March 18 and 19, Zarif exercised his usual willfulness: he declared that the drafting phase of the agreement should be

scheduled for May. The U.S. policy chief, Wendy Sherman, broached the subject of lifting sanctions in the context of a long-term agreement, offering an approach

by stages and by categories of sanctions. Araghchi rejected this and reasserted that "nearly all" sanctions should be lifted as of Day One. The sticking point was once again enrichment: Iranians affirmed that the "limits" mentioned in the JPOA were limits to expansion of their program, and not reductions thereof. On the subject of Arak, the Russians and Americans continued to push for their own options, while the Chinese added their own variant. We supported the U.S. option, in solidarity.

The sticking point in spring 2014 was once again enrichment.

The expert meetings that took place from April 3–5 were not conclusive. The Iranian expert, under pressure from the French expert to answer the group's questions with precision, suggested that the Iranians had assessed the breakout time at four years, given the current state of the program. During this meeting, the Russians, without any prior consultation, mentioned the possibility of using some of the Fordow centrifuges to produce stable radioisotopes, a seemingly more acceptable application of nuclear science, but which would have the serious drawback of keeping centrifuges in Fordow.

The policy meeting on the 8th and 9th of April was devoted to "building blocks," in particular with regard to Security council resolutions and PMD (French policy chief Jacques Audibert reaffirmed our demands: clear information on the past and the present program, and also measures like stringent verification and restrictions for the future). Discussions on enrichment were tense, as the Iranians insisted that they wished to expand their activities in the future. A symbolic meeting of the joint commission was held at the end of this series, to observe the satisfactory application of the Geneva agreement.

Consultations with E3+3 policy chiefs were held in Brussels with Cathy Ashton on April 29 and 30, to prepare for what the High Representative expected to be the start of the active negotiation phase. The positions of Western nations and the Russian and Chinese were far apart, but the Russians were not opposed to using our position as a starting point. The negotiation method remained unclear (Ashton seemed to imagine that she would be sitting in a room alone with Zarif and a laptop).

On May 6 and 7, there was a meeting of the E3+3 and Iranian experts on the sidelines of the preparations for the Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). Iranian positions were unchanged, and in fact had regressed on certain points such as monitoring and verification. In regard to Arak, the Iranians continued to listen politely to the successive "improvements" in the Russian and U.S. options, while merely replying with

proposals for the management of spent fuel. (The Chinese, meanwhile, had their own proposal for Arak.)

The policy chiefs continued the work from May 14–16. A strange scene played out in a darkened room in the International Conference Centre in Vienna. Minister Zarif, armed with a portable projector, showed a PowerPoint on the final agreement, which he said he had put together without consulting all his deputies. He used the term "Joint Comprehensive Plan of Action," which was later adopted.

This session was followed by talks between the Americans and the Iranians on June 8 and 9 in Geneva. Helga Schmid attended. Nicolas de Rivière, who had just replaced Audibert as French policy chief, emphasized the need to preserve the unity of the group and to refuse the use of parallel channels. He met with the two Iranian Deputy Ministers in Geneva on June 11, at the Iranian Ambassador's residence. The encounter was cordial, but there were real substantive differences. Russian Deputy Foreign Minister Sergey Ryabkov also met with the Iranians in Rome on June 13 and reported no progress. A serious problem emerged with PMD, because the Iranians had ceased cooperating with the IAEA and refused to reengage as long as the Agency had not officially closed the issue of exploding-bridgewire detonators ("EBW"), a technology with very limited civilian applications that could not be documented by Iran, but with clear military implications in that it allowed for the proper trigger of a nuclear device.

At the end of this series of consultations, the P5+1 met with Iran from June 16–20 and delivered a presentation, in the form of an informal working document that set forth the principal demands of the P5+1 (or E3/EU+3) without going into the technical details.

The Setback of the July 2014 Announcement

Negotiations started again on July 2, 2014. The Americans sent Deputy Secretary Bill Burns and adviser Jake Sullivan to Vienna: they had been part of the "Oman Channel." It soon appeared that no agreement would be reached before July 20 an important date, since it marked six months after beginning the implementation of the JCPOA—as the Iranians were not ready to make the necessary concessions.

Time passed slowly for the experts in the corridors of the Palais Cobourg in Vienna. Meetings were called for no reason other than meeting. John Kerry was delayed by his attendance at a diplomatic conference between the United States and China. A ministerial meeting was finally held on July 13; we could only observe that there was no agreement. We agreed upon the extension of the interim Geneva text until November 24, the anniversary of the 2013 agreement.

The week of July 13–20 was spent in laborious discussions on the terms of this extension. The Americans soon yielded to the Iranians, renewing the monthly

release of oil revenues. Offsets obtained on the production of uranium enriched to 20 percent were superficial. During this period, the French delegation got into the habit of walking through the Stadtpark to escape listening devices, and it was there that a new approach to PMD was developed, known as the "restrictive list." We worked with our service to hone this approach throughout the summer and into September.

The Period of "Reconfiguring" the Cascades

As in the previous September, the UN General Assembly coincided with the renewal of negotiations. In 2014, as in 2013, President Rouhani travelled to New York. Despite our skepticism, our partners, the Europeans in particular, were convinced that this would be a turning point, that Rouhani was coming to give a much-needed boost to his negotiators. The opposite occurred. President Rouhani repeated to one and all, and in particular to the three European heads of state and government, that his imperative was the immediate lifting of all sanctions.

On the technical front, the New York event opened up a long period of discussion that lasted until March 2015 in Montreux, on Lake Geneva, on the subject of

a possible "reconfiguration" of the centrifuges' cascades as a way to extend the breakout time. This technical solution was an important political signal and brought about a change in the U.S. position: the objective clearly became to increase the breakout time, rather that to define a number of centrifuges sufficient for "practical purposes," as stated in the Geneva document. The Americans, who produced work and models from their labs, suggested a reconfiguration into "short-tapered" cascades. The Germans, based on their own specialists' experience, followed suit and suggested a "kite-shaped" reconfiguration.

Discussing "reconfiguration" of the centrifuges' cascades brought about a change in the U.S. position.

Reconfigured cascades normally are less effective to enrich at high rates (but more so at low, "civilian" rates), and turning them back to their original configuration is time-consuming and can harm the machines.

In France, the CEA (Alternative Energies and Atomic Energy Commission) analysed these different reconfigurations. We shared information with our E3 partners and the United States on the means of calculating the breakout time. Our conclusions were about the same as those of the Americans and the Germans, but there was a difference with the British, whose calculations claimed that it would take much longer to breakout and seemed to have mainly political objectives (to technically accommodate a political narrative about the robustness of

reconfiguration from a nonproliferation standpoint). Nonetheless, we did emphatically inform the Americans that reconfiguration was a palliative, and not a substitute for a genuine reduction of current Iranian nuclear capacity. We sent a warning to the U.S. team, who seemed set on the symbolic figure of 6,000 centrifuges, whereas we targeted a maximum of 4,500.

With regard to sanctions, the Americans had clearly thought about this issue over the summer, and they presented a potential solution to the Security Council. Their "stand alone" proposal consisted of revoking, in appearance, the old UNSC resolutions, by way of transferring them to a separate document submitted by the E3+3 (a sort of "loose leaf" or "stand alone" paper) that would be binding on other states through a resolution endorsing the agreement. This was intended to resolve the impasse because it allowed a claim that sanctions had been removed, while not including the remaining restrictive measures in the body of the new resolution endorsing the final agreement. We had doubts about the legal soundness of such a plan, not to mention its political bearing, as it seemed to us that it sent a confusing message with regard to the pursuit and applicability of nonproliferation sanctions in as much as confidence in the exclusively

Two weeks before the November 24, 2014 deadline, negotiations were stalled and even losing ground. peaceful character of the Iranian nuclear program had not been established.

After New York, the policy chiefs of the E3 +3, led by Ashton, and the Iranian delegation, led by Zarif, met in Vienna on October 16. This session was preceded by a trilateral meeting on the 15th among Kerry, Ashton, and Zarif, as well as other meetings between the United States and Iran in other formats. During these meetings, the Iranians agreed to reduce their capacity to 7,800 IR-1 centrifuges for six months before scaling up to 9,400

machines—at the time, they had around 9,200 machines fed at Natanz, with an additional 6,400 installed but not fed with UF_6 . However, they showed no flexibility with regard to sanction relief. This semblance of an agreement on a set figure gave the Americans—and the Russians—the impression that the agreement could be finalized by November 24.

The P5+1 then held a meeting with Iran in Oman on November 11, 2014, in the Al Bustan Palace in Muscat. The Omanis had been very insistent about hosting a negotiation session. The meeting followed the regular habit where the P5+1 had a brief on the situation after a trilateral Kerry-Ashton-Zarif consultation—in this case, on November 9 and 10 in Muscat. Two weeks before the November 24 deadline, negotiations were stalled and even losing ground. The Americans noted the complete lack of progress, and so during the November 11 plenary, Zarif reiterated his well-known basic principles—in particular, the demand that the international community should accept the Iranian nuclear program as it stood. On the technical level, the Iranians brought out new proposals on enrichment, but these were largely contrived.

So it was with some scepticism about the chances for success that the P5+1 and Iranian delegations met in Vienna on November 18, with the objective of reaching a long-term agreement before the November 24 deadline established by the Geneva agreement.

Another Deadline Missed

The next series of meetings was significant for the high level of engagement of the E3/EU+3 ministers and Iran. The negotiation session was organized around a first phase from Tuesday, November 18, to Friday, November 21, during which time the P5+1 ministers and Iran felt that, on the basis of some new ideas, it would be possible to decide on an extension of the negotiations.

As soon as the meeting began on November 18, the P5+1 took stock of the November 11 meeting in Oman, at which time the Iranians had held a hard line. Ashton then set the stage for the coming week by announcing Zarif's plan to return to Tehran on the 21st to obtain instructions necessary for unblocking the negotiations. Discussions went forward with policy chiefs and experts all week. When the 21st arrived, British Foreign Secretary Philip Hammond, Kerry, and I observed that there were still differences between our positions and Iran's. I suggested to Kerry that we return to Paris together to express our disapproval of Iran's refusal to budge.

That same day, Zarif informed the press that, because the P5+1 had not made any proposals that were worth presenting to Tehran, he was cancelling his return trip to Iran. Kerry met with Zarif in the afternoon and decided to stay in Vienna. He claimed that he believed that Zarif had the political determination to succeed in reaching an agreement, and he wished to explore some "new ideas" that had been submitted by Iran. In the end, the P5+1 and Iran made the joint decision to extend the negotiations until June 30, 2015, in two stages: four months (bringing it to the end of March 2015) to agree on the policy framework and three months to draw up the technical annexes.

I insisted on this time frame. At first, Kerry hoped for a much shorter period, thinking that he could not keep the U.S. Congress "on hold" much longer. We, on the contrary, thought that time was on our side because of the impact of sanctions on Iran. I also mentioned the need to "leap frog" over the NPT Review Conference in May. I knew the conference would be difficult because of the impasse on the question of weapons of mass destruction in the Middle East—the Americans had not really been thinking about the importance of this particular diplomatic

deadline. Iran was chairing the non-aligned movement and could hold sway at the NPT Review Conference from that position, complicating issues relating to noncompliance that were high on the agenda of the conference. Experience of the interim deal also showed that from policy framework to implementation details, there were a lot of issues to be fixed that would not benefit from interference with another diplomatic forum.

The second Viennese session concluded with a new extension, despite the fact that it began with an Iranian reversal on the question of low-enriched uranium stockpiles: Iran no longer wished to ship these stockpiles to Russia, as they had announced in New York in September, but sought to keep them in-country for transformation into fuel for the Bushehr nuclear power plant. The Iranians based their arguments on the ambiguous language of a Memorandum of Understanding (MoU) signed on November 11, 2013, by the Rosatom State Energy Coporation of Russia and the Atomic Energy Organization of Iran; they read the agreement as enabling the production of fuel for Bushehr from uranium enriched in Iran. Their point of view was that this supported the industrial vocation of their program.

Uncomfortable with Iran's arguments, the Russian delegation tried to convince us that Tehran was misinterpreting the terms. Sergey Ryabkov, the Russian policy chief, mentioned the minimum criteria of eight power plants required to justify production of fuel in Iran; no reference was made to the transfer of Russian intellectual property rights on fuel to Iran, nor to the use of locally-enriched uranium. The United States, France, and the other E3+1 countries explained to the Iranians that this about-face on enrichment changed the calculation of the volume of enrichment capacity that Iran would be authorized to retain. Indeed, it was in response to the reduction of the stockpile to about 300 kg that the P5+1 had pre-

t was clear the U.S. delegation was interested in the Iranian phasing proposal. viously accorded a higher number of centrifuges than initially foreseen.

Faced with this firm opposition, the Iranians qualified their positions at the end of the negotiation session, in particular during the ministerial sessions: if the P5+1 quickly lifted all sanctions, the stockpiles could be reduced by shipping them out of the country, as provided in the option of export to Russia. If sanctions were to be lifted at a later date, Iran would

need time to transform the stockpiles into fuel for Bushehr.

The "new ideas" that the U.S. delegation used to justify the extension of negotiations in fact grew out of the Iranian proposals on enrichment, ideas that first took root in the Oman meeting on November 11. These ideas were of two sorts: first, Iran proposed to reduce enrichment capacity through the reconfiguration of centrifuges by thirds, which we felt was an artifice and expressed in imprecise terms; second, they proposed a phasing mechanism over fifteen years and committed the Iranian program to industrial purposes, with an upper range of 80,000 SWU (Separative Work Units). Although the U.S. delegation denied it to us, it was clear at the time that they were interested in this Iranian phasing proposal.

Prior to the opening of this negotiation session, we organized a meeting at the IAEA with the U.S. and British delegations to give more details to Tero Varjoranta, Deputy Director General and Head of the Department of Safeguards, on our approach to the resolution of PMD issues in the context of a long-term agreement. This meeting enabled us to agree on a final version of the list of required measures for access as well as the terms for managing that access. The list was held back and kept secret, as we agreed with the U.S. and British delegations. We would address the concept only when an agreement seemed close to being achieved.

December 2014—July 2015: Around the Lake and Back to Vienna

The year 2015 began under the cloud of the Republican majority in the U.S. Congress, darkening the administration's ambitions. Republicans tabled the Kirk– Menendez bill, followed by the Corker–Cardin bill, both related to activities with Iran; the first called for more sanctions, and the second, less demanding, for the submission of any agreement to Congress and the possibility of voting a motion of disapproval. On their side, the Iranians kept up the fiction that negotiations had almost succeeded in November, only failed because the Americans backed off at the last moment, and that otherwise the agreement "was there." Javad Zarif said that, like the Americans under Republican pressure, he was facing growing pressure in Tehran from conservatives who had taken his negotiating team to task in the *Majles* (Iranian Parliament).

On January 18, the E3+3 policy chiefs and the Iranian negotiators met in Geneva. These discussions followed three days of negotiations between the U.S. and Iranian teams, and meetings between Kerry and Zarif on January 14 in Geneva, then January 16 in Paris. Negotiations focused on the question of enrichment, seen as the key issue that could open the door to success. The Americans were still advocating reconfiguration in short-tapered cascades, with an initial reduction to 5,000 IR-1 machines, rising to 7,800 at the end of six-and-a-half years, and holding there until year 10 (a slight increase in capacity was envisioned up until year 15). The Americans took a stronger stance on other issues: they wanted IR-1 only for R&D (eventually, IR-2 m at the end of the agreement), the U.S. option for reconversion only possible for the Arak facility, and the refusal of stable isotope production at Fordow. The Iranians rejected the U.S. proposal on enrichment.

Abbas Araghchi announced another important development: with regard to sanctions, the Iranians were no longer interested in the "stand-alone document" option, proposed in September, for handling UNSC resolutions. And yet neither were they in favor of the "roadmap" method, preferred by our delegation as well as the Russians. This roadmap method involved one single resolution, presenting the successive phases of sanction relief in step with the implementation of Iran's actions of engagement.

On January 26, a significant development occurred. For the first time since the end of the Eurodif³ litigation, a meeting was held in Paris, on the CEA premises, with a delegation from the Atomic Energy Organization of Iran (AEOI). The CEA director of international relations welcomed his Iranian counterpart. Faced with negotiations that were treading water on the future of Fordow, we wanted to show our partners that we could, once again, offer proposals and bring our civil nuclear expertise to the table. Our suggestion to install a linear accelerator—a major piece of scientific equipment—at Fordow was more solid and more attractive to the Iranians than the U.S. idea of setting up a center for observing cosmic particles to replace the enrichment work. Iranian specialists seemed interested. But they continued to advance their initial position: yes to the linear accelerator, but they also wanted to retain other purposes for Fordow, specifically enrichment and the production of stable isotopes. Our French preference was

t was essential to hold to the longest term possible for the agreement to serve as a precedent. for a facility devoted only to research, without centrifuges.

The E3 met the Iranians in Istanbul on January 29, 2015. The Iranians half-heartedly accepted a reconfiguration in short-tapered cascades (clearly experts from the AEOI believed this risked damaging the machines), but they rejected the phasing figures suggested by the E3+3. Iranian experts said the best expectation would be a short-term reduction to 6,000 machines and a return to 9,400 machines (about 20 percent more than the U.S. propo-

sal) in two-and-a-half years (less than half the time). Negotiators Araghchi and Ravanchi presented a longer schedule, covering ten years (3+3+4). But discussions dried up on other issues, in particular because the Iranians insisted on having the details of the group's calculations on breakout time, which the E3 experts refused to release because the information could impact proliferation.

During the Wehrkunde meeting on February 8 in Munich, I emphasized to John Kerry, who had begun to talk in terms of a ten-year agreement, that it was essential to hold to our objective of the longest term possible for the agreement. Speaking with Zarif, I underscored the risks of regional proliferation if the agreement were to be perceived as weak; I reiterated this thesis regularly ("only a robust agreement can guarantee credibility").

Enter Messrs. Moniz and Salehi ("Ernie and Ali")

Bilateral conversations between the United States and Iran were planned for February 20–23 in Geneva. (By that time, the United States always had a first go with the Iranians, then the rest of the group would join in for follow-up discussions.) An E3+1 videoconference was held beforehand. The U.S. policy chief announced that U.S. Energy Secretary Ernie Moniz would henceforth accompany John Kerry. Moniz, an affable scientist with a calm, pedagogical demeanor, would have to face off with Ali Salehi, Chairman of the AEOI. They also announced that President Obama wanted to know before the end of March if a solid basis existed for advancing the negotiations.

The plan tabled by the Americans, which they believed agreeable to the Iranians (as of the security conference in Munich), included increasing the number of centrifuges from 5,000 to 7,800 over six years (with reconfiguration). The Americans informed us that they could accept a breakout time of nine months for years 11 to 15. U.S. Under Secretary of State for Political Affairs Wendy Sherman sent an unclear message on U.S. flexibility in regard to R&D —what type of R&D activities would the United States ultimately tolerate, only first-generation machines or more advanced ones? As for sanctions, Sherman announced, to our satisfaction, that there would be no more "creative ideas" for handling UNSC resolutions beyond the "stand alone" document already proposed.

The assessment of the Geneva consultations by the P5+1 was presented at the EU delegation premises in Geneva on February 22. The biggest news was that Salehi's arrival was a sign of the abandonment of the reconfiguration formula. The Iranians flip-flopped. We assessed that the AEOI had gained the upper hand internally and had convinced whoever needed to be convinced that reconfiguration would be too damaging for the centrifuges. However, for the first time, Iran offered instead to reduce its enrichment capacity by about one-third over ten years (6,000 IR-1 with 500 kg of UF₆ at 3.5 percent, or 6,600 with 300 kg of nuclear matter). No figure was agreed upon at the end of the session, but the P5 +1 acknowledged real progress. The rest of the enrichment "package" had not changed: significant differences remained on R&D and the timeline for years 10 to 15. A total impasse also continued with regard to lifting UNSC sanctions. Despite the mixed results, the Americans began to exert pressure on the French and wanted "the PMD cards on the table" and the list sent to the Iranians of people and sites we wanted access to.

Montreux

The P5+1 and Iran met in Montreux on March 5, 2015. The main development was that the Iranian delegation expressed its willingness to guarantee a breakout time of at least one year for a period of ten years, even though Iran continued to reject the relevance of the concept. The U.S.–Iranian convergence on the

On March 5, Iran was finally willing to guarantee a breakout time of at least one year for ten years. target figure of 6,104 centrifuges was confirmed—which the policy directors agreed was significant.

However, the Iranians backpedalled again on the question of exporting its stockpiles of UF_6 at 3.5 percent over 300 kg. They did not rule out export to Russia, but said they would prefer other solutions, such as conversion into uranium dioxide oxide (UO₂) for the production of fuel pellets (this process was not operational in Iran), or dilution (a solution that the P5+1 found absurd because it meant

Iran would enrich, only to immediately dilute back, which openly proved the absence of any economic rationale for the enrichment program). Iranian demands on R&D remained excessive: Iranians wanted to continue R&D on all available models (IR-2 m, 4, 6, and 8) and they wanted to produce negotiable numbers of IR-8 centrifuges, at least, starting in 2022.

The question of the future of Fordow was still not resolved. The Iranians wanted to keep 1,300 machines in one of the two tunnels, even if they conceded to no enrichment therein. But they did not want to decommission the facility. Instead, it would remain under seal, ready to start up again "in case" ("an insurance policy" in the event of an enemy attack on the fuel enrichment facility at Natanz). In the second tunnel, the Iranians said they were interested in installing a linear accelerator, in the context of French cooperation.

For Arak, the Americans appeared to accept the Iranian heavy-water design, even though they had always maintained that such acceptance could only be a final-hour concession when all the other pieces had fallen into place. But to us, it was not a problem of substance: the Iranian design was acceptable to us with regard to nonproliferation because it would minimize the quantity and quality of plutonium produced.

On sanctions, the Iranians were adamant and intransigent on their position concerning the nonproliferation resolutions of the Security Council. They said they could not accept keeping any of the UNSC measures. Instead, they offered measures that seemed insufficient to us for nonproliferation.

The Montreux meeting was carefully orchestrated by the Iranians. Zarif chose to invite all the delegations to lunch at an Iranian restaurant on the shores of Lake

Geneva, followed by a lakeside stroll. Despite the efforts to produce perfect photo opportunities, the series was disappointing due to the Iranian step backward on enrichment (the issues of stockpiles and Fordow in particular). We left the meeting with the impression that the UNSC sanctions had become the thorniest obstacle. Demands for immediate relief apparently came directly from President Rouhani (whose brother was present at Montreux), who believed that it would not be possible to gain acceptance from conservatives in Tehran without that concession.

Lausanne I

Negotiations were to continue in Lausanne from March 18–20. On March 15, the Iranians met with the Americans, and on the 16th, a ministerial meeting was held in Brussels among Iran and the E3. With only about two weeks to go before the policy framework of a final agreement was due, the meetings were unproductive in putting pressure on Iran. The general atmosphere was one of confusion, and the Americans were impatient. Journalists camped out in the hotel lobby, constantly vying for negotiators' attention.

During this Lausanne I session, the United States made several concessions, in particular with regard to R&D and the course of the nuclear program between years 10 and 15. These concessions came without discussion and agreement within the group, and consequently led to some concern from the E3—especially in regard to R&D. On sanctions, the United States again advocated the option of the "stand-alone document" with a "snapback" mechanism. Despite our repeated demands, the United States did not share a precise draft of this proposal with us.

The session, which was getting bogged down in any event, ended abruptly on March 20 when the death of President Rouhani's mother was announced (also the mother of his brother, Hossein Fereidoun, member of the delegation). The Iranians went home to Tehran for the ceremony and for the Iranian New Year's celebration on March 21, as no agreement seemed forthcoming.

The rest of the group at Lausanne I discovered that the United States had worked with experts from the team of European External Action Service (EEAS) assisting Helga Schmid on a text bearing on a mechanism for resolving disputes in the event of an Iranian refusal of access. This text had been shared with the Iranians, who appeared to accept the principle. It was based on the Joint Commission's (E3+3, High Representative of the EU, and Iran) power, given a majority vote of five out of eight, to force Iran to grant access to a site within a period of up to 24 days. We immediately commented on this mechanism, which was a strange departure from the Additional Protocol's application of ordinary law. We sought an access mechanism that would be stronger than the Additional Protocol, not weaker, and informed the IAEA about this development.

With regard to the PMD action list and clarification of past activities, Ryabkov agreed that the list could be given to the Iranians, on the condition that it was not presented on behalf of the P5+1. Schmid handed over the list, in a scene typical of this negotiation: Araghchi first refused to take the list, then accepted it while stating that receiving the document in no way constituted an agreement on the approach.

On many points during the Lausanne meeting, the United States maintained a fuzzy position on whether or not their ideas had been approved by Iran. During our exchanges with the Iranians (E3–Iran exchanges in particular), their delegation sent a clear message that they considered the nuclear package nearly wrapped up (except for years 10 to 15), and that discussions should focus on lifting all UNSC sanctions at once.

It then became clear that the Americans, pressed by time, were looking not so much for a very robust agreement as for an agreement that Iran would accept and that would, in the view of the U.S. administration, be "better than what we have now." Sherman constantly spoke of "parameters that would certainly be desirable, but which Iran could not accept," and said that the United States therefore preferred not to put them on the table. In terms of President Obama's public declarations, U.S. demands would be limited to maintaining breakout time to one year for a period of ten years. Beyond that, everything was open. For the first time, the Americans mentioned a breakout time of only seven months as of year 11. The most disturbing points on the nuclear aspect were the reappearance of a number IR-2m's; the shape of the enrichment program for years 11 to 15 and the associated breakout time; the rate of R&D over the first ten years; and uncertainty on the effectiveness of the access procedure which was supposed to go farther than the Additional Protocol and guarantee the quality of verification on site.

In the days following Lausanne, because of the differences in approach between the Europeans (especially France) and the Americans, the E3 and the United States, as well as Frederica Mogherini who had replaced Ashton on November 1, 2014, met briefly on the evening of Saturday, March 21, near a runway at Heathrow airport. The meeting was tense. John Kerry kept a stony face while I once again explained our positions: we wanted an agreement, but a robust one to serve as a precedent for the region and beyond. A weak agreement would implicitly allow a regional arms race, rather than call for de-escalation. On the nuclear enrichment package, I reiterated that we sought a full year breakout time, if possible through year 15. The R&D provisions seemed overly favorable to Iran, as they allowed retention of too many capabilities. On UNSC sanctions, I repeated our preference for maintaining the Council's role ("roadmap approach"), underscoring our doubts on some of the aspects of the U.S. approach, such as the feeble binding nature of the provisions, the option offered to Iran via the Joint Commission to ignore its commitments, and doubts as to whether Russia (with its conservative views on UNSC jurisdiction) would support this scheme. Finally, on the method, I emphasized that the final phase had to be co-managed by all parties, in particular those within the E3+1, and said that we hoped for the rapid consolidation of a draft framework with the EEAS holding the pen. While having this conversation, I was in constant contact with the French president.

Lausanne II

Negotiations started again on March 26 and carried on until April 2, beyond the March 30 deadline set by the U.S. Congress. That week, many ministerial, policy, and expert meetings in all shapes, sizes, and forms took place, also including long sessions between the Iranians and the Americans, with the participation of Kerry and Moniz, in the presence of a European Union representative.

I raised our demands again: not more that 5,060 centrifuges in Natanz, no breakout time shorter than nine months, a 15-year plan, a clear path for years 11 to 15, real limits on R&D, inspections to take place (if possible) sooner than planned by the U.S. project (24 days), a credible "snap-back." I also raised the question of how Iran was likely to allocate the 100 billion dollars—the commonly agreed estimate of their frozen assets at that point—that they might receive at the end of the first year of the agreement.

The meeting room in the basement of the Beau Rivage hotel was a lively scene. John Kerry promised his colleagues that an agreement with Zarif could be reached "in two hours." Zarif, a talented actor, did not hesitate to admonish the P5+1 forcefully and to single out John Kerry, as we watched in amazement. On March 26, the Saudis launched air strikes on Yemen, accentuating the impression that there were high stakes at play in the region between Saudi The meetings throughout the week at the end of March were confusing.

Arabia and Yemen, Sunnis and Shiites; the nuclear question was vital.

The meetings throughout the week were confusing. Moniz regularly came to report on the discussions held behind closed doors with Salehi. But the conversation was constantly changing, and the questions were very technical. Foreign Secretary Hammond, close to our positions, addressed the British concerns, in particular on the R&D issue (they were more and more troubled by this), but pressure on the Americans was intense. The Chinese negotiators talked about the "snap-back," which was an important part of the ministerial exchanges, and the French UNSC expertise was very useful in this regard. The mechanism that we ultimately chose was the result of a proposal I made to Russian Foreign Minister Lavrov, then accepted by the P5+1, which provided for sanction relief at the end of a given period, unless a permanent member of the Security Council opposed it: this made it possible to reinstate sanctions in the event of a violation, without the possibility of a Russian or Chinese veto.

Mogherini, the EU High Representative, found it difficult to manage the meetings. Nonetheless, this series of negotiations made it possible to reach a preliminary agreement on April 2 between the P5+1 and Iran concerning the key parameters of the agreement, even though Lavrov had left and Ryabkov had returned to Moscow. A written document was partially approved—Kerry had given up on a full agreement due to lack of time. The delegations shared many working documents, even though the status of these documents and the nature of endorsements were unclear. Everything else was left for the subsequent threemonth period to work out the technical annexes.

The Lausanne document itself had three versions of different substance, in fact, with the one recorded at 6:45 a.m. considered official. The document with the key parameters of the agreement was not made public but—with a stroke of subtlety!— the P5+1 and Iran agreed that the content could be revealed as long as no contradictions appeared with what other parties to the negotiations were presenting. This was the principal of non-contradiction that Kerry cherished ... but the Americans immediately chipped away at that by presenting a "fact sheet" to Congress that put the U.S. point of view in a positive light.⁴

The Lausanne agreement was robust with regard to Iranian enrichment capacities through year 10, calling for a breakout time of one year. It was also strong on the subject of the conversion of the Arak research reactor and transparency measures. Discussions on Iranian capacity in years 11 to 15 and on the limits to R&D capacities of advanced centrifuges were more fraught. In the end, an agreement was finally reached, but at the price of concessions by the P5+1.

The "snap-back" provision was crucial to guaranteeing implementation. On sanctions, conditional relief was approved (the condition being the implementation, verified by the IAEA, of Iran's commitments). Sanctions would be lifted progressively (economic and financial sanctions first, those linked to nonproliferation in the next phase). The precise phasing remained to be defined, as well as the restrictions that would remain in effect. Nevertheless, the Iranians seemed to accept the

reversible character of relief and the renewal of sanctions in the event of violation of the agreement. Even if the precise definition of the methods were not agreed upon, the principle of the "snap-back" provision was still crucial to guaranteeing implementation.

From Key Parameters to the Final Agreement

The P5+1 and Iran met in Vienna from April 22–24, 2015, to continue negotiating after the Lausanne intermediary agreement of April 2. Helga Schmid, the competent policy chief of the European Union, and the Iranian deputy ministers Abbas Araghchi and Majid Takht-Ravanchi, began meeting on April 22. The P5+1 experts arrived in Vienna the same day. The policy chiefs concluded this series during bilateral meetings and a plenary session on April 24.

The Iranians came to Vienna affirming that they only wanted to discuss sanctions, mainly economic ones. Their argument was that the nuclear package had been defined in Lausanne. They demanded guarantees from the United States and the European Union on the effective implementation of sanction relief. They confirmed that they considered as approved the Lausanne working documents on enrichment capacities in years 1 to 10, as well as the "snap-back" and access conditions.

Discussions picked up in New York on April 29 and continued until May 7, on the sidelines of the first week of the NPT Review Conference. There were two objectives: establishing a substantive draft agreement with the EEAS and Iran, and reviewing technical draft annexes with the EEAS and Iran with the support of the P5+1. The French delegation and the IAEA experts present in New York made contact in order to look into PMD, access procedures, the procurement channels for sensitive goods that would continue to be controlled under the agreement, and verification. Schmid and the Iranian negotiators began redrafting the main text —abandoned since July 2014—by chapters (preamble; enrichment and stockpiles; Arak, heavy water, and reprocessing; transparency; sanctions; implementation), based on both the July 2014 text and the "key parameters" of Lausanne.

On May 5, a complete text, a fair amount still in brackets, was released to the different negotiating teams. At the same time, the EEAS had worked with Iranian experts to draft annexes on the nuclear program and sanctions. The EEAS regularly informed the P5+1 experts of the state of advancement. A draft on Arak, heavy water, and reprocessing was ready for release. Work continued on sanctions, and a draft annex on implementation was produced. At the same time, E3+3 experts held meetings to continue on unresolved issues (procurement channel, etc.).

The Iranians seemed to want to run out the clock for the end of June on the nuclear question, dragging their feet on the annexes. In the meantime, they tried to push us to drop those details that were necessary for a robust agreement. On the main text, issues of substance remained including the timeline for years 11 to 13, the transition plan at Fordow, PMD and activities linked to military uses, the procurement channel, and the arms embargo (which was a UN sanction dating back from the very first sanctions resolutions, which we deemed necessary to keep well into the life of the agreement). In regard to the nuclear annexes, the Iranian refusal to take into consideration any elements outside of the Lausanne working documents made it impossible to advance significantly.

Discussions among the P5+1 and Iran experts on technical annexes continued in Vienna from May 12–14. The policy chiefs arrived in Vienna on May 15 to assess the progress of this phase. Extending the New York efforts, the group and Iran were able to draw up the first drafts on enrichment and transparency annexes—most of the text was in brackets. In addition to the matters of substance that were not resolved in Lausanne, the text revealed new disagreements. There were also divergences with the Iranian delegation in regard to the method; they felt that any issue not covered by Lausanne could not be part of the negotiations. At the same time, the P5+1 experts continued to prepare the next phases of the negotiations on the procurement channel, how European and U.S. sanctions would be lifted, and the role of the IAEA.

The Iranians took every opportunity to slow down the discussions on the substance of nuclear issues, seeking to gain time. The Europeans sent strong messages to try to break down this approach. The Americans were completely silent during this negotiation session.

From June 4–6, the Iranians openly blocked any substantial progress on drafting the main text and the annexes, while accusing the P5+1 of putting "new subjects"—not approved in Lausanne—on the table. It was partly true that the Americans brought some new items, often details, although it was not clear if they were reacting to pressure from their own Congress, or if they were seeking to introduce new demands for later negotiation. On the nuclear question, the main obstacles focused on the question of access to military sites and PMD resolution, how to include restrictions for years 10 to 13 in the agreement, and the transition plan for Fordow (stable isotopes and removal of inoperative centrifuges). On sanctions, discussions with the Iranians were also laborious. The E3 received a draft proposal on the Joint Commission, drawn up by the Americans, but no formal negotiations were held within the group.

There was still a mini-crisis in June 2015. During the session from June 10–12, negotiations hit a wall. On the nuclear issue, the discussion on technical annexes made no progress; on the major disagreements (years 11 to 13, PMD, access, Fordow, etc.), Iranians were inflexible in their positions. It was a minicrisis. On sanctions, the discussion on

annexes did not advance either, other than through the transmission, by the group, of suggested wording on the effects of lifting sanctions. The Iranians rejected the proposed resolution as submitted and insisted that Security Council controls should end after ten years. The E3/EU+1 experts held consultations on the methods of operation of the channel of procurement and, in the presence of representatives of the U.S. and EU Treasury departments, on the coordination of relief from economic and financial sanctions.

June 18 and 19 were more constructive days, even if the essential differences on substance remained. The Iranians probably felt that they had gone too far the week before. The deadline was approaching, and the Iranians seemed to favor this kind of "diplomacy on the brink." The dialogue between Russia and Iran progressed on stable isotopes at Fordow. The Iranians said that they wanted to seriously engage with Russia on the export of uranium stockpiles. Discussions between the P5+1 and Iran on Arak moved forward slowly; China was still reluctant to accept the project-management role, strange as it may seem, even though they proposed civilian cooperation. The E3 policy chiefs held consultations with the head of the Chinese delegation to offer their support to China in this regard. On PMD, the Director General of the IAEA, Yukiya Amano, mistrustful of Tehran's intentions, preferred to postpone his response until a new invitation to visit Iran. It seemed that the representatives of the Iranian ministry of foreign affairs had little influence on the AEOI nuclear experts, as Salehi was ill and unable to take part in the negotiation. However, the Iranians pushed to advance on the sanctions part of the agreement, in particular to obtain specifications on the effects of sanctions relief.

Over the weekend, discussions went on in Vienna. On June 22, Zarif travelled to Luxemburg to meet the E3 ministers on the sidelines of the European Council on Foreign Relations. A bilateral meeting between Zarif and me took place, an opportunity to raise the points of greatest concern to us. A meeting between the E3, Mogherini, and Zarif was also organized.

The policy chiefs returned to Vienna on June 25, where the experts had remained, and stayed until the final agreement on July 14. These three weeks were very intense, taking up the final arbitrages, or "trade-offs" on the nuclear question (in particular R&D), led by Moniz, with Salehi out of hospital and accompanied to Vienna at the beginning of July by Zarif. We paid close attention to the Americans on the subject of acceptable parameters. PMD matters took an unexpected turn with the renewal of a specific IAEA-Iran path (Amano went to Iran on July 2) and the discussion concentrated on access to the single site of Parchin-which had long been suspected of having hosted experiments on high explosives relevant to a nuclear weapon-which became central, and which the British and I insisted on in agreement with the IAEA. I met Amano several times. A draft was proposed for the UNSC resolution on sanctions relief, and in particular the policy decisions on different time frames for maintaining residual sanctions (procurement channel, arms embargo, missiles). We also took the initiative to write a letter signed by the three Europeans and John Kerry in order to protect European businesses trading with Iran who feared becoming the targets of unilateral U.S. sanctions, even after the UN sanctions were lifted.

After the successive extensions of the interim JPOA until July 7–13, Lavrov and I exerted great pressure over the weekend of the 11^{th} and 12^{th} , leading

John Kerry to conclude and call on Zarif to make the final decision. I set the deadline of July 14, France's national holiday, in order to wrap up the negotiation.

From the July 14 Agreement to Implementation Day

In the following six months, until the announcement of Implementation Day on January 16, 2016, we did not reduce our efforts to maintain stringent requirements concerning the first measures of decommissioning established in the agreement. The Iranians were anxious and wanted to mitigate some of the constraints. We were able to guarantee the effective removal of Fordow centrifuges reasonably

his was a reminder we must always remain vigilant in monitoring compliance in the years to come. quickly, obtain indispensable detail on the characteristics of the centrifuges, and submit to the IAEA a version of the Iranian enrichment and R&D plan that was closer to the final JCPOA plan. In the final version, there were higher allowances for installation of Iranian centrifuges in years 14 and 15, accepted more or less implicitly by the Americans despite the danger for the region. This is a reminder, if needed, that we must always remain vigilant and firm in monitoring compliance with the agreement in the years to come.

Historic Success

All in all, the agreement signed on July 14, 2015, which can honestly be called "historic," came after twelve years of crisis and as a result of twenty months of negotiation (using the dates of October 2013–July 2015; the pre-Rouhani period was not a real negotiation and was under a different Iranian President). It represents a success on many different fronts, among all the participants and among the various foreign policy goals of each country.

ran only accepted serious negotiations because of the cost of sanctions and the threat of military action. First, this agreement is a diplomatic success. It shows that, under certain conditions, diplomatic action can yield spectacular results when the participants employ willpower and resolution. It is clear that, despite its denials, Iran only accepted serious negotiations—after years of fruitless discussions with the P5+1 because the cost of sanctions had become exorbitant and because the threat of military action, implicit but genuine, threatened in the background. It is also remarkable that the five permanent members of the Security Council were able to agree on this key issue of collective security when they are divided on so many others (Syria, Ukraine, the list goes on). The united front that the P5 presented to Iran was a determining factor in this agreement.

It is a success for the United States. The Obama administration wanted it, they spared no effort to reach it, but the price was some non-negligible concessions and uncertainties. Often, they presented their "partners" with a *fait accompli*—"a done deal." Having managed to move the agreement through Congress without impediment, the administration won hands down, and established what will certainly be recorded as the main foreign policy legacy of this U.S. presidency.

Iran also obtained what was most essential for their country: relief from the sanctions that were strangling

The agreement is a diplomatic success, for the United States, for Europe, for France, and for Iran.

the economy, without really compromising its civil nuclear program, which will nonetheless be significantly slowed down over the next ten years. It is a success for international diplomacy (China, Russia, US and Europe) and for European diplomacy: the three Europeans, who had been involved in the issue since 2002, remained—despite some tactical distractions—well united throughout the negotiations. The successive High Representatives of the European Union, under mandate from the UN Security Council and backed up by efficient teams, gave a new visibility to the Union on this subject of such great importance for international peace and security.

Specifically, France played its role by providing constructive resolve to ensure that the final agreement was sufficiently robust and credible. In close contact with our Head of State, I personally was deeply involved. We offered strategic vision, political determination, and technical expertise, as well as the close cooperation of diplomats from the Ministry of Foreign Affairs, CEA engineers, and intelligence services.

The agreement will also create conditions for further development in three areas. First, while the agreement can be considered robust for the first ten or even thirteen years, beyond that period Iran will quickly regain its capacity to expand its nuclear activities. Some concessions obtained during negotiations will help them to prepare for that time, such as the possibility of carrying out certain research and development activities on sophisticated centrifuges, progressive increases in capacity, no limits after the thirteenth year on the production of new centrifuges, and the lifting of measures restricting the import of sensitive materials after eight years. The attitude of Iran in the weeks leading up to Implementation Day, and contuing tests of its ballistic missile program, have confirmed that they seek to exploit any loopholes in the agreement. We must remain vigilant with regard to implementation, using the tools provided by the agreement, whether via the methods for reinforced IAEA monitoring or, if necessary, the "snap-back."

Second, the agreement opens the path to a more cooperative attitude from Iran on the international scene and especially in regional matters. This remains to be confirmed by concrete tests in the short and medium term, in particular in Syria as well as in Lebanon, Yemen and Iraq. Nothing is certain. We can set our targets and must work to achieve them through a united foreign policy.

Third, we are betting that sanctions relief and the opening up of Iran will, in the long term, help to lead to political and social changes that will bring more freedom and prosperity to that country. Recent election results are encouraging. Such changes are to be applauded, even if a large uncertainty remains.

Overall, the Joint Comprehensive Plan of Action represents a monumental effort from a huge number of different experts, diplomats, scientists, and other leaders. The success of the deal—after years of intransigence, stalls, and setbacks—is an encouraging symbol of what we can accomplish with tenacity and continued discussion. In order to ensure that the agreement remains robust, we must continue to be exacting and determined in our efforts to ensure the implementation of the agreement, both with respect to Iranian nuclear obligations and effective sanctions relief.

Notes

- 1. Hassan Rouhani, National Security and Nuclear Diplomacy (Tehran: Center for Strategic Research (2011).
- 2. See for instance declarations by the chairman of the Foreign Affairs committee of the Majlis, Alaedin Boroudjerdi: "Regarding the Additional Protocol, Majlis has approved a law obliging the government to suspend the voluntary implementation of this protocol which was being carried out at a certain point," quoted in "Majlis not to accept Additional Protocol," PressTV, September 30, 2013, http://edition.presstv.ir/detail/326921.html.
- 3. Under agreements concluded in the 1970s, with pre-Revolution Iran, the government of Iran had taken an indirect stake in Eurodif (*European Gaseous Diffusion Uranium Enrichment Consortium*), an enrichment company incorporated in France, in exchange of a \$1 billion loan to CEA, the French atomic energy commission. As a consequence, Iran was supposed to receive, for a period of 10 years, enriched uranium for nuclear power plants it was planning on building simultaneously (one of which was Bushehr, which has been recently completed, after much delay, by Russia's Rosatom). Iran breached those commitments shortly after the Revolution, which resulted in a protracted litigation and negotiation between the two governments (against a backdrop of state-sponsored terrorism and hostage-taking). The dispute was settled only in 1991: Iran remained a shareholder, but lost its right to obtain enriched uranium.
- See Office of the Spokesperson, U.S. Department of State, "Parameters for a Joint Comprehensive Plan of Action Regarding the Islamic Republic of Iran's Nuclear Program," April 2, 2015, http://www.state.gov/r/pa/prs/ps/2015/04/240170.htm.



Distr.: General 31 July 2006

Resolution 1696 (2006)

Adopted by the Security Council at its 5500th meeting, on 31 July 2006

The Security Council,

Recalling the Statement of its President, S/PRST/2006/15, of 29 March 2006,

Reaffirming its commitment to the Treaty on the Non-proliferation of Nuclear Weapons, 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,

Noting with serious concern the many reports of the IAEA Director General and resolutions of the IAEA Board of Governors related to Iran's nuclear programme, reported to it by the IAEA Director General, including IAEA Board resolution GOV/2006/14,

Noting with serious concern that the IAEA Director General's report of 27 February 2006 (GOV/2006/15) lists a number of outstanding issues and concerns on Iran's nuclear programme, including topics which could have a military nuclear dimension, and that the IAEA is unable to conclude that there are no undeclared nuclear materials or activities in Iran,

Noting with serious concern the IAEA Director General's report of 28 April 2006 (GOV/2006/27) and its findings, including that, after more than three years of Agency efforts to seek clarity about all aspects of Iran's nuclear programme, the existing gaps in knowledge continue to be a matter of concern, and that the IAEA is unable to make progress in its efforts to provide assurances about the absence of undeclared nuclear material and activities in Iran,

Noting with serious concern that, as confirmed by the IAEA Director General's report of 8 June 2006 (GOV/2006/38) Iran has not taken the steps required of it by the IAEA Board of Governors, reiterated by the Council in its statement of 29 March and which are essential to build confidence, and in particular Iran's decision to resume enrichment-related activities, including research and development, its recent expansion of and announcements about such activities, and its continued suspension of cooperation with the IAEA under the Additional Protocol,



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 elsewhere,

Welcoming the statement by the Foreign Minister of France, Philippe Douste-Blazy, on behalf of the Foreign Ministers of China, France, Germany, the Russian Federation, the United Kingdom, the United States and the High Representative of the European Union, in Paris on 12 July 2006 (S/2006/573),

Concerned by the proliferation risks presented by the Iranian nuclear programme, *mindful* of its primary responsibility under the Charter of the United Nations for the maintenance of international peace and security, and *being determined* to prevent an aggravation of the situation,

Acting under Article 40 of Chapter VII of the Charter of the United Nations in order to make mandatory the suspension required by the IAEA,

1. *Calls upon* Iran without further delay to take the steps required by the IAEA Board of Governors in its resolution GOV/2006/14, which are essential to build confidence in the exclusively peaceful purpose of its nuclear programme and to resolve outstanding questions;

2. *Demands*, in this context, that Iran shall suspend all enrichment-related and reprocessing activities, including research and development, to be verified by the IAEA;

3. *Expresses* the conviction that such suspension as well as full, verified Iranian compliance with the requirements set out by the IAEA Board of Governors, would contribute to a diplomatic, negotiated solution that guarantees Iran's nuclear programme is for exclusively peaceful purposes, *underlines* the willingness of the international community to work positively for such a solution, *encourages* Iran, in conforming to the above provisions, to re-engage with the international community and with the IAEA, and *stresses* that such engagement will be beneficial to Iran;

4. *Endorses*, in this regard, the proposals of China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the support of the European Union's High Representative, for a long-term comprehensive arrangement which would allow for the development of relations and cooperation with Iran based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of Iran's nuclear programme (S/2006/521);

5. *Calls upon* all States, in accordance with their national legal authorities and legislation and consistent with international law, to exercise vigilance and prevent the transfer of any items, materials, goods and technology that could contribute to Iran's enrichment-related and reprocessing activities and ballistic missile programmes;

6. *Expresses* its determination to reinforce the authority of the IAEA process, strongly supports the role of the IAEA Board of Governors, *commends and encourages* the Director General of the IAEA and its secretariat for their ongoing professional and impartial efforts to resolve all remaining outstanding issues in Iran within the framework of the Agency, *underlines* the necessity of the IAEA continuing its work to clarify all outstanding issues relating to Iran's nuclear programme, and *calls upon* Iran to act in accordance with the provisions of the

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Additional Protocol and to implement without delay all transparency measures as the IAEA may request in support of its ongoing investigations;

7. *Requests* by 31 August a report from the Director General of the IAEA primarily on whether Iran has established full and sustained suspension of all activities mentioned in this resolution, as well as on the process of Iranian compliance with all the steps required by the IAEA Board and with the above provisions of this resolution, to the IAEA Board of Governors and in parallel to the Security Council for its consideration;

8. *Expresses* its intention, in the event that Iran has not by that date complied with this resolution, then to adopt appropriate measures under Article 41 of Chapter VII of the Charter of the United Nations to persuade Iran to comply with this resolution and the requirements of the IAEA, and *underlines* that further decisions will be required should such additional measures be necessary;

9. *Confirms* that such additional measures will not be necessary in the event that Iran complies with this resolution;

10. Decides to remain seized of the matter.



Board of Governors

GOV/2006/64 Date: 14 November 2006

Original: English

For official use only Item 4(d) of the agenda (GOV/2006/68)

Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

Report by the Director General

1. On 31 August 2006, the Director General reported on the implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran (Iran) (GOV/2006/53). This report covers developments since that date.

A. Suspension of Enrichment Related Activities

2. Since 31 August 2006, centrifuges in the single machine test stand, and the 10-machine, 20machine and first 164-machine cascades at the Pilot Fuel Enrichment Plant (PFEP) have been run, mostly under vacuum, with UF_6 being fed during intermittent periods. The installation of the second 164-machine cascade was completed and, on 13 October 2006, testing of the cascade with UF_6 gas was begun. Between 13 August and 2 November 2006, a total of approximately 34 kg of UF_6 was reported by Iran as having been fed into the centrifuges and enriched to levels below 5% U-235.

3. Between 16 and 18 September 2006, the Agency performed a physical inventory verification (PIV) at PFEP, the evaluation of which remains open pending receipt of sample results.

4. The results of the analysis of the environmental samples taken by the Agency to confirm Iran's statement in June 2006 that it had achieved enrichment levels of 5% U-235 in a test run in the first 164-machine cascade at PFEP are still pending (GOV/2006/53, para. 5). Iran has not provided the Agency full access to operating records concerning product and tail assays which the Agency requires to complete its auditing activities.

5. Iran continues to decline to discuss the implementation of remote monitoring at PFEP, a proposal made by the Agency to compensate for the fact that measures normally used for verification at operational enrichment facilities (e.g. limited frequency unannounced access) are not feasible at PFEP (GOV/2006/53, para. 6).

6. On 5 November 2006, design information verification (DIV) was carried out at the Fuel Enrichment Plant (FEP) at Natanz, where construction was ongoing.

B. Suspension of Reprocessing Activities

7. The Agency has been monitoring the use of hot cells at the Tehran Research Reactor (TRR) and the Molybdenum, Iodine and Xenon Radioisotope Production Facility, and the construction of hot cells at the Iran Nuclear Research Reactor (IR-40), through inspections, DIV and satellite imagery. There are no indications of ongoing reprocessing activities at those facilities, or at any other declared facilities in Iran.

C. Heavy Water Research Reactor

8. Since 31 August 2006, the Agency has been monitoring through satellite imagery the construction of the IR-40 reactor, which, along with the construction of associated buildings, has been continuing.

D. Outstanding Issues

9. On 16 October 2006, the Agency wrote to Iran referring to the long outstanding verification issues relevant to Iran's nuclear activities, and to the fact that Iran had not addressed those issues or provided the necessary transparency to remove uncertainties associated with some of its nuclear activities. In its letter, the Agency urged Iran to provide all the necessary information and required access to facilitate the resolution of all long outstanding verification issues. In its reply of 1 November 2006, Iran stated, inter alia, that it "is prepared to remove ambiguities, if any, and gives access and information in accordance with its Safeguards Agreement". With regard to the outstanding issues, Iran referred to its letter of 27 April 2006, in which it had "declare[d] its preparedness to resolve the remaining issues providing timetable, within next three weeks, provided that the nuclear dossier is returned back in full in the framework of the Agency".

D.1. Enrichment Programme

D.1.1. Contamination

10. There has been no further progress on the resolution of the contamination issues referred to in GOV/2006/53, para. 11 (i.e. the sources of low enriched uranium particles, and some high enriched uranium (HEU) particles, found at locations where Iran has declared that centrifuge components had been manufactured, used and/or stored). In addition, clarification is still required of the particles of natural and high enriched uranium which were found in the samples taken from equipment at a technical university in January 2006 (GOV/2006/53, para. 24).

D.1.2. Acquisition of P-1 and P-2 Centrifuge Technology

11. Iran has not made available to the Agency any new information concerning Iran's P-1 or P-2 centrifuge programme (GOV/2006/53, paras 12–13).

D.2. Uranium Metal

12. Iran has still not provided a copy of the 15-page document describing the procedures for the reduction of UF_6 to uranium metal and the casting and machining of enriched and depleted uranium metal into hemispheres (GOV/2005/87, para. 6). The document was resealed by the Agency in August 2006.

D.3. Plutonium Experiments

13. The Agency has continued to seek clarification from Iran about its plutonium separation experiments (GOV/2006/53, paras 15–17). Iran has not provided sufficient clarification of the outstanding issues concerning these experiments and has stated that no other relevant information is available.

14. As reflected in the Director General's previous report (GOV/2006/53, para. 17), the results of the analysis of environmental samples taken at the Karaj Waste Storage Facility (where containers which had been used to store depleted uranium targets used in the experiments are located) indicate the presence of HEU particles. In response to the Agency's request of 15 August 2006 for information about the source of the particles, and about the past use of the containers, Iran informed the Agency in a letter dated 6 September 2006 that the containers had been used for the temporary storage of spent fuel from TRR, which, in its view, could explain the presence of the HEU particles. Additional samples have been taken from other containers, located at the Tehran Nuclear Research Centre, which had also been used to store spent fuel from TRR. The results from these samples are still pending.

15. Under cover of the Agency's letter of 16 October 2006 (referred to in para. 9 above), Iran was provided with a detailed assessment of the results of further analysis of the samples taken from the containers at Karaj, and was requested to provide further clarification of the presence of the HEU particles and clarification of an additional finding of plutonium in the samples. On 13 November 2006, Iran provided a response to that request, which the Agency is currently assessing.

E. Other Implementation Issues

E.1. Uranium Conversion

16. In June 2006, Iran started at the Uranium Conversion Facility (UCF) a uranium conversion campaign involving approximately 160 tonnes of uranium ore concentrate. As of 7 November 2006, approximately 55 tonnes of uranium in the form of UF₆ had been produced during this campaign. All UF₆ produced at UCF remains under Agency containment and surveillance.

E.2. Other Matters

17. There are no new developments to report with respect to the other implementation issues referred to in previous reports (GOV/2006/38, para. 14; GOV/2006/27, paras 19–20).

F. Transparency Measures

18. Iran has not yet responded to the Agency's long outstanding requests for clarification concerning, and access to carry out further environmental sampling of, equipment and materials related to the Physics Research Centre (PHRC); nor has Iran provided the Agency with access to interview another former Head of the PHRC.

19. Iran has not expressed any readiness to discuss information concerning alleged studies related to the so-called Green Salt Project, to high explosives testing and to the design of a missile re-entry vehicle (GOV/2006/53, para. 26).

G. Summary

20. Iran has been providing the Agency with access to declared nuclear material and facilities, and has provided the required nuclear material accountancy reports in connection with such material and facilities. However, Iran has not provided the Agency with full access to operating records at PFEP.

21. While the Agency is able to verify the non-diversion of declared nuclear material in Iran, the Agency will remain unable to make further progress in its efforts to verify the absence of undeclared nuclear material and activities in Iran unless Iran addresses the long outstanding verification issues, including through the implementation of the Additional Protocol, and provides the necessary transparency. Progress in this regard is a prerequisite for the Agency to be able to confirm the peaceful nature of Iran's nuclear programme.

22. The Agency will continue to pursue its investigation of all remaining outstanding issues relevant to Iran's nuclear activities, and the Director General will continue to report as appropriate.



Distr.: General 27 December 2006

Resolution 1737 (2006)

Adopted by the Security Council at its 5612th meeting, on 23 December 2006

The Security Council,

Recalling the Statement of its President, S/PRST/2006/15, of 29 March 2006, and its resolution 1696 (2006) of 31 July 2006,

Reaffirming its commitment to the Treaty on the Non-Proliferation of Nuclear Weapons, 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,

Reiterating its serious concern over the many reports of the IAEA Director General and resolutions of the IAEA Board of Governors related to Iran's nuclear programme, reported to it by the IAEA Director General, including IAEA Board resolution GOV/2006/14,

Reiterating its serious concern that the IAEA Director General's report of 27 February 2006 (GOV/2006/15) lists a number of outstanding issues and concerns on Iran's nuclear programme, including topics which could have a military nuclear dimension, and that the IAEA is unable to conclude that there are no undeclared nuclear materials or activities in Iran,

Reiterating its serious concern over the IAEA Director General's report of 28 April 2006 (GOV/2006/27) and its findings, including that, after more than three years of Agency efforts to seek clarity about all aspects of Iran's nuclear programme, the existing gaps in knowledge continue to be a matter of concern, and that the IAEA is unable to make progress in its efforts to provide assurances about the absence of undeclared nuclear material and activities in Iran,

Noting with serious concern that, as confirmed by the IAEA Director General's reports of 8 June 2006 (GOV/2006/38), 31 August 2006 (GOV/2006/53) and 14 November 2006 (GOV/2006/64), Iran has not established full and sustained suspension of all enrichment-related and reprocessing activities as set out in resolution 1696 (2006), nor resumed its cooperation with the IAEA under the Additional Protocol, nor taken the other steps required of it by the IAEA Board of Governors, nor complied with the provisions of Security Council resolution

^{*} Reissued for technical resons.



1696 (2006) and which are essential to build confidence, and *deploring* Iran's refusal to take these steps,

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 elsewhere, and *welcoming* the continuing commitment of China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the support of the European Union's High Representative to seek a negotiated solution,

Determined to give effect to its decisions by adopting appropriate measures to persuade Iran to comply with resolution 1696 (2006) and with the requirements of the IAEA, and also to constrain Iran's development of sensitive technologies in support of its nuclear and missile programmes, until such time as the Security Council determines that the objectives of this resolution have been met,

Concerned by the proliferation risks presented by the Iranian nuclear programme and, in this context, by Iran's continuing failure to meet the requirements of the IAEA Board of Governors and to comply with the provisions of Security Council resolution 1696 (2006), *mindful* of its primary responsibility under the Charter of the United Nations for the maintenance of international peace and security,

Acting under Article 41 of Chapter VII of the Charter of the United Nations,

1. *Affirms* that Iran shall without further delay take the steps required by the IAEA Board of Governors in its resolution GOV/2006/14, which are essential to build confidence in the exclusively peaceful purpose of its nuclear programme and to resolve outstanding questions;

2. *Decides*, in this context, that Iran shall without further delay suspend the following proliferation sensitive nuclear activities:

(a) all enrichment-related and reprocessing activities, including research and development, to be verified by the IAEA; and

(b) work on all heavy water-related projects, including the construction of a research reactor moderated by heavy water, also to be verified by the IAEA;

3. Decides that all States shall take the necessary measures to prevent 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 which could contribute to Iran's enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems, namely:

(a) those set out in sections B.2, B.3, B.4, B.5, B.6 and B.7 of INFCIRC/254/Rev.8/Part 1 in document S/2006/814;

(b) those set out in sections A.1 and B.1 of INFCIRC/254/Rev.8/Part 1 in document S/2006/814, except the supply, sale or transfer of:

(i) equipment covered by B.1 when such equipment is for light water reactors;

(ii) low-enriched uranium covered by A.1.2 when it is incorporated in assembled nuclear fuel elements for such reactors;

(c) those set out in document S/2006/815, except the supply, sale or transfer of items covered by 19.A.3 of Category II;

(d) any additional items, materials, equipment, goods and technology, determined as necessary by the Security Council or the Committee established by paragraph 18 below (herein "the Committee"), which could contribute to enrichment-related, or reprocessing, or heavy water-related activities, or to the development of nuclear weapon delivery systems;

4. *Decides* that all States shall take the necessary measures to prevent 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 the following items, materials, equipment, goods and technology:

(a) those set out in INFCIRC/254/Rev.7/Part2 of document S/2006/814 if the State determines that they would contribute to enrichment-related, reprocessing or heavy water-related activities;

(b) any other items not listed in documents S/2006/814 or S/2006/815 if the State determines that they would contribute to enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems;

(c) any further items if the State determines that they would contribute to the pursuit of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding;

5. Decides that, for the supply, sale or transfer of all items, materials, equipment, goods and technology covered by documents S/2006/814 and S/2006/815 the export of which to Iran is not prohibited by subparagraphs 3 (b), 3 (c) or 4 (a) above, States shall ensure that:

(a) the requirements, as appropriate, of the Guidelines as set out in documents S/2006/814 and S/2006/985 have been met; and

(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; and

(c) they notify the Committee within ten days of the supply, sale or transfer; and

(d) in the case of items, materials, equipment, goods and technology contained in document S/2006/814, they also notify the IAEA within ten days of the supply, sale or transfer;

6. *Decides* that all States shall also take the necessary measures to prevent 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 prohibited items, materials, equipment, goods and technology specified in paragraphs 3 and 4 above;

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7. Decides that Iran shall not export any of the items in documents S/2006/814 and S/2006/815 and that all Member States shall prohibit the procurement of such items from Iran by their nationals, or using their flag vessels or aircraft, and whether or not originating in the territory of Iran;

8. *Decides* that Iran shall provide such access and cooperation as the IAEA requests to be able to verify the suspension outlined in paragraph 2 and to resolve all outstanding issues, as identified in IAEA reports, and *calls upon* Iran to ratify promptly the Additional Protocol;

9. Decides that the measures imposed by paragraphs 3, 4 and 6 above shall not apply where the Committee determines in advance and on a case-by-case basis that such supply, sale, transfer or provision of such items or assistance would clearly not contribute to the development of Iran's technologies in support of its proliferation sensitive nuclear activities and of development of nuclear weapon delivery systems, including where such items or assistance are for food, agricultural, medical or other humanitarian purposes, provided that:

(a) contracts for delivery of such items or assistance include appropriate end-user guarantees; and

(b) Iran has committed not to use such items in proliferation sensitive nuclear activities or for development of nuclear weapon delivery systems;

10. *Calls upon* all States to exercise vigilance regarding the entry into or transit through their territories of individuals who are engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, and *decides* in this regard that all States shall notify the Committee of the entry into or transit through their territories of the persons designated in the Annex to this resolution (herein "the Annex"), as well as of additional persons designated by the Security Council or the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities and for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology specified by and under the measures in paragraphs 3 and 4 above, except where such travel is for activities directly related to the items in subparagraphs 3 (b) (i) and (ii) above;

11. Underlines that nothing in the above paragraph requires a State to refuse its own nationals entry into its territory, and that all States shall, in the implementation of the above paragraph, take into account humanitarian considerations as well as the necessity to meet the objectives of this resolution, including where Article XV of the IAEA Statute is engaged;

12. Decides that all States shall freeze the funds, other financial assets and economic resources which are on their territories at the date of adoption of this resolution or at any time thereafter, that are owned or controlled by the persons or entities designated in the Annex, as well as those of additional persons or entities designated by the Security Council or by the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or the development of nuclear weapon delivery systems, or by persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them, including through illicit means, and that the measures in this paragraph shall cease to apply in respect of such persons or entities if, and at such

time as, the Security Council or the Committee removes them from the Annex, and *decides further* that all States shall ensure that any funds, financial assets or economic resources are prevented from being made available by their nationals or by any persons or entities within their territories, to or for the benefit of these persons and entities;

13. *Decides* that the measures imposed by paragraph 12 above do not apply to funds, other financial assets or economic resources that have been determined by relevant States:

(a) 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 Committee 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 Committee within five working days of such notification;

(b) to be necessary for extraordinary expenses, provided that such determination has been notified by the relevant States to the Committee and has been approved by the Committee;

(c) to be the subject of a judicial, administrative or arbitral lien or judgement, in which case the funds, other financial assets and economic resources may be used to satisfy that lien or judgement provided that the lien or judgement was entered into prior to the date of the present resolution, is not for the benefit of a person or entity designated pursuant to paragraphs 10 and 12 above, and has been notified by the relevant States to the Committee;

(d) to be necessary for activities directly related to the items specified in subparagraphs 3 (b) (i) and (ii) and have been notified by the relevant States to the Committee;

14. Decides that States may permit the addition to the accounts frozen pursuant to the provisions of paragraph 12 above of interests 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 became subject to the provisions of this resolution, provided that any such interest, other earnings and payments continue to be subject to these provisions and are frozen;

15. *Decides* that the measures in paragraph 12 above 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 relevant States have determined that:

(a) 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 paragraphs 3, 4 and 6 above;

(b) the payment is not directly or indirectly received by a person or entity designated pursuant to paragraph 12 above;

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and after notification by the relevant States to the Committee 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;

16. *Decides* that technical cooperation provided to Iran by the IAEA or under its auspices shall only be for food, agricultural, medical, safety or other humanitarian purposes, or where it is necessary for projects directly related to the items specified in subparagraphs 3 (b) (i) and (ii) above, but that no such technical cooperation shall be provided that relates to the proliferation sensitive nuclear activities set out in paragraph 2 above;

17. *Calls upon* all States to exercise vigilance and prevent specialized teaching or training of Iranian nationals, within their territories or by their nationals, of disciplines which would contribute to Iran's proliferation sensitive nuclear activities and development of nuclear weapon delivery systems;

18. *Decides* to establish, in accordance with rule 28 of its provisional rules of procedure, a Committee of the Security Council consisting of all the members of the Council, to undertake the following tasks:

(a) to seek from all States, in particular those in the region and those producing the items, materials, equipment, goods and technology referred to in paragraphs 3 and 4 above, information regarding the actions taken by them to implement effectively the measures imposed by paragraphs 3, 4, 5, 6, 7, 8, 10 and 12 of this resolution and whatever further information it may consider useful in this regard;

(b) to seek from the secretariat of the IAEA information regarding the actions taken by the IAEA to implement effectively the measures imposed by paragraph 16 of this resolution and whatever further information it may consider useful in this regard;

(c) to examine and take appropriate action on information regarding alleged violations of measures imposed by paragraphs 3, 4, 5, 6, 7, 8, 10 and 12 of this resolution;

(d) to consider and decide upon requests for exemptions set out in paragraphs 9, 13 and 15 above;

(e) to determine as may be necessary additional items, materials, equipment, goods and technology to be specified for the purpose of paragraph 3 above;

(f) to designate as may be necessary additional individuals and entities subject to the measures imposed by paragraphs 10 and 12 above;

(g) to promulgate guidelines as may be necessary to facilitate the implementation of the measures imposed by this resolution and include in such guidelines a requirement on States to provide information where possible as to why any individuals and/or entities meet the criteria set out in paragraphs 10 and 12 and any relevant identifying information;

(h) to report at least every 90 days to the Security Council on its work and on the implementation of this resolution, with its observations and recommendations, in particular on ways to strengthen the effectiveness of the measures imposed by paragraphs 3, 4, 5, 6, 7, 8, 10 and 12 above; 19. *Decides* that all States shall report to the Committee within 60 days of the adoption of this resolution on the steps they have taken with a view to implementing effectively paragraphs 3, 4, 5, 6, 7, 8, 10, 12 and 17 above;

20. *Expresses* the conviction that the suspension set out in paragraph 2 above as well as full, verified Iranian compliance with the requirements set out by the IAEA Board of Governors, would contribute to a diplomatic, negotiated solution that guarantees Iran's nuclear programme is for exclusively peaceful purposes, *underlines* the willingness of the international community to work positively for such a solution, *encourages* Iran, in conforming to the above provisions, to re-engage with the international community and with the IAEA, and *stresses* that such engagement will be beneficial to Iran;

21. Welcomes the commitment of China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the support of the European Union's High Representative, to a negotiated solution to this issue and encourages Iran to engage with their June 2006 proposals (S/2006/521), which were endorsed by the Security Council in resolution 1696 (2006), for a long-term comprehensive agreement which would allow for the development of relations and cooperation with Iran based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of Iran's nuclear programme;

22. *Reiterates* its determination to reinforce the authority of the IAEA, strongly supports the role of the IAEA Board of Governors, *commends* and *encourages* the Director General of the IAEA and its secretariat for their ongoing professional and impartial efforts to resolve all remaining outstanding issues in Iran within the framework of the IAEA, *underlines* the necessity of the IAEA continuing its work to clarify all outstanding issues relating to Iran's nuclear programme;

23. *Requests* within 60 days a report from the Director General of the IAEA on whether Iran has established full and sustained suspension of all activities mentioned in this resolution, as well as on the process of Iranian compliance with all the steps required by the IAEA Board and with the other provisions of this resolution, to the IAEA Board of Governors and in parallel to the Security Council for its consideration;

24. *Affirms* that it shall review Iran's actions in the light of the report referred to in paragraph 23 above, to be submitted within 60 days, and:

(a) that it shall suspend the implementation of measures if and for so long as Iran suspends all enrichment-related and reprocessing activities, including research and development, as verified by the IAEA, to allow for negotiations;

(b) that it shall terminate the measures specified in paragraphs 3, 4, 5, 6, 7, 10 and 12 of this resolution as soon as it determines that Iran has fully complied with its obligations under the relevant resolutions of the Security Council and met the requirements of the IAEA Board of Governors, as confirmed by the IAEA Board;

(c) that it shall, in the event that the report in paragraph 23 above shows that Iran has not complied with this resolution, adopt further appropriate measures under Article 41 of Chapter VII of the Charter of the United Nations to persuade Iran to comply with this resolution and the requirements of the IAEA, and underlines that further decisions will be required should such additional measures be necessary;

25. Decides to remain seized of the matter.

Annex

A. Entities involved in the nuclear programme

- 1. Atomic Energy Organisation of Iran
- 2. Mesbah Energy Company (provider for A40 research reactor Arak)
- 3. Kala-Electric (aka Kalaye Electric) (provider for PFEP Natanz)
- 4. Pars Trash Company (involved in centrifuge programme, identified in IAEA reports)
- 5. Farayand Technique (involved in centrifuge programme, identified in IAEA reports)
- 6. Defence Industries Organisation (overarching MODAFL-controlled entity, some of whose subordinates have been involved in the centrifuge programme making components, and in the missile programme)
- 7. 7th of Tir (subordinate of DIO, widely recognized as being directly involved in the nuclear programme)

B. Entities involved in the ballistic missile programme

- 1. Shahid Hemmat Industrial Group (SHIG) (subordinate entity of AIO)
- 2. Shahid Bagheri Industrial Group (SBIG) (subordinate entity of AIO)
- 3. Fajr Industrial Group (formerly Instrumentation Factory Plant, subordinate entity of AIO)

C. Persons involved in the nuclear programme

- 1. Mohammad Qannadi, AEOI Vice President for Research & Development
- 2. Behman Asgarpour, Operational Manager (Arak)
- 3. Dawood Agha-Jani, Head of the PFEP (Natanz)
- 4. Ehsan Monajemi, Construction Project Manager, Natanz
- 5. Jafar Mohammadi, Technical Adviser to the AEOI (in charge of managing the production of valves for centrifuges)
- 6. Ali Hajinia Leilabadi, Director General of Mesbah Energy Company
- 7. Lt Gen Mohammad Mehdi Nejad Nouri, Rector of Malek Ashtar University of Defence Technology (chemistry dept, affiliated to MODALF, has conducted experiments on beryllium)

D. Persons involved in the ballistic missile programme

- 1. Gen Hosein Salimi, Commander of the Air Force, IRGC (Pasdaran)
- 2. Ahmad Vahid Dastjerdi, Head of the AIO

- 3. Reza-Gholi Esmaeli, Head of Trade & International Affairs Dept, AIO
- 4. Bahmanyar Morteza Bahmanyar, Head of Finance & Budget Dept, AIO
- E. Persons involved in both the nuclear and ballistic missile programmes
 - 1. Maj Gen Yahya Rahim Safavi, Commander, IRGC (Pasdaran)

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Distr.: General 24 March 2007

Resolution 1747 (2007)

Adopted by the Security Council at its 5647th meeting on 24 March 2007

The Security Council,

Recalling the Statement of its President, S/PRST/2006/15, of 29 March 2006, and its resolution 1696 (2006) of 31 July 2006, and its resolution 1737 (2006) of 23 December 2006, and *reaffirming* their provisions,

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 all 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,

Recalling its serious concern over the reports of the IAEA Director General as set out in its resolutions 1696 (2006) and 1737 (2006),

Recalling the latest report by the IAEA Director General (GOV/2007/8) of 22 February 2007 and *deploring* that, as indicated therein, Iran has failed to comply with resolution 1696 (2006) and resolution 1737 (2006),

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 elsewhere, and *welcoming* the continuing commitment of China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the support of the European Union's High Representative to seek a negotiated solution,

Recalling the resolution of the IAEA Board of Governors (GOV/2006/14), which states that a solution to the Iranian nuclear issue would contribute to global non-proliferation efforts and to realizing the objective of a Middle East free of weapons of mass destruction, including their means of delivery,

Determined to give effect to its decisions by adopting appropriate measures to persuade Iran to comply with resolution 1696 (2006) and resolution 1737 (2006) and with the requirements of the IAEA, and also to constrain Iran's development of sensitive technologies in support of its nuclear and missile programmes, until such



time as the Security Council determines that the objectives of these resolutions have been met,

Recalling the requirement on States to join in affording mutual assistance in carrying out the measures decided upon by the Security Council,

Concerned by the proliferation risks presented by the Iranian nuclear programme and, in this context, by Iran's continuing failure to meet the requirements of the IAEA Board of Governors and to comply with the provisions of Security Council resolutions 1696 (2006) and 1737 (2006), *mindful* of its primary responsibility under the Charter of the United Nations for the maintenance of international peace and security,

Acting under Article 41 of Chapter VII of the Charter of the United Nations,

1. *Reaffirms* that Iran shall without further delay take the steps required by the IAEA Board of Governors in its resolution GOV/2006/14, which are essential to build confidence in the exclusively peaceful purpose of its nuclear programme and to resolve outstanding questions, and, in this context, *affirms* its decision that Iran shall without further delay take the steps required in paragraph 2 of resolution 1737 (2006);

Calls upon all States also to exercise vigilance and restraint regarding the 2 entry into or transit through their territories of individuals who are engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, and decides in this regard that all States shall notify the Committee established pursuant to paragraph 18 of resolution 1737 (2006) (herein "the Committee") of the entry into or transit through their territories of the persons designated in the Annex to resolution 1737 (2006) or Annex I to this resolution, as well as of additional persons designated by the Security Council or the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology specified by and under the measures in paragraphs 3 and 4 of resolution 1737 (2006), except where such travel is for activities directly related to the items in subparagraphs 3 (b) (i) and (ii) of that resolution;

3. Underlines that nothing in the above paragraph requires a State to refuse its own nationals entry into its territory, and that all States shall, in the implementation of the above paragraph, take into account humanitarian considerations, including religious obligations, as well as the necessity to meet the objectives of this resolution and resolution 1737 (2006), including where Article XV of the IAEA Statute is engaged;

4. *Decides* that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the persons and entities listed in Annex I to this resolution;

5. *Decides* that Iran shall not supply, sell or transfer directly or indirectly from its territory or by its nationals or using its flag vessels or aircraft any arms or related materiel, and that all States shall prohibit the procurement of such items from Iran by their nationals, or using their flag vessels or aircraft, and whether or not originating in the territory of Iran;

6. *Calls upon* all States to exercise vigilance and restraint in the supply, sale or transfer directly or indirectly from their territories or by their nationals or using their flag vessels or aircraft of any battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems as defined for the purpose of the United Nations Register on Conventional Arms to Iran, and in 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 such items in order to prevent a destabilizing accumulation of arms;

7. *Calls upon* all States and international financial institutions not to enter into new commitments for grants, financial assistance, and concessional loans, to the Government of the Islamic Republic of Iran, except for humanitarian and developmental purposes;

8. *Calls upon* all States to report to the Committee within 60 days of the adoption of this resolution on the steps they have taken with a view to implementing effectively paragraphs 2, 4, 5, 6 and 7 above;

9. *Expresses* the conviction that the suspension set out in paragraph 2 of resolution 1737 (2006) as well as full, verified Iranian compliance with the requirements set out by the IAEA Board of Governors would contribute to a diplomatic, negotiated solution that guarantees Iran's nuclear programme is for exclusively peaceful purposes, *underlines* the willingness of the international community to work positively for such a solution, *encourages* Iran, in conforming to the above provisions, to re-engage with the international community and with the IAEA, and *stresses* that such engagement will be beneficial to Iran;

10. Welcomes the continuous affirmation of the commitment of China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the support of the European Union's High Representative, to a negotiated solution to this issue and *encourages* Iran to engage with their June 2006 proposals (S/2006/521), attached in Annex II to this resolution, which were endorsed by the Security Council in resolution 1696 (2006), and *acknowledges* with appreciation that this offer to Iran remains on the table, for a long-term comprehensive agreement which would allow for the development of relations and cooperation with Iran based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of Iran's nuclear programme;

11. *Reiterates* its determination to reinforce the authority of the IAEA, strongly supports the role of the IAEA Board of Governors, *commends and encourages* the Director General of the IAEA and its secretariat for their ongoing professional and impartial efforts to resolve all outstanding issues in Iran within the framework of the IAEA, *underlines* the necessity of the IAEA, which is internationally recognized as having authority for verifying compliance with safeguards agreements, including the non-diversion of nuclear material for non-peaceful purposes, in accordance with its Statute, to continue its work to clarify all outstanding issues relating to Iran's nuclear programme;

12. *Requests* within 60 days a further report from the Director General of the IAEA on whether Iran has established full and sustained suspension of all activities mentioned in resolution 1737 (2006), as well as on the process of Iranian

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compliance with all the steps required by the IAEA Board and with the other provisions of resolution 1737 (2006) and of this resolution, to the IAEA Board of Governors and in parallel to the Security Council for its consideration;

13. *Affirms* that it shall review Iran's actions in light of the report referred to in paragraph 12 above, to be submitted within 60 days, and:

(a) that it shall suspend the implementation of measures if and for so long as Iran suspends all enrichment-related and reprocessing activities, including research and development, as verified by the IAEA, to allow for negotiations in good faith in order to reach an early and mutually acceptable outcome;

(b) that it shall terminate the measures specified in paragraphs 3, 4, 5, 6, 7 and 12 of resolution 1737 (2006) as well as in paragraphs 2, 4, 5, 6 and 7 above as soon as it determines, following receipt of the report referred to in paragraph 12 above, that Iran has fully complied with its obligations under the relevant resolutions of the Security Council and met the requirements of the IAEA Board of Governors, as confirmed by the IAEA Board;

(c) that it shall, in the event that the report in paragraph 12 above shows that Iran has not complied with resolution 1737 (2006) and this resolution, adopt further appropriate measures under Article 41 of Chapter VII of the Charter of the United Nations to persuade Iran to comply with these resolutions and the requirements of the IAEA, and underlines that further decisions will be required should such additional measures be necessary;

14. Decides to remain seized of the matter.

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Annex I

Entities involved in nuclear or ballistic missile activities

1. Ammunition and Metallurgy Industries Group (AMIG) (aka Ammunition Industries Group) (AMIG controls 7th of Tir, which is designated under resolution 1737 (2006) for its role in Iran's centrifuge programme. AMIG is in turn owned and controlled by the Defence Industries Organisation (DIO), which is designated under resolution 1737 (2006))

2. Esfahan Nuclear Fuel Research and Production Centre (NFRPC) and Esfahan Nuclear Technology Centre (ENTC) (Parts of the Atomic Energy Organisation of Iran's (AEOI) Nuclear Fuel Production and Procurement Company, which is involved in enrichment-related activities. AEOI is designated under resolution 1737 (2006))

3. Kavoshyar Company (Subsidiary company of AEOI, which has sought glass fibres, vacuum chamber furnaces and laboratory equipment for Iran's nuclear programme)

4. Parchin Chemical Industries (Branch of DIO, which produces ammunition, explosives, as well as solid propellants for rockets and missiles)

5. Karaj Nuclear Research Centre (Part of AEOI's research division)

6. Novin Energy Company (aka Pars Novin) (Operates within AEOI and has transferred funds on behalf of AEOI to entities associated with Iran's nuclear programme)

7. Cruise Missile Industry Group (aka Naval Defence Missile Industry Group) (Production and development of cruise missiles. Responsible for naval missiles including cruise missiles)

8. Bank Sepah and Bank Sepah International (Bank Sepah provides support for the Aerospace Industries Organisation (AIO) and subordinates, including Shahid Hemmat Industrial Group (SHIG) and Shahid Bagheri Industrial Group (SBIG), both of which were designated under resolution 1737 (2006))

9. Sanam Industrial Group (subordinate to AIO, which has purchased equipment on AIO's behalf for the missile programme)

10. Ya Mahdi Industries Group (subordinate to AIO, which is involved in international purchases of missile equipment)

Iranian Revolutionary Guard Corps entities

1. Qods Aeronautics Industries (Produces unmanned aerial vehicles (UAVs), parachutes, para-gliders, para-motors, etc. Iranian Revolutionary Guard Corps (IRGC) has boasted of using these products as part of its asymmetric warfare doctrine)

2. Pars Aviation Services Company (Maintains various aircraft including MI-171, used by IRGC Air Force)

3. Sho'a' Aviation (Produces micro-lights which IRGC has claimed it is using as part of its asymmetric warfare doctrine)

Persons involved in nuclear or ballistic missile activities

1. Fereidoun Abbasi-Davani (Senior Ministry of Defence and Armed Forces Logistics (MODAFL) scientist with links to the Institute of Applied Physics, working closely with Mohsen Fakhrizadeh-Mahabadi, designated below)

2. Mohsen Fakhrizadeh-Mahabadi (Senior MODAFL scientist and former head of the Physics Research Centre (PHRC). The IAEA have asked to interview him about the activities of the PHRC over the period he was head but Iran has refused)

3. Seyed Jaber Safdari (Manager of the Natanz Enrichment Facilities)

4. Amir Rahimi (Head of Esfahan Nuclear Fuel Research and Production Center, which is part of the AEOI's Nuclear Fuel Production and Procurement Company, which is involved in enrichment-related activities)

5. Mohsen Hojati (Head of Fajr Industrial Group, which is designated under resolution 1737 (2006) for its role in the ballistic missile programme)

6. Mehrdada Akhlaghi Ketabachi (Head of SBIG, which is designated under resolution 1737 (2006) for its role in the ballistic missile programme)

7. Naser Maleki (Head of SHIG, which is designated under resolution 1737 (2006) for its role in Iran's ballistic missile programme. Naser Maleki is also a MODAFL official overseeing work on the Shahab-3 ballistic missile programme. The Shahab-3 is Iran's long range ballistic missile currently in service)

8. Ahmad Derakhshandeh (Chairman and Managing Director of Bank Sepah, which provides support for the AIO and subordinates, including SHIG and SBIG, both of which were designated under resolution 1737 (2006))

Iranian Revolutionary Guard Corps key persons

1. Brigadier General Morteza Rezaie (Deputy Commander of IRGC)

2. Vice Admiral Ali Akbar Ahmadian (Chief of IRGC Joint Staff)

3. Brigadier General Mohammad Reza Zahedi (Commander of IRGC Ground Forces)

- 4. Rear Admiral Morteza Safari (Commander of IRGC Navy)
- 5. Brigadier General Mohammad Hejazi (Commander of Bassij resistance force)
- 6. Brigadier General Qasem Soleimani (Commander of Qods force)
- 7. General Zolqadr (IRGC officer, Deputy Interior Minister for Security Affairs)

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Annex II

Elements of a long-term agreement

Our goal is to develop relations and cooperation with Iran, based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of the nuclear programme of the Islamic Republic of Iran. We propose a fresh start in the negotiation of a comprehensive agreement with Iran. Such an agreement would be deposited with the International Atomic Energy Agency (IAEA) and endorsed in a Security Council resolution.

To create the right conditions for negotiations,

We will:

- Reaffirm Iran's right to develop nuclear energy for peaceful purposes in conformity with its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons (hereinafter, NPT), and in this context reaffirm our support for the development by Iran of a civil nuclear energy programme.
- Commit to support actively the building of new light water reactors in Iran through international joint projects, in accordance with the IAEA statute and NPT.
- Agree to suspend discussion of Iran's nuclear programme in the Security Council upon the resumption of negotiations.

Iran will:

- Commit to addressing all of the outstanding concerns of IAEA through full cooperation with IAEA.
- Suspend all enrichment-related and reprocessing activities to be verified by IAEA, as requested by the IAEA Board of Governors and the Security Council, and commit to continue this during these negotiations.
- Resume the implementation of the Additional Protocol.

Areas of future cooperation to be covered in negotiations on a long-term agreement

1. Nuclear

We will take the following steps:

Iran's rights to nuclear energy

- Reaffirm Iran's inalienable right to nuclear energy for peaceful purposes without discrimination and in conformity with articles I and II of NPT, and cooperate with Iran in the development by Iran of a civil nuclear power programme.
- Negotiate and implement a Euratom/Iran nuclear cooperation agreement.

Light water reactors

- Actively support the building of new light water power reactors in Iran through international joint projects, in accordance with the IAEA statute and NPT, using state-of-the-art technology, including by authorizing the transfer of necessary goods and the provision of advanced technology to make its power reactors safe against earthquakes.
- Provide cooperation with the management of spent nuclear fuel and radioactive waste through appropriate arrangements.

Research and development in nuclear energy

• Provide a substantive package of research and development cooperation, including possible provision of light water research reactors, notably in the fields of radioisotope production, basic research and nuclear applications in medicine and agriculture.

Fuel guarantees

- Give legally binding, multilayered fuel assurances to Iran, based on:
 - Participation as a partner in an international facility in Russia to provide enrichment services for a reliable supply of fuel to Iran's nuclear reactors. Subject to negotiations, such a facility could enrich all uranium hexaflouride (UF₆) produced in Iran.
 - Establishment on commercial terms of a buffer stock to hold a reserve of up to five years' supply of nuclear fuel dedicated to Iran, with the participation and under supervision of IAEA.
 - Development with IAEA of a standing multilateral mechanism for reliable access to nuclear fuel, based on ideas to be considered at the next meeting of the Board of Governors.

Review of moratorium

The long-term agreement would, with regard to common efforts to build international confidence, contain a clause for review of the agreement in all its aspects, to follow:

- Confirmation by IAEA that all outstanding issues and concerns reported by it, including those activities which could have a military nuclear dimension, have been resolved;
- Confirmation that there are no undeclared nuclear activities or materials in Iran and that international confidence in the exclusively peaceful nature of Iran's civil nuclear programme has been restored.

2. Political and economic

Regional security cooperation

Support for a new conference to promote dialogue and cooperation on regional security issues.

International trade and investment

Improving Iran's access to the international economy, markets and capital, through practical support for full integration into international structures, including the World Trade Organization and to create the framework for increased direct investment in Iran and trade with Iran (including a trade and economic cooperation agreement with the European Union). Steps would be taken to improve access to key goods and technology.

Civil aviation

Civil aviation cooperation, including the possible removal of restrictions on United States and European manufacturers in regard to the export of civil aircraft to Iran, thereby widening the prospect of Iran renewing its fleet of civil airliners.

Energy partnership

Establishment of a long-term energy partnership between Iran and the European Union and other willing partners, with concrete and practical applications.

Telecommunications infrastructure

Support for the modernization of Iran's telecommunication infrastructure and advanced Internet provision, including by possible removal of relevant United States and other export restrictions.

High technology cooperation

Cooperation in fields of high technology and other areas to be agreed upon.

Agriculture

Support for agricultural development in Iran, including possible access to United States and European agricultural products, technology and farm equipment.

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Distr.: General 3 March 2008

Resolution 1803 (2008)

Adopted by the Security Council at its 5848th meeting, on 3 March 2008

The Security Council,

Recalling the Statement of its President, S/PRST/2006/15, of 29 March 2006, and its resolution 1696 (2006) of 31 July 2006, its resolution 1737 (2006) of 23 December 2006 and its resolution 1747 (2007) of 24 March 2007, and *reaffirming* their provisions,

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 all 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,

Recalling the resolution of the IAEA Board of Governors (GOV/2006/14), which states that a solution to the Iranian nuclear issue would contribute to global non-proliferation efforts and to realizing the objective of a Middle East free of weapons of mass destruction, including their means of delivery,

Noting with serious concern that, as confirmed by the reports of 23 May 2007 (GOV/2007/22), 30 August 2007 (GOV/2007/48), 15 November 2007 (GOV/2007/58) and 22 February 2008 (GOV/2008/4) of the Director General of the International Atomic Energy Agency (IAEA), Iran has not established full and sustained suspension of all enrichment related and reprocessing activities and heavy water-related projects as set out in resolution 1696 (2006), 1737 (2006), and 1747 (2007), nor resumed its cooperation with the IAEA under the Additional Protocol, nor taken the other steps required by the IAEA Board of Governors, nor complied with the provisions of Security Council resolution 1696 (2006), 1737 (2006) and 1747 (2007) and which are essential to build confidence, and *deploring* Iran's refusal to take these steps,

Noting with concern that Iran has taken issue with the IAEA's right to verify design information which had been provided by Iran pursuant to the modified Code 3.1, *emphasizing* that in accordance with Article 39 of Iran's Safeguards Agreement Code 3.1 cannot be modified nor suspended unilaterally and that the Agency's right to verify design information provided to it is a continuing right,



which is not dependent on the stage of construction of, or the presence of nuclear material at, a facility,

Reiterating its determination to reinforce the authority of the IAEA, strongly supporting the role of the IAEA Board of Governors, *commending* the IAEA for its efforts to resolve outstanding issues relating to Iran's nuclear programme in the work plan between the Secretariat of the IAEA and Iran (GOV/2007/48, Attachment), *welcoming* the progress in implementation of this work plan as reflected in the IAEA Director General's reports of 15 November 2007 (GOV/2007/58) and 22 February 2008 (GOV/2008/4), *underlining* the importance of Iran producing tangible results rapidly and effectively by completing implementation of this work plan including by providing answers to all the questions the IAEA asks so that the Agency, through the implementation of the required transparency measures, can assess the completeness and correctness of Iran's declaration,

Expressing the conviction that the suspension set out in paragraph 2 of resolution 1737 (2006) as well as full, verified Iranian compliance with the requirements set out by the IAEA Board of Governors would contribute to a diplomatic, negotiated solution, that guarantees Iran's nuclear programme is for exclusively peaceful purposes,

Stressing that China, France, Germany, the Russian Federation, the United Kingdom and the United States are willing to take further concrete measures on exploring an overall strategy of resolving the Iranian nuclear issue through negotiation on the basis of their June 2006 proposals (S/2006/521), and *noting* the confirmation by these countries that once the confidence of the international community in the exclusively peaceful nature of Iran's nuclear programme is restored, it will be treated in the same manner as that of any Non-Nuclear Weapon State party to the Treaty on the Non-Proliferation of Nuclear Weapons,

Having regard to States' rights and obligations relating to international trade,

Welcoming the guidance issued by the Financial Actions Task Force (FATF) to assist States in implementing their financial obligations under resolution 1737 (2006),

Determined to give effect to its decisions by adopting appropriate measures to persuade Iran to comply with resolution 1696 (2006), resolution 1737 (2006), resolution 1747 (2007) and with the requirements of the IAEA, and also to constrain Iran's development of sensitive technologies in support of its nuclear and missile programmes, until such time as the Security Council determines that the objectives of these resolutions have been met,

Concerned by the proliferation risks presented by the Iranian nuclear programme and, in this context, by Iran's continuing failure to meet the requirements of the IAEA Board of Governors and to comply with the provisions of Security Council resolutions 1696 (2006), 1737 (2006) and 1747 (2007), *mindful* of its primary responsibility under the Charter of the United Nations for the maintenance of international peace and security,

Acting under Article 41 of Chapter VII of the Charter of the United Nations,

1. *Reaffirms* that Iran shall without further delay take the steps required by the IAEA Board of Governors in its resolution GOV/2006/14, which are essential to

build confidence in the exclusively peaceful purpose of its nuclear programme and to resolve outstanding questions, and, in this context, *affirms* its decision that Iran shall without delay take the steps required in paragraph 2 of resolution 1737 (2006), and *underlines* that the IAEA has sought confirmation that Iran will apply Code 3.1 modified;

2. Welcomes the agreement between Iran and the IAEA to resolve all outstanding issues concerning Iran's nuclear programme and progress made in this regard as set out in the Director General's report of 22 February 2008 (GOV/2008/4), *encourages* the IAEA to continue its work to clarify all outstanding issues, *stresses* that this would help to re-establish international confidence in the exclusively peaceful nature of Iran's nuclear programme, and *supports* the IAEA in strengthening its safeguards on Iran's nuclear activities in accordance with the Safeguards Agreement between Iran and the IAEA;

Calls upon all States to exercise vigilance and restraint regarding the 3. entry into or transit through their territories of individuals who are engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, and decides in this regard that all States shall notify the Committee established pursuant to paragraph 18 of resolution 1737 (2006) (herein "the Committee") of the entry into or transit through their territories of the persons designated in the Annex to resolution 1737 (2006), Annex I to resolution 1747 (2007) or Annex I to this resolution, as well as of additional persons designated by the Security Council or the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology specified by and under the measures in paragraphs 3 and 4 of resolution 1737 (2006), except where such entry or transit is for activities directly related to the items in subparagraphs 3 (b) (i) and (ii) of resolution 1737 (2006);

4. Underlines that nothing in paragraph 3 above requires a State to refuse its own nationals entry into its territory, and that all States shall, in the implementation of the above paragraph, take into account humanitarian considerations, including religious obligations, as well as the necessity to meet the objectives of this resolution, resolution 1737 (2006) and resolution 1747 (2007), including where Article XV of the IAEA Statute is engaged;

5. Decides that all States shall take the necessary measures to prevent the entry into or transit through their territories of individuals designated in Annex II to this resolution as well as of additional persons designated by the Security Council or the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology specified by and under the measures in paragraphs 3 and 4 of resolution 1737 (2006), except where such entry or transit is for activities directly related to the items in subparagraphs 3 (b) (i) and (ii) of resolution 1737 (2006) and provided that nothing in this paragraph shall oblige a State to refuse its own nationals entry into its territory;

6. *Decides* that the measures imposed by paragraph 5 above shall not apply where the Committee determines on a case-by-case basis that such travel is justified

on the grounds of humanitarian need, including religious obligations, or where the Committee concludes that an exemption would otherwise further the objectives of the present resolution;

7. Decides that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the persons and entities listed in Annexes I and III to this resolution, and any persons or entities acting on their behalf or at their direction, and to entities owned or controlled by them and to persons and entities determined by the Council or the Committee to have assisted designated persons or entities in evading sanctions of, or in violating the provisions of, this resolution, resolution 1737 (2006) or resolution 1747 (2007);

8. *Decides* that all States shall take the necessary measures to prevent 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 use in or benefit of, Iran, and whether or not originating in their territories, of:

(a) all items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.7/Part 2 of document S/2006/814, except the supply, sale or transfer, in accordance with the requirements of paragraph 5 of resolution 1737 (2006), of items, materials, equipment, goods and technology set out in sections 1 and 2 of the Annex to that document, and sections 3 to 6 as notified in advance to the Committee, only when for exclusive use in light water reactors, and where such supply, sale or transfer is necessary for technical cooperation provided to Iran by the IAEA or under its auspices as provided for in paragraph 16 of resolution 1737 (2006);

(b) all items, materials, equipment, goods and technology set out in 19.A.3 of Category II of document S/2006/815;

9. *Calls upon* all States to exercise vigilance in entering into new commitments for public provided financial support for trade with Iran, including the granting of export credits, guarantees or insurance, to their nationals or entities involved in such trade, in order to avoid such financial support contributing to the proliferation sensitive nuclear activities, or to the development of nuclear weapon delivery systems, as referred to in resolution 1737 (2006);

10. *Calls upon* all States to exercise vigilance over the activities of financial institutions in their territories with all banks domiciled in Iran, in particular with Bank Melli and Bank Saderat, and their branches and subsidiaries abroad, in order to avoid such activities contributing to the proliferation sensitive nuclear activities, or to the development of nuclear weapon delivery systems, as referred to in resolution 1737 (2006);

11. *Calls upon* all States, in accordance with their national legal authorities and legislation and consistent with international law, in particular the law of the sea and relevant international civil aviation agreements, to inspect the cargoes to and from Iran, of aircraft and vessels, at their airports and seaports, owned or operated by Iran Air Cargo and Islamic Republic of Iran Shipping Line, provided there are reasonable grounds to believe that the aircraft or vessel is transporting goods prohibited under this resolution or resolution 1737 (2006) or resolution 1747 (2007);

12. *Requires* all States, in cases when inspection mentioned in the paragraph above is undertaken, to submit to the Security Council within five working days a

written report on the inspection containing, in particular, explanation of the grounds for the inspection, as well as information on its time, place, circumstances, results and other relevant details;

13. *Calls upon* all States to report to the Committee within 60 days of the adoption of this resolution on the steps they have taken with a view to implementing effectively paragraphs 3, 5, 7, 8, 9, 10 and 11 above;

14. *Decides* that the mandate of the Committee as set out in paragraph 18 of resolution 1737 (2006) shall also apply to the measures imposed in resolution 1747 (2007) and this resolution;

15. *Stresses* the willingness of China, France, Germany, the Russian Federation, the United Kingdom and the United States to further enhance diplomatic efforts to promote resumption of dialogue, and consultations on the basis of their offer to Iran, with a view to seeking a comprehensive, long-term and proper solution of this issue which would allow for the development of all-round relations and wider cooperation with Iran based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of Iran's nuclear programme, and inter alia, starting direct talks and negotiation with Iran as long as Iran suspends all enrichment-related and reprocessing activities, including research and development, as verified by the IAEA;

16. *Encourages* the European Union High Representative for the Common Foreign and Security Policy to continue communication with Iran in support of political and diplomatic efforts to find a negotiated solution including relevant proposals by China, France, Germany, the Russian Federation, the United Kingdom and the United States with a view to create necessary conditions for resuming talks;

17. *Emphasizes* the importance of all States, including Iran, taking the necessary measures to ensure that no claim shall lie at the instance of the Government of Iran, or of 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 measures imposed by the present resolution, resolution 1737 (2006) or resolution 1747 (2007);

18. *Requests* within 90 days a further report from the Director General of the IAEA on whether Iran has established full and sustained suspension of all activities mentioned in resolution 1737 (2006), as well as on the process of Iranian compliance with all the steps required by the IAEA Board and with the other provisions of resolution 1737 (2006), resolution 1747 (2007) and of this resolution, to the IAEA Board of Governors and in parallel to the Security Council for its consideration;

19. *Reaffirms* that it shall review Iran's actions in light of the report referred to in the paragraph above, and:

(a) that it shall suspend the implementation of measures if and for so long as Iran suspends all enrichment-related and reprocessing activities, including research and development, as verified by the IAEA, to allow for negotiations in good faith in order to reach an early and mutually acceptable outcome; (b) that it shall terminate the measures specified in paragraphs 3, 4, 5, 6, 7 and 12 of resolution 1737 (2006), as well as in paragraphs 2, 4, 5, 6 and 7 of resolution 1747 (2007), and in paragraphs 3, 5, 7, 8, 9, 10 and 11 above, as soon as it determines, following receipt of the report referred to in the paragraph above, that Iran has fully complied with its obligations under the relevant resolutions of the Security Council and met the requirements of the IAEA Board of Governors, as confirmed by the IAEA Board;

(c) that it shall, in the event that the report shows that Iran has not complied with resolution 1696 (2006), resolution 1737 (2006), resolution 1747 (2007) and this resolution, adopt further appropriate measures under Article 41 of Chapter VII of the Charter of the United Nations to persuade Iran to comply with these resolutions and the requirements of the IAEA, and underlines that further decisions will be required should such additional measures be necessary;

20. Decides to remain seized of the matter.

Annex I

- 1. Amir Moayyed Alai (involved in managing the assembly and engineering of centrifuges)
- 2. Mohammad Fedai Ashiani (involved in the production of ammonium uranyl carbonate and management of the Natanz enrichment complex)
- 3. Abbas Rezaee Ashtiani (a senior official at the AEOI Office of Exploration and Mining Affairs)
- 4. Haleh Bakhtiar (involved in the production of magnesium at a concentration of 99.9%)
- 5. Morteza Behzad (involved in making centrifuge components)
- 6. Dr. Mohammad Eslami (Head of Defence Industries Training and Research Institute)
- 7. Seyyed Hussein Hosseini (AEOI official involved in the heavy water research reactor project at Arak)
- 8. M. Javad Karimi Sabet (Head of Novin Energy Company, which is designated under resolution 1747 (2007))
- 9. Hamid-Reza Mohajerani (involved in production management at the Uranium Conversion Facility (UCF) at Esfahan)
- Brigadier-General Mohammad Reza Naqdi (former Deputy Chief of Armed Forces General Staff for Logistics and Industrial Research/Head of State Anti-Smuggling Headquarters, engaged in efforts to get round the sanctions imposed by resolutions 1737 (2006) and 1747 (2007))
- 11. Houshang Nobari (involved in the management of the Natanz enrichment complex)
- 12. Abbas Rashidi (involved in enrichment work at Natanz)
- 13. Ghasem Soleymani (Director of Uranium Mining Operations at the Saghand Uranium Mine)

Annex II

A. Individuals listed in resolution 1737 (2006)

- 1. Mohammad Qannadi, AEOI Vice President for Research & Development
- 2. Dawood Agha-Jani, Head of the PFEP (Natanz)
- 3. Behman Asgarpour, Operational Manager (Arak)

B. Individuals listed in resolution 1747 (2007)

- 1. Seyed Jaber Safdari (Manager of the Natanz Enrichment Facilities)
- 2. Amir Rahimi (Head of Esfahan Nuclear Fuel Research and Production Center, which is part of the AEOI's Nuclear Fuel Production and Procurement Company, which is involved in enrichment-related activities)

Annex III

- 1. Abzar Boresh Kaveh Co. (BK Co.) (involved in the production of centrifuge components)
- 2. Barzagani Tejarat Tavanmad Saccal companies (subsidiary of Saccal System companies) (this company tried to purchase sensitive goods for an entity listed in resolution 1737 (2006))
- 3. Electro Sanam Company (E. S. Co./E. X. Co.) (AIO front-company, involved in the ballistic missile programme)
- 4. Ettehad Technical Group (AIO front-company, involved in the ballistic missile programme)
- 5. Industrial Factories of Precision (IFP) Machinery (aka Instrumentation Factories Plant) (used by AIO for some acquisition attempts)
- 6. Jabber Ibn Hayan (AEOI laboratory involved in fuel-cycle activities)
- 7. Joza Industrial Co. (AIO front-company, involved in the ballistic missile programme)
- 8. Khorasan Metallurgy Industries (subsidiary of the Ammunition Industries Group (AMIG) which depends on DIO. Involved in the production of centrifuges components)
- 9. Niru Battery Manufacturing Company (subsidiary of the DIO. Its role is to manufacture power units for the Iranian military including missile systems)
- 10. Pishgam (Pioneer) Energy Industries (has participated in construction of the Uranium Conversion Facility at Esfahan)
- 11. Safety Equipment Procurement (SEP) (AIO front-company, involved in the ballistic missile programme)
- 12. TAMAS Company (involved in enrichment-related activities. TAMAS is the overarching body, under which four subsidiaries have been established, including one for uranium extraction to concentration and another in charge of uranium processing, enrichment and waste)

7



Board of Governors

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Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1835 (2008) in the Islamic Republic of Iran

Report by the Director General

1. On 28 August 2009, the Director General reported to the Board of Governors on the implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1835 (2008) in the Islamic Republic of Iran (Iran) (GOV/2009/35). This report covers relevant developments since that date.

A. Current Enrichment Related Activities

A.1. Natanz: FEP and PFEP

2. On 2 November 2009, Iran was feeding UF_6 into the 18 cascades of Unit A24, and 6 cascades of Unit A26, at the Fuel Enrichment Plant (FEP) at Natanz.¹ On that day, the other 12 cascades of Unit A26 were under vacuum. Iran has continued with the installation of cascades at Unit A28; as of 2 November 2009, 17 cascades had been installed and the installation of another cascade was continuing.² All machines installed to date are IR-1 centrifuges with 164 machines per cascade. Installation work at Units A25 and A27 is also continuing.

¹ There are two cascade halls planned at FEP: Production Hall A and Production Hall B. According to the design information submitted by Iran, eight units (Units A21 to A28) are planned for Production Hall A (GOV/2008/38, para. 2).

 $^{^{2}}$ On 2 November 2009, 3936 centrifuges were being fed with UF₆ and an additional 4756 centrifuges had been installed.

3. Iran has estimated that, between 18 November 2008 and 30 October 2009, 10395 kg of UF_6 was fed into the cascades and a total of 924 kg of low enriched UF_6 was produced³, which would result in a total production of 1763 kg of low enriched UF_6 since the start-up of FEP. The nuclear material at FEP (including the feed, product and tails), as well as all installed cascades and the feed and withdrawal stations, are subject to Agency containment and surveillance.⁴

4. The next physical inventory verification (PIV) at FEP is scheduled for 22 to 30 November 2009. As previously indicated to the Board, at that time, the Agency will verify the inventory of nuclear material at the facility and evaluate the nuclear material balance.⁵

5. Between 14 August and 27 October 2009, a total of approximately 53 kg of UF_6 was fed into a 10-machine IR-2m cascade and single IR-1, IR-2m and IR-4 centrifuges at the Pilot Fuel Enrichment Plant (PFEP). The nuclear material at the PFEP, as well as the cascade area and the feed and withdrawal stations, remain subject to Agency containment and surveillance.⁴ The Agency is currently evaluating the results of the PIV it conducted at PFEP between 14 and 16 September 2009.

6. The results of the environmental samples taken at FEP and PFEP indicate that the declared maximum enrichment level (i.e. less than 5.0% U-235 enrichment) has not been exceeded at either plant.⁶ Since the last report, the Agency has conducted two unannounced inspections at FEP, for a total of 31 since March 2007.

A.2. Qom: Fordow Fuel Enrichment Plant

7. In a letter to the Director General dated 21 September 2009, Iran informed the Agency that "Based on [its] sovereign right of safeguarding ... sensitive nuclear facilities through various means such as utilization of passive defense systems ... [Iran] has decided to construct a new pilot fuel enrichment plant (up to 5% enrichment)". Iran stated that the required infrastructure for the plant had been established and that the plant was under construction. In a letter dated 25 September 2009, the Agency requested Iran to provide further information on the current status of its construction and Iran's plans for the introduction of nuclear material into the facility. The Agency also requested that Iran submit a detailed Design Information Questionnaire (DIQ) and provide access to the facility as soon as possible.

8. During a meeting with the Director General in Tehran on 4 October 2009, Iran agreed to provide the Agency with access to the Fordow Fuel Enrichment Plant (FFEP). Under cover of a letter to the Agency dated 18 October 2009, Iran also submitted a preliminary DIQ for FFEP.

9. On 26 and 27 October 2009, the Agency carried out design information verification (DIV) at FFEP, which is located about 20 km north of the city of Qom. The Agency also held two meetings in

⁴ In line with normal safeguards practice, small amounts of nuclear material at the facility (e.g. some waste and samples) are not under containment and surveillance.

⁵ GOV/2009/55, para. 4.

⁶ Results are available for samples taken up to 12 August 2009 for FEP and up to 15 August 2009 for PFEP. These results have shown particles of low enriched uranium (with up to 4.4% U-235 enrichment), natural uranium and depleted uranium (down to 0.37% U-235 enrichment).

³ The Agency has verified that, as of 17 November 2008, 9956 kg of UF₆ had been fed into the cascades and 839 kg of low enriched UF₆ had been produced since the beginning of operations in February 2007 (GOV/2009/8, para. 3). The Agency has confirmed, through independently calibrated operator load cell readings, that, between 18 November 2008 and 30 October 2009, 10412 kg of UF₆ was fed into the cascades, and a total of 814 kg of low enriched UF₆ product and 9080 kg of UF₆ tails and dump material was off-loaded into UF₆ cylinders. The difference of 518 kg between the input and output figures comprises natural, depleted and low enriched UF₆ arising mainly from hold-up in the various cold traps and is not inconsistent with the design information provided by Iran.

Tehran, on 25 and 28 October 2009, to review the DIQ and to discuss the chronology of the design and construction of FFEP as well as its status and purpose. The Agency verified that FFEP was being built to contain sixteen cascades with a total of approximately 3000 centrifuges. Iran indicated that it currently planned to install only IR-1 centrifuges at FFEP, but that the facility could be reconfigured to contain centrifuges of more advanced types should Iran take a decision to use such centrifuges in the future. Iran stated that some of the equipment located at FFEP had come from the Natanz site, and that the Natanz site would provide functional support to FFEP, such as centrifuge assembly and decontamination of equipment. Iran also stated that no nuclear material had been introduced into FFEP.

10. The DIV included a detailed visual examination of all areas of the plant, the taking of photographs of cascade piping and other process equipment, the taking of environmental samples and a detailed assessment of the design, configuration and capacity of the various plant components and systems. Iran provided access to all areas of the facility. The Agency confirmed that the plant corresponded with the design information provided by Iran and that the facility was at an advanced stage of construction, although no centrifuges had been introduced into the facility. Centrifuge mounting pads, header and sub-header pipes, water piping, electrical cables and cabinets had been put in place but were not yet connected; the passivation tanks, chemical traps, cold traps and cool boxes were also in place but had not been connected. In addition, a utilities building containing electricity transformers and water chillers had also been erected.

11. During the meeting in Tehran on 25 October 2009, the Agency provided comments on the preliminary DIQ submitted by Iran, and requested that a revised preliminary DIQ be submitted with additional information, which Iran did in the course of the later meeting on 28 October. Iran informed the Agency that it would provide further information required in the DIQ as the facility is developed. The Agency informed Iran that, in accordance with its Safeguards Agreement, FFEP will henceforth be subject to regular DIV by the Agency. The next DIV is scheduled for the end of November 2009.

12. Iran explained that the Fordow site had been allocated to the Atomic Energy Organization of Iran (AEOI) in the second half of 2007, and that that was when the construction of FFEP had started. Iran subsequently confirmed that explanation in a letter dated 28 October 2009. In that letter, Iran stated that:

"As a result of the augmentation of the threats of military attacks against Iran, the Islamic Republic of Iran decided to establish contingency centers for various organizations and activities ...

"The Natanz Enrichment Plant was among the targets threatened with military attacks. Therefore, the Atomic Energy Organization requested the Passive Defence Organization to allocate one of those aforementioned centers for the purpose of [a] contingency enrichment plant, so that the enrichment activities shall not be suspended in the case of any military attack. In this respect, the Fordow site, being one of those constructed and prepared centers, [was] allocated to the Atomic Energy Organization of Iran (AEOI) in the second half of 2007. The construction of the Fordow Fuel Enrichment Plant then started. The construction is still ongoing. Thus the plant is not yet ready for operation and it is planned to be operational in 2011."

13. During the meetings, the Agency informed Iran that it had acquired commercially available satellite imagery of the site indicating that there had been construction at the site between 2002 and 2004, and that construction activities were resumed in 2006 and had continued to date. The Agency also referred to the extensive information given to the Agency by a number of Member States detailing

the design of the facility, which was consistent with the design as verified by the Agency during the DIV. The Agency also informed Iran that these Member States alleged that design work on the facility had started in 2006.

14. The Agency further indicated that it still had questions about the purpose for which the facility had been intended and how it fit into Iran's nuclear programme. The Agency also indicated that Iran's declaration of the new facility reduces the level of confidence in the absence of other nuclear facilities under construction and gives rise to questions about whether there were any other nuclear facilities in Iran which had not been declared to the Agency.

15. In light of the above, the Agency requested access to the FFEP project manager and those responsible for the design of FFEP, along with access to original design documentation, such as engineering drawings, with a view to confirming Iran's statements regarding the chronology and purpose of the facility.

16. Iran stated that it did not have any other nuclear facilities that were currently under construction or in operation that had not yet been declared to the Agency. Iran also stated that any such future facilities would "be reported to the Agency according to Iran's obligations to the Agency". In a letter dated 6 November 2009, the Agency asked Iran to confirm that it had not taken a decision to construct, or to authorize construction of, any other nuclear facility which had not been declared to the Agency.

17. For reasons set out in previous reports to the Board of Governors, Iran remains bound by the revised Code 3.1 of the Subsidiary Arrangements General Part to which it had agreed in 2003,⁷ which requires that the Agency be provided with preliminary design information about a new nuclear facility as soon as the decision to construct or to authorize construction of the facility is taken. The revised Code 3.1 also requires that Iran provide the Agency with further design information as the design is developed early in the project definition, preliminary design, construction and commissioning phases.⁸ Even if, as stated by Iran, the decision to construct the new facility at the Fordow site was taken in the second half of 2007, Iran's failure to notify the Agency of the new facility until September 2009 was inconsistent with its obligations under the Subsidiary Arrangements to its Safeguards Agreement.

B. Reprocessing Activities

18. The Agency has continued to monitor the use and construction of hot cells at the Tehran Research Reactor (TRR) and the Molybdenum, Iodine and Xenon Radioisotope Production (MIX) Facility. The Agency carried out a DIV at TRR on 19 August 2009 and on 9 November 2009 at the MIX Facility. There were no indications of ongoing reprocessing related activities at those facilities. While Iran has stated that there have been no reprocessing related R&D activities in Iran, the Agency can confirm this only with respect to these two facilities, as the measures of the Additional Protocol are not currently available to it for Iran.

⁷ GOV/2009/55, para. 14; GOV/2008/59, para. 9; GOV/2007/22, paras 12–14.

⁸ GOV/2003/40, paras 6, 15.

C. Heavy Water Reactor Related Projects

19. The Agency has reviewed the updated DIQ for the Fuel Manufacturing Plant (FMP) at Esfahan provided by Iran on 21 August 2009 (GOV/2009/55, para. 9). Contrary to what was requested in the Agency's letter of 19 June 2009, the updated DIQ did not contain information on the design features of the IR-40 fuel assembly. The Agency provided comments on the DIQ to Iran on 5 November 2009, reiterating its request that Iran include the fuel assembly information.

20. The Agency has finalized its assessment of the results of the physical inventory verification (PIV) carried out at FMP in August 2009 (GOV/2009/55, para. 10), and has concluded that the inventory of nuclear material at FMP as declared by Iran is consistent with those results, within the measurement uncertainties normally associated with fabrication plants of similar throughput. On 24 October 2009, the Agency carried out a DIV at FMP. It confirmed that the status of the facility had remained unchanged and that no further assemblies, rods or pellets have been produced.

21. On 7 November 2009, the Agency carried out a DIV at the IR-40 reactor at Arak. The Agency verified that the construction of the facility was ongoing. The Agency has continued using satellite imagery to monitor the status of the Heavy Water Production Plant, which seems not to have been operating since the last report.

22. On 25 October 2009, during the DIV at the Uranium Conversion Facility (UCF) at Esfahan, the Agency observed 600 50-litre drums said by Iran to contain heavy water. In a letter dated 10 November 2009, the Agency asked Iran to confirm the number of drums and their contents, and to provide information on the origin of the heavy water.

D. Other Implementation Issues

D.1. Uranium Conversion

23. In a letter dated 16 October 2009, the Agency requested Iran to provide information regarding the layout, equipment and installation schedule for an analytical laboratory which, in the updated DIQ for UCF submitted in August 2009, Iran had indicated would be installed in an underground location in one of the UCF storage areas.

24. On 25 October 2009, the Agency carried out a DIV at UCF. At that time, the plant was undergoing maintenance. No UF₆ has been produced since 10 August 2009. The total amount of uranium in the form of UF₆ produced at UCF since March 2004 therefore remains 366 tonnes, some of which was transferred to the FEP and PFEP, and which remains subject to Agency containment and surveillance (GOV/2009/55, para. 12). Between 11 August 2009 and 25 October 2009, 92 samples of ammonium diuranate (ADU) containing about a kilogram of uranium were received at UCF from the Bandar Abbas Uranium Production Plant.

D.2. Design Information

25. Iran has not yet resumed the implementation of the revised Code 3.1 of the Subsidiary Arrangements General Part on the early provision of design information, and remains the only State with significant nuclear activities which has a comprehensive safeguards agreement in force but is not implementing the provisions of the revised Code 3.1. It is important to note that the absence of such early information reduces the time available for the Agency to plan the necessary safeguards

arrangements, especially for new facilities, and reduces the level of confidence in the absence of other nuclear facilities under construction, as indicated above.

26. In December 2007, the Agency requested preliminary design information for the nuclear power plant to be built in Darkhovin (GOV/2008/38, para. 11). In a letter dated 22 September 2009, Iran provided the Agency with preliminary design information for the plant, citing, as it had in its letter of 21 September 2009 concerning FFEP, its desire to cooperate rather than a legal obligation. In the preliminary design information, the Darkhovin plant is described as a 360 MWe pressurized water reactor, the construction of which is scheduled to start in 2011, with commissioning to take place in 2015. The Agency has examined the design information and has requested Iran to provide additional clarifications regarding, inter alia, the design of the fuel assemblies and the facility layout.

27. For reasons set out in previous Board reports,⁹ the Agency is of the view that the revised Code 3.1 remains in force for Iran. Thus, as indicated above concerning the late submission of design information for FFEP, Iran's failure to submit design information for the Darkhovin facility until September of this year was inconsistent with its obligations under the Subsidiary Arrangements to its Safeguards Agreement.

D.3. Other Matters

28. A PIV at the Bushehr Nuclear Power Plant is planned for 17 November 2009.

29. On 23 September 2009, the Agency performed a DIV at the Uranium Chemical Laboratory at Esfahan, and was able to confirm the decommissioned status of the facility (GOV/2009/55, para. 17).

30. Based on satellite imagery and supporting documentation relevant to the ADU samples received at UCF (see para. 23 above), the Agency assesses that uranium recovery activities are continuing in the area of the Bandar Abbas Uranium Production Plant.

E. Possible Military Dimensions

31. As detailed in the Director General's previous reports to the Board (most recently in GOV/2009/55, para. 18), there remain a number of outstanding issues which give rise to concerns, and which need to be clarified to exclude the existence of possible military dimensions to Iran's nuclear programme. As indicated in those reports, for the Agency to be able to address these concerns and make progress in its efforts to provide assurance about the absence of undeclared nuclear material and activities in Iran, it is essential that Iran, inter alia, implement the Additional Protocol and provide the information and access necessary to: resolve questions related to the alleged studies; clarify the circumstances of the acquisition of the uranium metal document; clarify procurement and R&D activities of military related institutes and companies that could be nuclear related; and clarify the production of nuclear related equipment and components by companies belonging to defence industries.

32. The Agency is still awaiting a reply from Iran to its request to meet relevant Iranian authorities in connection with these issues.¹⁰ The Agency is also still awaiting Iran's response to the Agency's repeated requests for access to persons, information and locations identified in the alleged studies

⁹ GOV/2009/55, para. 14; GOV/2008/59, para. 9; GOV/2007/22, paras 12-14.

¹⁰ GOV/2009/55, paras 24, 28.

documents in order to verify Iran's assertion that these documents are false and fabricated. Further analysis of the information available to the Agency underscores the importance of Iran engaging with the Agency in a substantive and comprehensive manner, and providing the requested access, so that the remaining outstanding issues may be resolved. In this context, it would be helpful if Member States which have provided documentation to the Agency would agree to share more of that documentation with Iran, as appropriate.

F. Summary

33. The Agency continues to verify the non-diversion of declared nuclear material in Iran. While Iran recently submitted preliminary design information on the Darkhovin reactor, it continues to assert that it is not bound by the revised Code 3.1 of the Subsidiary Arrangements General Part to which it agreed in 2003, and which it ceased to implement in March 2007.

34. Iran has informed the Agency about the construction of a new pilot enrichment plant at Qom, FFEP. Iran's failure to inform the Agency, in accordance with the provisions of the revised Code 3.1, of the decision to construct, or to authorize construction of, a new facility as soon as such a decision is taken, and to submit information as the design is developed, is inconsistent with its obligations under the Subsidiary Arrangements to its Safeguards Agreement. Moreover, Iran's delay in submitting such information to the Agency does not contribute to the building of confidence. While the Agency has confirmed that the plant corresponds to the design information provided by Iran, Iran's explanation about the purpose of the facility and the chronology of its design and construction requires further clarification.

35. Iran has not suspended its enrichment related activities or its work on heavy water related projects as required by the Security Council.

36. Contrary to the request of the Board of Governors and the requirements of the Security Council, Iran has neither implemented the Additional Protocol nor cooperated with the Agency in connection with the remaining issues of concern, which need to be clarified to exclude the possibility of military dimensions to Iran's nuclear programme. It is now well over a year since the Agency was last able to engage Iran in discussions about these outstanding issues. Unless Iran implements the Additional Protocol and, through substantive dialogue, clarifies the outstanding issues to the satisfaction of the Agency, the Agency will not be in a position to provide credible assurance about the absence of undeclared nuclear material and activities in Iran.

37. The Director General will continue to report as appropriate.



Board of Governors

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Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1835 (2008) in the Islamic Republic of Iran

Report by the Director General

1. On 16 November 2009, the Director General reported to the Board of Governors on the implementation of the NPT Safeguards Agreement and relevant provisions of relevant Security Council resolutions in the Islamic Republic of Iran (Iran) (GOV/2009/74). The Director General issued two additional reports on 8 and 10 February 2010 (GOV/INF/2010/1 and GOV/INF/2010/2, respectively).

A. Current Enrichment Related Activities

A.1. Natanz: Fuel Enrichment Plant and Pilot Fuel Enrichment Plant

2. In November 2003, Iran informed the Agency that it would suspend all enrichment related and reprocessing activities in Iran. Specifically, Iran announced that it would suspend all activities on the site of Natanz, not produce feed material for enrichment processes and not import enrichment related items. In February 2004, Iran expanded the scope of that suspension to include the assembly and testing of centrifuges, and the domestic manufacture of centrifuge components. In June 2004, Iran stopped implementing the expanded voluntary measures in connection with the manufacturing of centrifuge components and the assembling and testing of centrifuges. In November 2004, Iran notified the Agency that it had decided, "on a voluntary basis and as [a] further confidence building measure, to continue and extend its suspension to include all enrichment related and reprocessing activities". In January 2006, Iran informed the Agency that it had decided to resume "R&D activities on the peaceful nuclear energy programme which ha[d] been suspended as part of its expanded voluntary and

non-legally binding suspension", which included the activities carried out at the Fuel Enrichment Plant (FEP) and the Pilot Fuel Enrichment Plant (PFEP) located at Natanz. Iran restarted enrichment tests at PFEP in February 2006; FEP was put into operation in February 2007.

3. There are two cascade halls at FEP: Production Hall A and Production Hall B. According to the design information submitted by Iran, eight units (Units A21 to A28) are planned for Production Hall A, with 18 cascades planned for each unit. No detailed design information has been provided for Production Hall B.

4. On 31 January 2010, Iran was feeding natural UF_6 into the 17 cascades of Unit A24, and 6 cascades of Unit A26, at FEP. One cascade of Unit A24 and one cascade of Unit A26 were under vacuum on that date. A number of centrifuges from the remaining 11 cascades of Unit A26 had been disconnected. Sixteen cascades of Unit A28 had been installed. Of the remaining 2 cascades of Unit A28, all centrifuges had been removed from one cascade and removal of the centrifuges from the other cascade was ongoing.¹ Installation work in Units A25 and A27 was ongoing. All centrifuges installed to date are IR-1 machines with 164 machines per cascade. There has been no installation work on centrifuges in Production Hall B.

5. Between 21 November 2009 and 2 December 2009, the Agency conducted a physical inventory verification (PIV) at FEP and verified that, as of 22 November 2009, 21 140 kg of natural UF₆ had been fed into the cascades since February 2007, and a total of 1808 kg of low enriched UF₆ had been produced. The enrichment level of the low enriched UF₆ product, as measured by the Agency, was 3.47% U-235. The Agency is continuing with its assessment of the PIV and is discussing the results with Iran. Iran has estimated that, between 23 November 2009 and 29 January 2010, it produced an additional 257 kg of low enriched UF₆,² which would result in a total production of 2065 kg of low enriched UF₆ since the startup of FEP. The nuclear material at FEP (including the feed, product and tails), as well as all installed cascades and the feed and withdrawal stations, are subject to Agency containment and surveillance.³

6. The results of the environmental samples taken at FEP as of 21 November 2009 indicate that the maximum enrichment level as declared by Iran in the relevant Design Information Questionnaire (DIQ) (i.e. less than 5.0% U-235 enrichment) has not been exceeded at that plant.⁴ Since the last report, the Agency has successfully conducted 4 unannounced inspections at FEP, making a total of 35 such inspections since March 2007.

7. Between 14 and 16 September 2009, the Agency conducted a PIV at the PFEP, the results of which confirmed the inventory as declared by Iran, within the measurement uncertainties normally associated with such a facility. Between 28 October 2009 and 2 February 2010, a total of approximately 113 kg of natural UF₆ was fed into a 10-machine IR-2m cascade, a 10-machine IR-4 cascade, a 20-machine IR-2m cascade and single IR-1, IR-2, IR-2m and IR-4 centrifuges at PFEP.

¹ On 29 January 2010, of the 8610 centrifuges which had been installed at FEP, 3772 centrifuges were being fed with UF₆.

² The Agency has confirmed, through independently calibrated operator load cell readings, that, between 23 November 2009 and 29 January 2010, 2516 kg of UF_6 was fed into the cascades, and a total of 159 kg of low enriched UF_6 product and 2098 kg of UF_6 tails and dump material was off-loaded into UF_6 cylinders. The difference of 259 kg between the input and output figures comprises natural, depleted and low enriched UF_6 arising mainly from hold-up in the various cold traps and is not inconsistent with the design information provided by Iran.

³ In line with normal safeguards practice, small amounts of nuclear material at the facility (e.g. some waste and samples) are not under containment and surveillance.

⁴ These results have shown particles of low enriched uranium (with up to 4.4% U-235 enrichment), natural uranium and depleted uranium (down to 0.19% U-235 enrichment).

8. On 8 February 2010, the Agency received a letter from Iran dated 7 February 2010 referring to "the announcement made by H.E. the President of the Islamic Republic of Iran concerning the production of the required fuel for the Tehran Research Reactor", and in that regard, submitting a revised version of the DIQ for PFEP. Iran informed the Agency that the "provision of production of less than 20% enriched uranium is being foreseen in this revised version of the DIQ". The DIQ provides for the "production of enriched UF₆ up to 20%".⁵

9. On 8 February 2010 the Agency received a separate letter from Iran, dated 8 February 2010, informing the Agency that the operator of FEP intended to transfer low enriched UF₆ produced at FEP to the feed station of PFEP, and that these activities would be performed on 9 February 2010.⁶ Iran requested that the Agency be present on the site on that date.

10. On 9 February 2010, the Agency wrote to Iran seeking clarification regarding the starting date of the process for the production of UF_6 enriched up to 20% U-235 and other technical details, and requesting that, in light of Article 45 of the Safeguards Agreement, no low enriched uranium be fed into the process at PFEP for enriching the material up to 20% U-235 before the necessary additional safeguards procedures were in place.

11. On 10 February 2010, when the Agency inspectors arrived at PFEP, they were informed that Iran had already begun to feed the low enriched UF_6 into one cascade at PFEP the previous evening. They were also told that it was expected that the facility would begin to produce up to 20% enriched UF_6 within a few days. As the Board was previously informed,⁷ there is currently only one cascade installed in PFEP that is capable of enriching the UF_6 up to 20%.

12. On 14 February 2010, Iran, in the presence of Agency inspectors, moved approximately 1950 kg of low enriched UF_6 from FEP to the PFEP feed station. The Agency inspectors sealed the cylinder containing the material to the feed station. Iran provided the Agency with mass spectrometry results which indicate that enrichment levels of up to 19.8% U-235 were obtained at PFEP between 9 and 11 February 2010.⁸

13. While the nuclear material at PFEP, as well as the cascade area and the feed and withdrawal stations, remain subject to Agency containment and surveillance,³ additional measures need to be put in place to ensure the Agency's continuing ability to verify the non-diversion of the nuclear material at PFEP. In a letter to Iran dated 9 February 2010, the Agency requested a meeting to discuss a revised safeguards approach for PFEP.

A.2. Qom: Fordow Fuel Enrichment Plant

14. On 21 September 2009, Iran informed the Agency that it had decided "to construct a new pilot fuel enrichment plant", the Fordow Fuel Enrichment Plant (FFEP), located near the city of Qom. The Agency met with Iran between 25 and 28 October 2009, at which time it carried out design information verification (DIV) at FFEP, and held discussions with Iran on the chronology of the design and construction of FFEP, as well as its status and original purpose. The Agency verified that FFEP is being built to contain sixteen cascades, with a total of approximately 3000 centrifuges. Iran

⁵ GOV/INF/2010/1.

 $^{^{6}}$ On 9 February 2010, Iran transferred approximately 10 kg of low enriched UF_6 to PFEP.

⁷ GOV/INF/2010/2.

⁸ The results of the environmental samples taken at PFEP from the restart of enrichment testing in February 2006 until 15 August 2009 have shown particles of low enriched uranium (with up to 4.4% U-235 enrichment), natural uranium and depleted uranium (down to 0.27% U-235 enrichment).

indicated that it currently planned to install only IR-1 centrifuges at FFEP, but that the facility could be reconfigured to contain centrifuges of more advanced types should Iran take a decision to use such centrifuges in the future. On 28 October 2009, Iran provided the Agency with an updated DIQ for FFEP.

15. In a letter dated 2 December 2009 responding to the Agency's questions in its letter dated 6 November 2009 regarding the timing of the decision to build a third enrichment plant in Iran, other than PFEP and FEP, Iran stated that "The location [near Qom] originally was considered as a general area for passive defence contingency shelters for various utilizations. Then this location was selected for the construction of [the] Fuel Enrichment Plant in the second half of 2007". On 16 December 2009, the Agency wrote to Iran, pointing out that some of its answers had not fully addressed the Agency's requests for clarifications regarding FFEP. In the letter, the Agency referred specifically to the Agency's request that Iran confirm when the decision to construct a third enrichment plant (other than PFEP and FEP) had been taken and reiterated the need for access to companies involved in the design and construction of FFEP to confirm Iran's statement regarding the chronology and purpose of the facility. The Agency informed Iran that it had received extensive information from a number of sources detailing the design of the facility, which was consistent with the design as verified by the Agency during the DIV, and that these sources alleged that design work on the facility started in 2006, i.e. at a time when Iran itself accepts that it was bound by the modified Code 3.1 to have informed the Agency.

16. In a letter dated 22 January 2010, the Agency asked Iran for a complete DIQ for FFEP, and again reiterated its request made in October 2009 for access to relevant design documents and to companies involved in the design of the third enrichment plant in Iran. Iran has not yet responded to these requests.

17. Since 26 October 2009, the Agency has conducted five DIVs at FFEP. During three of these, the Agency took environmental samples. The results of the analyses of the samples taken on 27 October 2009 from two passivation tanks at FFEP showed the presence of a small number of depleted uranium particles that were similar to particles found at Natanz. According to Iran, the tanks had been brought to FFEP from the Natanz site. The results of the analyses of the later environmental samples are pending. The Agency has verified that the construction of the facility is ongoing, but that no centrifuges had been introduced into the facility as of 16 February 2010.

B. Reprocessing Activities

18. The Agency has continued to monitor the use and construction of hot cells at the Tehran Research Reactor (TRR) and the Molybdenum, Iodine and Xenon Radioisotope Production (MIX) Facility. The Agency carried out an inspection and a DIV at TRR on 11 November 2009, and on 23 January 2010 at the MIX Facility. There were no indications of ongoing reprocessing related activities at those facilities. While Iran has stated that there have been no reprocessing related activities in Iran, the Agency can confirm this only with respect to these two facilities, as the measures of the Additional Protocol are not currently available to it for Iran.

C. Heavy Water Related Projects

19. In resolution 1737 (2006), the Security Council decided in operative paragraph 2 thereof that Iran was to suspend certain activities, including "work on all heavy water-related projects, including the construction of a research reactor moderated by heavy water, also to be verified by the IAEA". In that resolution, the Council also decided, inter alia, that Iran "shall provide such access and cooperation as the IAEA requires to be able to verify the suspension outlined in paragraph 2 and to resolve all outstanding issues, as identified in IAEA reports".

20. As indicated in GOV/2009/74, during a DIV carried out at the Uranium Conversion Facility (UCF) at Esfahan on 25 October 2009, the Agency observed a large number of drums said by Iran to contain heavy water. In a letter dated 10 November 2009, the Agency asked Iran to confirm the number of drums and their contents, and to provide information on the origin of the heavy water. In its letter dated 18 November 2009 responding to the Agency, Iran stated that "the origin of the heavy water is the Islamic Republic of Iran".

21. In light of the request of the Security Council that the Agency verify the suspension by Iran, inter alia, of all heavy water related projects, and to report on whether Iran has established full and sustained suspension thereof, the Agency needs to be able to confirm the contents of the drums, and the origin of the heavy water said to be contained in the drums. To that end, in a letter dated 7 January 2010, the Agency informed Iran that, during the DIV at UCF scheduled for 17 January 2010, it planned to take samples of the heavy water for destructive analysis. In a letter dated 14 January 2010, Iran objected to the taking of such samples, stating that there was no provision in the Safeguards Agreement for the sampling of non-nuclear material for destructive analysis. During the 17 January 2010 DIV, the Agency counted 756 50-litre drums said by Iran to contain heavy water, and weighed a small number of randomly selected drums, but was not permitted to take samples of the drums.

22. On 13 January 2010, the Agency carried out a DIV at the Fuel Manufacturing Plant (FMP). It confirmed that no new process equipment had been installed at the facility and that no new assemblies, rods or pellets had been produced since May 2009. On 18 January 2010, the Agency received a revised DIQ for FMP which included information originally requested by the Agency in June 2009 on the design features of the fuel assembly verified by the Agency during its May 2009 inspection at FMP.

23. On 8 February 2010, the Agency carried out a DIV at the IR-40 reactor at Arak. The Agency verified that the construction of the facility was ongoing. However, as previously indicated to the Board, in light of Iran's refusal to permit the Agency access to the Heavy Water Production Plant (HWPP), the Agency has had to rely on satellite imagery to monitor the status of that plant. Based on recent images, the HWPP seems to be in operation again. However, it has to be noted that these images can only provide information on what was happening at the time the images were taken. In accordance with the Security Council's request that the Agency verify the suspension of heavy water related projects in Iran, and particularly in light of the presence at UCF of what Iran has described as Iranian origin heavy water, the Agency needs direct access to the HWPP.

24. In a letter dated 15 February 2010, the Agency reiterated its requests that Iran make the necessary arrangements to provide the Agency, at the earliest possible date, with access to: the HWPP; the heavy water stored at UCF for the purpose of taking samples for destructive analysis; and any other location in Iran where heavy water related projects are being carried out.

D. Other Implementation Issues

D.1. Uranium Conversion

25. According to the design information provided by Iran and revised as of 12 November 2009, UCF will eventually include the following process lines:

- production of natural UF₆ from uranium ore concentrate for further enrichment (completed and operational);
- production of natural UO₂ from uranium ore concentrate for the IR-40 reactor fuel (expected to be completed by March 2010);
- production of natural uranium metal ingots from UF₄ for research and development (R&D) purposes (completed but not yet in operation);
- production of low enriched UO₂ (maximum 5% U-235 enrichment) from UF₆ for light water reactor fuel (building under construction);
- production of low enriched uranium metal (maximum 19.7% U-235 enrichment) from UF₆ for R&D purposes (no equipment installed yet);
- production of depleted UF₄ powder from UF₆ for further conversion process to uranium metal (building under construction);
- and production of depleted uranium metal from UF_4 for storage and shielding purposes (construction not yet started).

Under cover of a letter dated 11 February 2010, Iran submitted an updated DIQ for UCF which included a reference to an additional R&D activity on the conversion of depleted UF_6 to depleted U_3O_8 .

26. In October 2009, the Agency requested Iran to provide information regarding the layout, equipment and installation schedule for an analytical laboratory which Iran had indicated would be installed in an underground location in one of the storage areas of UCF. Under cover of a letter dated 13 December 2009, Iran submitted an updated DIQ for UCF which included, inter alia, the layout of the laboratory. On 9 February 2010, the Agency provided comments on the DIQ to Iran, reiterating its request that Iran include information related to the equipment and installation schedule for the laboratory.

27. On 17 January 2010, the Agency carried out an inspection and a DIV at UCF. At that time, the plant was undergoing maintenance. No UF_6 has been produced since 10 August 2009; however, since that date, five tonnes of uranium in the form of UF_6 which had been previously produced but were held up in the process were discharged from the process on 15 November 2009. The total amount of uranium in the form of UF_6 produced at UCF since March 2004 therefore is 371 tonnes (some of which has been transferred to FEP and PFEP), which remains subject to Agency containment and surveillance. Currently, there are 42 tonnes of uranium in the form of uranium ore concentrate (UOC) stored at UCF.

D.2. Design Information

28. In a letter dated 29 March 2007, Iran informed the Agency that it had decided to suspend the implementation of the modified Code 3.1 of the Subsidiary Arrangements General Part, which Iran

had accepted in 2003. On 30 March 2007, the Agency requested Iran to reconsider its decision.⁹ The Agency reiterated that request in a letter dated 16 October 2008.

29. The modified Code 3.1, to which Iran agreed in 2003, provides for submission to the Agency of design information for new facilities as soon as the decision to construct, or to authorize construction of, a new facility has been taken. The modified Code 3.1 also provides for the submission of further design information as the design is developed early in the project definition, preliminary design, construction and commissioning phases.

30. In accordance with Article 39 of Iran's Safeguards Agreement,¹⁰ agreed Subsidiary Arrangements cannot be changed unilaterally; nor is there a mechanism in the Safeguards Agreement for the suspension of a provision agreed to in Subsidiary Arrangements. Therefore, the modified Code 3.1, as agreed to by Iran in 2003, remains in force for Iran.

31. Both in the case of the Darkhovin facility¹¹ and FFEP, Iran did not notify the Agency in a timely manner of the decision to construct or to authorize construction of the facilities, as required in the modified Code 3.1, and has provided only limited design information. Iran's actions in this regard are inconsistent with its obligation under the Subsidiary Arrangements to its Safeguards Agreement, and raise concerns about the completeness of its declarations.

32. In a letter to Iran dated 6 November 2009 referring to Iran's decision to build FFEP, the Agency asked Iran, inter alia, to confirm that it had not taken a decision to construct or to authorize construction of any other nuclear facilities, and that there were currently no such facilities in Iran which have not been declared to the Agency. In its reply dated 2 December 2009, Iran stated that, "The Islamic Republic of Iran will inform the Agency, as it has been done before, on the existence of any other nuclear facility in Iran in accordance to the Safeguards Agreement with the Agency (INFCIRC/214)".

33. In a letter dated 2 December 2009, the Agency referred to Iran's public announcement of its intention to build ten new uranium enrichment facilities and to statements reportedly made by Iran that the location of five sites had already been decided and that five other plants would be built throughout the country, and asked Iran whether the information contained in these reports was correct. The Agency further requested that, if a decision to construct new enrichment facilities has been taken by Iran, Iran provide the Agency with further information regarding the design and scheduling of the construction of such facilities. In its reply dated 17 December 2009, in which Iran referred to its letter of 29 March 2007 suspending the implementation of the modified Code 3.1 and reverting to the implementation of the version reflected in the Subsidiary Arrangements dated 12 February 1976, Iran stated that it would "provide the Agency with the required information if necessary".

34. Article 45 of Iran's Safeguards Agreement requires that the Agency be provided with design information in respect of a modification relevant for safeguards purposes sufficiently in advance for the safeguards procedures to be adjusted when necessary. An increase in the maximum declared enrichment level from 5% U-235 to up to 20% U-235 is clearly relevant for safeguards purposes, and, accordingly, should have been notified to the Agency with sufficient time for the Agency to adjust the existing safeguards procedures at PFEP.

⁹ GOV/2007/22, paras 12–14.

¹⁰ Article 39 of the Safeguards Agreement provides, inter alia, that the Subsidiary Arrangements "may be extended or changed by agreement between the Government of Iran and the Agency …".

¹¹ GOV/2009/74, para. 26.

35. Iran has not yet resumed implementation of the modified Code 3.1. It remains the only State with significant nuclear activities which has a comprehensive safeguards agreement in force but is not implementing the provisions of the modified Code 3.1. It is important to note that the absence of such early information reduces the time available for the Agency to plan the necessary safeguards arrangements, especially for new facilities, and reduces the level of confidence in the absence of other nuclear facilities.

D.3. Other Matters

36. On 8 December 2009, at the request of Iran, seals were detached from 31 containers at the Bushehr Nuclear Power Plant (BNPP) so that a technical examination of the fuel assemblies imported from the Russian Federation for use at the BNPP could be carried out. Upon completion of the technical examination, the fuel assemblies will be re-verified by the Agency, and placed again under seal.

37. On 9 January 2010, the Agency conducted a DIV at the Jabr Ibn Hayan Multipurpose Research Laboratory (JHL) in Tehran, during which the Agency was informed that pyroprocessing R&D activities had been initiated at JHL to study the electrochemical production of uranium metal. In a letter dated 3 February 2010, the Agency requested Iran to provide more information regarding these activities.

38. Based on satellite imagery, the Agency assesses that uranium recovery activities are continuing in the area of the Bandar Abbas Uranium Production Plant.

39. Since early 2008, the Agency has requested that Iran provide access to additional locations related, inter alia, to the manufacturing of centrifuges, R&D on uranium enrichment and uranium mining and milling (GOV/2008/15, para. 13). Particularly in light of recent developments in, and statements by, Iran regarding the planned construction of new nuclear facilities, the Agency requests Iran to grant the Agency access to these locations as soon as possible.

E. Possible Military Dimensions

40. In order to confirm, as required by the Safeguards Agreement, that all nuclear material in Iran is in peaceful activities, the Agency needs to have confidence in the absence of possible military dimensions to Iran's nuclear programme. Previous reports by the Director General have detailed the outstanding issues and the actions required of Iran,¹² including, inter alia, that Iran implement the Additional Protocol and provide the Agency with the information and access necessary to: resolve questions related to the alleged studies; clarify the circumstances of the acquisition of the uranium metal document; clarify procurement and R&D activities of military related institutes and companies that could be nuclear related; and clarify the production of nuclear related equipment and components by companies belonging to the defence industries.

41. The information available to the Agency in connection with these outstanding issues is extensive and has been collected from a variety of sources over time. It is also broadly consistent and credible in terms of the technical detail, the time frame in which the activities were conducted and the people and

 $^{^{12}}$ A summary of the issues was provided to the Board in Section E of GOV/2008/15, and most recently in GOV/2009/74, para. 31.

organizations involved. Altogether, this raises 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.

42. Among the activities which the Agency has attempted to discuss with Iran are: activities involving high precision detonators fired simultaneously; studies on the initiation of high explosives and missile re-entry body engineering; a project for the conversion of UO_2 to UF_4 , known as "the green salt project"; and various procurement related activities. Specifically, the Agency has, inter alia, sought clarification of the following: whether Iran was engaged in undeclared activities for the production of UF_4 (green salt) involving the Kimia Maadan company; whether Iran's exploding bridgewire detonator activities were solely for civil or conventional military purposes; whether Iran developed a spherical implosion system, possibly with the assistance of a foreign expert knowledgeable in explosives technology; whether the engineering design and computer modelling studies aimed at producing a new design for the payload chamber of a missile were for a nuclear payload; and the relationship between various attempts by senior Iranian officials with links to military organizations in Iran to obtain nuclear related technology and equipment.

43. The Agency would also like to discuss with Iran: the project and management structure of alleged activities related to nuclear explosives; nuclear related safety arrangements for a number of the alleged projects; details relating to the manufacture of components for high explosives initiation systems; and experiments concerning the generation and detection of neutrons. Addressing these issues is important for clarifying the Agency's concerns about these activities and those described above, which seem to have continued beyond 2004.

44. Since August 2008, Iran has declined to discuss the above issues with the Agency or to provide any further information and access (to locations and/or people) to address these concerns, asserting that the allegations relating to possible military dimensions to its nuclear programme are baseless and that the information to which the Agency is referring is based on forgeries.

45. With the passage of time and the possible deterioration in the availability of information, it is important that Iran engage with the Agency on these issues, and that the Agency be permitted to visit all relevant sites, have access to all relevant equipment and documentation, and be allowed to interview relevant persons, without further delay. Iran's substantive engagement would enable the Agency to make progress in its work. Through Iran's active cooperation, progress has been made in the past in certain other areas where questions have been raised; this should also be possible in connection with questions about military related dimensions.

F. Summary

46. While the Agency continues to verify the non-diversion of declared nuclear material in Iran, Iran has not provided the necessary cooperation to permit the Agency to confirm that all nuclear material in Iran is in peaceful activities.

47. Iran is not implementing the requirements contained in the relevant resolutions of the Board of Governors and the Security Council, including implementation of the Additional Protocol, which are essential to building confidence in the exclusively peaceful purpose of its nuclear programme and to resolve outstanding questions. In particular, Iran needs to cooperate in clarifying outstanding issues which give rise to concerns about possible military dimensions to Iran's nuclear programme, and to

implement the modified text of Code 3.1 of the Subsidiary Arrangements General Part on the early provision of design information.

48. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran has continued with the operation of PFEP and FEP at Natanz, and the construction of a new enrichment plant at Fordow. Iran has also announced the intention to build ten new enrichment plants. Iran recently began feeding low enriched UF_6 produced at FEP into one cascade of PFEP with the aim of enriching it up to 20% in U-235. The period of notice provided by Iran regarding related changes made to PFEP was insufficient for the Agency to adjust the existing safeguards procedures before Iran started to feed the material into PFEP. The Agency's work to verify FFEP and to understand the original purpose of the facility and the chronology of its design and construction for FFEP or access to companies involved in the design and construction of the plant.

49. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran has also continued with the construction of the IR-40 reactor and related heavy water activities. The Agency has not been permitted to take samples of the heavy water which is stored at UCF, and has not been provided with access to the Heavy Water Production Plant.

50. The Director General requests Iran to take steps towards the full implementation of its Safeguards Agreement and its other obligations, including the implementation of its Additional Protocol.

51. The Director General will continue to report as appropriate.



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Resolution 1929 (2010)

Adopted by the Security Council at its 6335th meeting, on 9 June 2010

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 1887 (2009) and *reaffirming* their provisions,

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 all 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,

Recalling the resolution of the IAEA Board of Governors (GOV/2006/14), which states that a solution to the Iranian nuclear issue would contribute to global non-proliferation efforts and to realizing the objective of a Middle East free of weapons of mass destruction, including their means of delivery,

Noting with serious concern that, as confirmed by the reports of 27 February 2006 (GOV/2006/15), 8 June 2006 (GOV/2006/38), 31 August 2006 (GOV/2006/53), 14 November 2006 (GOV/2006/64), 22 February 2007 (GOV/2007/8), 23 May 2007 (GOV/2007/122), 30 August 2007 (GOV/2007/48), 15 November 2007 (GOV/2007/58), 22 February 2008 (GOV/2008/4), 26 May 2008 (GOV/2008/115), 15 September 2008 (GOV/2008/38), 19 November 2008 (GOV/2008/59), 19 February 2009 (GOV/2009/8), 5 June 2009 (GOV/2009/35), 28 August 2009 (GOV/2009/55), 16 November 2009 (GOV/2009/74), 18 February 2010 (GOV/2010/10) and 31 May 2010 (GOV/2010/28) of the Director General of the International Atomic Energy Agency (IAEA), Iran has not established full and sustained suspension of all enrichment-related and reprocessing activities and heavy water-related projects as set out in resolutions 1696 (2006), 1737 (2006), 1747 (2007) and 1803 (2008) nor resumed its cooperation with the IAEA under the Additional Protocol, nor cooperated with the IAEA in connection with the remaining issues of concern, which need to be clarified to exclude the possibility of military dimensions of Iran's nuclear programme, nor taken the other steps required by the IAEA Board of Governors, nor complied with the provisions of Security Council





resolutions 1696 (2006), 1737 (2006), 1747 (2007) and 1803 (2008) and which are essential to build confidence, and *deploring* Iran's refusal to take these steps,

Reaffirming that outstanding issues can be best resolved and confidence built in the exclusively peaceful nature of Iran's nuclear programme by Iran responding positively to all the calls which the Council and the IAEA Board of Governors have made on Iran,

Noting with serious concern the role of elements of the Islamic Revolutionary Guard Corps (IRGC, also known as "Army of the Guardians of the Islamic Revolution"), including those specified in Annex D and E of resolution 1737 (2006), Annex I of resolution 1747 (2007) and Annex II of this resolution, in Iran's proliferation sensitive nuclear activities and the development of nuclear weapon delivery systems,

Noting with serious concern that Iran has constructed an enrichment facility at Qom in breach of its obligations to suspend all enrichment-related activities, and that Iran failed to notify it to the IAEA until September 2009, which is inconsistent with its obligations under the Subsidiary Arrangements to its Safeguards Agreement,

Also noting the resolution of the IAEA Board of Governors (GOV/2009/82), which urges Iran to suspend immediately construction at Qom, and to clarify the facility's purpose, chronology of design and construction, and calls upon Iran to confirm, as requested by the IAEA, that it has not taken a decision to construct, or authorize construction of, any other nuclear facility which has as yet not been declared to the IAEA,

Noting with serious concern that Iran has enriched uranium to 20 per cent, and did so without notifying the IAEA with sufficient time for it to adjust the existing safeguards procedures,

Noting with concern that Iran has taken issue with the IAEA's right to verify design information which had been provided by Iran pursuant to the modified Code 3.1, and *emphasizing* that in accordance with Article 39 of Iran's Safeguards Agreement Code 3.1 cannot be modified nor suspended unilaterally and that the IAEA's right to verify design information provided to it is a continuing right, which is not dependent on the stage of construction of, or the presence of nuclear material at, a facility,

Reiterating its determination to reinforce the authority of the IAEA, strongly supporting the role of the IAEA Board of Governors, and *commending* the IAEA for its efforts to resolve outstanding issues relating to Iran's nuclear programme,

Expressing the conviction that the suspension set out in paragraph 2 of resolution 1737 (2006) as well as full, verified Iranian compliance with the requirements set out by the IAEA Board of Governors would contribute to a diplomatic, negotiated solution that guarantees Iran's nuclear programme is for exclusively peaceful purposes,

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* in this regard the efforts of Turkey and Brazil towards an agreement with Iran on the Tehran Research Reactor that could serve as a confidence-building measure,

Emphasizing also, however, in the context of these efforts, the importance of Iran addressing the core issues related to its nuclear programme,

Stressing that China, France, Germany, the Russian Federation, the United Kingdom and the United States are willing to take further concrete measures on exploring an overall strategy of resolving the Iranian nuclear issue through negotiation on the basis of their June 2006 proposals (S/2006/521) and their June 2008 proposals (INFCIRC/730), and *noting* the confirmation by these countries that once the confidence of the international community in the exclusively peaceful nature of Iran's nuclear programme is restored it will be treated in the same manner as that of any Non-Nuclear Weapon State Party to the Treaty on the Non-Proliferation of Nuclear Weapons,

Welcoming the guidance issued by the Financial Action Task Force (FATF) to assist States in implementing their financial obligations under resolutions 1737 (2006) and 1803 (2008), and *recalling* in particular the need to exercise vigilance over transactions involving Iranian banks, including the Central Bank of Iran, so as to prevent such transactions contributing to proliferation-sensitive nuclear activities, or to the development of nuclear weapon delivery systems,

Recognizing that access to diverse, reliable energy is critical for sustainable growth and development, while noting the potential connection between Iran's revenues derived from its energy sector and the funding of Iran's proliferation-sensitive nuclear activities, and *further noting* that chemical process equipment and materials required for the petrochemical industry have much in common with those required for certain sensitive nuclear fuel cycle activities,

Having regard to States' rights and obligations relating to international trade,

Recalling that the law of the sea, as reflected in the United Nations Convention on the Law of the Sea (1982), sets out the legal framework applicable to ocean activities,

Calling for the ratification of the Comprehensive Nuclear-Test-Ban Treaty by Iran at an early date,

Determined to give effect to its decisions by adopting appropriate measures to persuade Iran to comply with resolutions 1696 (2006), 1737 (2006), 1747 (2007) and 1803 (2008) and with the requirements of the IAEA, and also to constrain Iran's development of sensitive technologies in support of its nuclear and missile programmes, until such time as the Security Council determines that the objectives of these resolutions have been met,

Concerned by the proliferation risks presented by the Iranian nuclear programme and mindful of its primary responsibility under the Charter of the United Nations for the maintenance of international peace and security,

Stressing that nothing in this resolution compels States to take measures or actions exceeding the scope of this resolution, including the use of force or the threat of force,

Acting under Article 41 of Chapter VII of the Charter of the United Nations,

1. *Affirms* that Iran has so far failed to meet the requirements of the IAEA Board of Governors and to comply with resolutions 1696 (2006), 1737 (2006), 1747 (2007) and 1803 (2008);

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2. Affirms that Iran shall without further delay take the steps required by the IAEA Board of Governors in its resolutions GOV/2006/14 and GOV/2009/82, which are essential to build confidence in the exclusively peaceful purpose of its nuclear programme, to resolve outstanding questions and to address the serious concerns raised by the construction of an enrichment facility at Qom in breach of its obligations to suspend all enrichment-related activities, and, in this context, *further affirms* its decision that Iran shall without delay take the steps required in paragraph 2 of resolution 1737 (2006);

3. *Reaffirms* that Iran shall cooperate fully with the IAEA on all outstanding issues, particularly those which give rise to concerns about the possible military dimensions of the Iranian nuclear programme, including by providing access without delay to all sites, equipment, persons and documents requested by the IAEA, and *stresses* the importance of ensuring that the IAEA have all necessary resources and authority for the fulfilment of its work in Iran;

4. *Requests* the Director General of the IAEA to communicate to the Security Council all his reports on the application of safeguards in Iran;

5. Decides that Iran shall without delay comply fully and without qualification with its IAEA Safeguards Agreement, including through the application of modified Code 3.1 of the Subsidiary Arrangement to its Safeguards Agreement, *calls upon* Iran to act strictly in accordance with the provisions of the Additional Protocol to its IAEA Safeguards Agreement that it signed on 18 December 2003, *calls upon* Iran to ratify promptly the Additional Protocol, and *reaffirms* that, in accordance with Articles 24 and 39 of Iran's Safeguards Agreement, Iran's Safeguards Agreement and its Subsidiary Arrangement, including modified Code 3.1, cannot be amended or changed unilaterally by Iran, and *notes* that there is no mechanism in the Agreement for the suspension of any of the provisions in the Subsidiary Arrangement;

6. *Reaffirms* that, in accordance with Iran's obligations under previous resolutions to suspend all reprocessing, heavy water-related and enrichment-related activities, Iran shall not begin construction on any new uranium-enrichment, reprocessing, or heavy water-related facility and shall discontinue any ongoing construction of any uranium-enrichment, reprocessing, or heavy water-related facility;

7. Decides that Iran shall not acquire an interest in any commercial activity in another State involving uranium mining, production or use of nuclear materials and technology as listed in INFCIRC/254/Rev.9/Part 1, in particular uraniumenrichment and reprocessing activities, all heavy-water activities or technologyrelated to ballistic missiles capable of delivering nuclear weapons, and *further decides* that all States shall prohibit such investment in territories under their jurisdiction by Iran, its nationals, and entities incorporated in Iran or subject to its jurisdiction, or by persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them;

8. Decides that all States shall prevent the direct or indirect supply, sale or transfer to Iran, 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, of any battle tanks, armoured combat vehicles, large calibre 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, or items as determined by the Security Council or the Committee established pursuant to resolution 1737 (2006) ("the Committee"), *decides* further that all States shall prevent 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, provision, manufacture, maintenance or use of such arms and related materiel, and, in this context, *calls upon* all States to exercise vigilance and restraint over the supply, sale, transfer, provision, manufacture and use of all other arms and related materiel;

9. *Decides* that Iran shall not undertake any activity related to ballistic missiles capable of delivering nuclear weapons, including launches using ballistic missile technology, and that States shall take all necessary measures to prevent the transfer of technology or technical assistance to Iran related to such activities;

10. Decides that all States shall take the necessary measures to prevent the entry into or transit through their territories of individuals designated in Annex C, D and E of resolution 1737 (2006), Annex I of resolution 1747 (2007), Annex I of resolution 1803 (2008) and Annexes I and II of this resolution, or by the Security Council or the Committee pursuant to paragraph 10 of resolution 1737 (2006), except where such entry or transit is for activities directly related to the provision to Iran of items in subparagraphs 3(b)(i) and (ii) of resolution 1737 (2006) in accordance with paragraph 3 of resolution 1737 (2006), *underlines* that nothing in this paragraph shall oblige a State to refuse its own nationals entry into its territory, and *decides* that the measures imposed in this paragraph shall not apply when the Committee determines on a case-by-case basis that such travel is justified on the grounds of humanitarian need, including religious obligations, or where the Committee concludes that an exemption would otherwise further the objectives of this resolution, including where Article XV of the IAEA Statute is engaged;

11. Decides that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the individuals and entities listed in Annex I of this resolution and to any individuals or entities acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, and to any individuals and entities determined by the Council or the Committee to have assisted designated individuals or entities in evading sanctions of, or in violating the provisions of, resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution;

12. Decides that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the Islamic Revolutionary Guard Corps (IRGC, also known as "Army of the Guardians of the Islamic Revolution") individuals and entities specified in Annex II, and to any individuals or entities acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, and *calls upon* all States to exercise vigilance over those transactions involving the IRGC that could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems;

13. *Decides* that for the purposes of the measures specified in paragraphs 3, 4, 5, 6 and 7 of resolution 1737 (2006), the list of items in S/2006/814 shall be superseded by the list of items in INFCIRC/254/Rev.9/Part 1 and

INFCIRC/254/Rev.7/Part 2, and any further items if the State determines that they could contribute to enrichment-related, reprocessing or heavy water-related activities or to the development of nuclear weapon delivery systems, and further *decides* that for the purposes of the measures specified in paragraphs 3, 4, 5, 6 and 7 of resolution 1737 (2006), the list of items contained in S/2006/815 shall be superseded by the list of items contained in S/2010/263;

14. *Calls upon* all States to inspect, 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 the cargo contains items the supply, sale, transfer, or export of which is prohibited by paragraphs 3, 4 or 7 of resolution 1737 (2006), paragraph 5 of resolution 1747 (2007), paragraph 8 of resolution 1803 (2008) or paragraphs 8 or 9 of this resolution, for the purpose of ensuring strict implementation of those provisions;

15. *Notes* that States, consistent with international law, in particular the law of the sea, may request inspections of vessels on the high seas with the consent of the flag State, and *calls upon* all States to cooperate in such inspections if there is information that provides reasonable grounds to believe the vessel is carrying items the supply, sale, transfer, or export of which is prohibited by paragraphs 3, 4 or 7 of resolution 1737 (2006), paragraph 5 of resolution 1747 (2007), paragraph 8 of resolution 1803 (2008) or paragraphs 8 or 9 of this resolution, for the purpose of ensuring strict implementation of those provisions;

16. Decides to authorize all States to, and that all States shall, seize and dispose of (such as through destruction, rendering inoperable, storage or transferring to a State other than the originating or destination States for disposal) items the supply, sale, transfer, or export of which is prohibited by paragraphs 3, 4 or 7 of resolution 1737 (2006), paragraph 5 of resolution 1747 (2007), paragraph 8 of resolution 1803 (2008) or paragraphs 8 or 9 of this resolution that are identified in inspections pursuant to paragraphs 14 or 15 of this resolution, in a manner that is not inconsistent with their obligations under applicable Security Council resolutions, including resolution 1540 (2004), as well as any obligations of parties to the NPT, and *decides* further that all States shall cooperate in such efforts;

17. *Requires* any State, when it undertakes an inspection pursuant to paragraphs 14 or 15 above to submit to the Committee within five working days an initial written report containing, in particular, explanation of the grounds for the inspections, the results of such inspections and whether or not cooperation was provided, and, if items prohibited for transfer are found, *further requires* such States to submit to the Committee, at a later stage, a subsequent written report containing relevant details on the inspection, seizure and disposal, and relevant details of the transfer, including a description of the items, their origin and intended destination, if this information is not in the initial report;

18. *Decides* that all States shall prohibit the provision by their nationals or from their territory of bunkering services, such as provision of fuel or supplies, or other servicing of vessels, to Iranian-owned or -contracted vessels, including chartered vessels, if they have information that provides reasonable grounds to believe they are carrying items the supply, sale, transfer, or export of which is prohibited by paragraphs 3, 4 or 7 of resolution 1737 (2006), paragraph 5 of

resolution 1747 (2007), paragraph 8 of resolution 1803 (2008) or paragraphs 8 or 9 of this resolution, unless provision of such services is necessary for humanitarian purposes or until such time as the cargo has been inspected, and seized and disposed of if necessary, and *underlines* that this paragraph is not intended to affect legal economic activities;

19. *Decides* that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall also apply to the entities of the Islamic Republic of Iran Shipping Lines (IRISL) as specified in Annex III and to any person or entity acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, or determined by the Council or the Committee to have assisted them in evading the sanctions of, or in violating the provisions of, resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution;

20. *Requests* all Member States to communicate to the Committee any information available on transfers or activity by Iran Air's cargo division or vessels owned or operated by the Islamic Republic of Iran Shipping Lines (IRISL) to other companies that may have been undertaken in order to evade the sanctions of, or in violation of the provisions of, resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution, including renaming or re-registering of aircraft, vessels or ships, and requests the Committee to make that information widely available;

21. *Calls upon* all States, in addition to implementing their obligations pursuant to resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, to prevent the provision of financial services, including insurance or re-insurance, or the transfer to, through, or from their territory, or to or by their nationals or entities organized under their laws (including branches abroad), or persons or financial institutions in their territory, of any financial or other assets or resources if they have information that provides reasonable grounds to believe that such services, assets or resources could contribute to Iran's proliferation-sensitive nuclear activities, or the development of nuclear weapon delivery systems, including by freezing any financial or other assets or resources on their territories or that hereafter become subject to their jurisdiction, that are related to such programmes or activities and applying enhanced monitoring to prevent all such transactions in accordance with their national authorities and legislation;

22. Decides that all States shall require their nationals, persons subject to their jurisdiction and firms incorporated in their territory or subject to their jurisdiction to exercise vigilance when doing business with entities incorporated in Iran or subject to Iran's jurisdiction, including those of the IRGC and IRISL, and any individuals or entities acting on their behalf or at their direction, and entities owned or controlled by them, including through illicit means, if they have information that provides reasonable grounds to believe that such business could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems or to violations of resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution;

23. *Calls upon* States to take appropriate measures that prohibit in their territories the opening of new branches, subsidiaries, or representative offices of Iranian banks, and also that prohibit Iranian banks from establishing new joint ventures, taking an ownership interest in or establishing or maintaining correspondent relationships with banks in their jurisdiction to prevent the provision

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of financial services if they have information that provides reasonable grounds to believe that these activities could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems;

24. *Calls upon* States to take appropriate measures that prohibit financial institutions within their territories or under their jurisdiction from opening representative offices or subsidiaries or banking accounts in Iran if they have information that provides reasonable grounds to believe that such financial services could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems;

25. *Deplores* the violations of the prohibitions of paragraph 5 of resolution 1747 (2007) that have been reported to the Committee since the adoption of resolution 1747 (2007), and *commends* States that have taken action to respond to these violations and report them to the Committee;

26. *Directs* the Committee to respond effectively to violations of the measures decided in resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, and *recalls* that the Committee may designate individuals and entities who have assisted designated persons or entities in evading sanctions of, or in violating the provisions of, these resolutions;

27. *Decides* that the Committee shall intensify its efforts to promote the full implementation of resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, including through a work programme covering compliance, investigations, outreach, dialogue, assistance and cooperation, to be submitted to the Council within forty-five days of the adoption of this resolution;

28. *Decides* that the mandate of the Committee as set out in paragraph 18 of resolution 1737 (2006), as amended by paragraph 14 of resolution 1803 (2008), shall also apply to the measures decided in this resolution, including to receive reports from States submitted pursuant to paragraph 17 above;

29. *Requests* the Secretary-General to create for an initial period of one year, in consultation with the Committee, a group of up to eight experts ("Panel of Experts"), under the direction of the Committee, to carry out the following tasks: (a) assist the Committee in carrying out its mandate as specified in paragraph 18 of resolution 1737 (2006) and paragraph 28 of this resolution; (b) gather, examine and analyse information from States, relevant United Nations bodies and other interested parties regarding the implementation of the measures decided in resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, in particular incidents of non-compliance; (c) make recommendations on actions the Council, or the Committee or State, may consider to improve implementation of the relevant measures; and (d) provide to the Council an interim report on its work no later than 90 days after the Panel's appointment, and a final report to the Council no later than 30 days prior to the termination of its mandate with its findings and recommendations;

30. Urges all States, relevant United Nations bodies and other interested parties, to cooperate fully with the Committee and the Panel of Experts, in particular by supplying any information at their disposal on the implementation of the measures decided in resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, in particular incidents of non-compliance;

31. *Calls upon* all States to report to the Committee within 60 days of the adoption of this resolution on the steps they have taken with a view to implementing effectively paragraphs 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23 and 24;

32. Stresses the willingness of China, France, Germany, the Russian Federation, the United Kingdom and the United States to further enhance diplomatic efforts to promote dialogue and consultations, including to resume dialogue with Iran on the nuclear issue without preconditions, most recently in their meeting with Iran in Geneva on 1 October 2009, with a view to seeking a comprehensive, long-term and proper solution of this issue on the basis of the proposal made by China, France, Germany, the Russian Federation, the United Kingdom and the United States on 14 June 2008, which would allow for the development of relations and wider cooperation with Iran based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of Iran's nuclear programme and, inter alia, starting formal negotiations with Iran on the basis of the June 2008 proposal, and *acknowledges with appreciation* that the June 2008 proposal, as attached in Annex IV to this resolution, remains on the table;

33. *Encourages* the High Representative of the European Union for Foreign Affairs and Security Policy to continue communication with Iran in support of political and diplomatic efforts to find a negotiated solution, including relevant proposals by China, France, Germany, the Russian Federation, the United Kingdom and the United States with a view to create necessary conditions for resuming talks, and *encourages* Iran to respond positively to such proposals;

34. *Commends* the Director General of the IAEA for his 21 October 2009 proposal of a draft Agreement between the IAEA and the Governments of the Republic of France, the Islamic Republic of Iran and the Russian Federation for Assistance in Securing Nuclear Fuel for a Research Reactor in Iran for the Supply of Nuclear Fuel to the Tehran Research Reactor, *regrets* that Iran has not responded constructively to the 21 October 2009 proposal, and *encourages* the IAEA to continue exploring such measures to build confidence consistent with and in furtherance of the Council's resolutions;

35. *Emphasizes* the importance of all States, including Iran, taking the necessary measures to ensure that no claim shall lie at the instance of the Government of Iran, or of 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 measures imposed by resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution;

36. *Requests* within 90 days a report from the Director General of the IAEA on whether Iran has established full and sustained suspension of all activities mentioned in resolution 1737 (2006), as well as on the process of Iranian compliance with all the steps required by the IAEA Board of Governors and with other provisions of resolutions 1737 (2006), 1747 (2007), 1803 (2008) and of this resolution, to the IAEA Board of Governors and in parallel to the Security Council for its consideration;

37. Affirms that it shall review Iran's actions in light of the report referred to in paragraph 36 above, to be submitted within 90 days, and: (a) that it shall suspend the implementation of measures if and for so long as Iran suspends all enrichmentrelated and reprocessing activities, including research and development, as verified by the IAEA, to allow for negotiations in good faith in order to reach an early and mutually acceptable outcome; (b) that it shall terminate the measures specified in paragraphs 3, 4, 5, 6, 7 and 12 of resolution 1737 (2006), as well as in paragraphs 2, 4, 5, 6 and 7 of resolution 1747 (2007), paragraphs 3, 5, 7, 8, 9, 10 and 11 of resolution 1803 (2008), and in paragraphs 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23 and 24 above, as soon as it determines, following receipt of the report referred to in the paragraph above, that Iran has fully complied with its obligations under the relevant resolutions of the Security Council and met the requirements of the IAEA Board of Governors, as confirmed by the IAEA Board of Governors; (c) that it shall, in the event that the report shows that Iran has not complied with resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, adopt further appropriate measures under Article 41 of Chapter VII of the Charter of the United Nations to persuade Iran to comply with these resolutions and the requirements of the IAEA, and underlines that further decisions will be required should such additional measures be necessary;

38. Decides to remain seized of the matter.

Annex I

Individuals and entities involved in nuclear or ballistic missile activities

Entities

1. **Amin Industrial Complex**: Amin Industrial Complex sought temperature controllers which may be used in nuclear research and operational/production facilities. Amin Industrial Complex is owned or controlled by, or acts on behalf of, the Defense Industries Organization (DIO), which was designated in resolution 1737 (2006).

Location: P.O. Box 91735-549, Mashad, Iran; Amin Industrial Estate, Khalage Rd., Seyedi District, Mashad, Iran; Kaveh Complex, Khalaj Rd., Seyedi St., Mashad, Iran

A.K.A.: Amin Industrial Compound and Amin Industrial Company

2. Armament Industries Group: Armament Industries Group (AIG) manufacturers and services a variety of small arms and light weapons, including large- and medium-calibre guns and related technology. AIG conducts the majority of its procurement activity through Hadid Industries Complex.

Location: Sepah Islam Road, Karaj Special Road Km 10, Iran; Pasdaran Ave., P.O. Box 19585/777, Tehran, Iran

3. **Defense Technology and Science Research Center**: Defense Technology and Science Research Center (DTSRC) is owned or controlled by, or acts on behalf of, Iran's Ministry of Defense and Armed Forces Logistics (MODAFL), which oversees Iran's defence R&D, production, maintenance, exports, and procurement.

Location: Pasdaran Ave, PO Box 19585/777, Tehran, Iran

4. **Doostan International Company**: Doostan International Company (DICO) supplies elements to Iran's ballistic missile program.

5. **Farasakht Industries**: Farasakht Industries is owned or controlled by, or act on behalf of, the Iran Aircraft Manufacturing Company, which in turn is owned or controlled by MODAFL.

Location: P.O. Box 83145-311, Kilometer 28, Esfahan-Tehran Freeway, Shahin Shahr, Esfahan, Iran

6. **First East Export Bank, P.L.C.**: First East Export Bank, PLC is owned or controlled by, or acts on behalf of, Bank Mellat. Over the last seven years, Bank Mellat has facilitated hundreds of millions of dollars in transactions for Iranian nuclear, missile, and defense entities.

Location: Unit Level 10 (B1), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 WP Labuan, Malaysia; Business Registration Number LL06889 (Malaysia)

7. **Kaveh Cutting Tools Company**: Kaveh Cutting Tools Company is owned or controlled by, or acts on behalf of, the DIO.

Location: 3rd Km of Khalaj Road, Seyyedi Street, Mashad 91638, Iran; Km 4 of Khalaj Road, End of Seyedi Street, Mashad, Iran; P.O. Box 91735-549, Mashad, Iran; Khalaj Rd., End of Seyyedi Alley, Mashad, Iran; Moqan St., Pasdaran St., Pasdaran Cross Rd., Tehran, Iran

8. **M. Babaie Industries**: M. Babaie Industries is subordinate to Shahid Ahmad Kazemi Industries Group (formally the Air Defense Missile Industries Group) of Iran's Aerospace Industries Organization (AIO). AIO controls the missile organizations Shahid Hemmat Industrial Group (SHIG) and the Shahid Bakeri Industrial Group (SBIG), both of which were designated in resolution 1737 (2006).

Location: P.O. Box 16535-76, Tehran, 16548, Iran

9. **Malek Ashtar University**: A subordinate of the DTRSC within MODAFL. This includes research groups previously falling under the Physics Research Center (PHRC). IAEA inspectors have not been allowed to interview staff or see documents under the control of this organization to resolve the outstanding issue of the possible military dimension to Iran's nuclear program.

Location: Corner of Imam Ali Highway and Babaei Highway, Tehran, Iran

10. **Ministry of Defense Logistics Export**: Ministry of Defense Logistics Export (MODLEX) sells Iranian-produced arms to customers around the world in contravention of resolution 1747 (2007), which prohibits Iran from selling arms or related materiel.

Location: PO Box 16315-189, Tehran, Iran; located on the west side of Dabestan Street, Abbas Abad District, Tehran, Iran

11. **Mizan Machinery Manufacturing**: Mizan Machinery Manufacturing (3M) is owned or controlled by, or acts on behalf of, SHIG.

Location: P.O. Box 16595-365, Tehran, Iran

<u>A.K.A.</u>: 3MG

12. **Modern Industries Technique Company**: Modern Industries Technique Company (MITEC) is responsible for design and construction of the IR-40 heavy water reactor in Arak. MITEC has spearheaded procurement for the construction of the IR-40 heavy water reactor.

Location: Arak, Iran

<u>A.K.A.</u>: Rahkar Company, Rahkar Industries, Rahkar Sanaye Company, Rahkar Sanaye Novin

13. Nuclear Research Center for Agriculture and Medicine: The Nuclear Research Center for Agriculture and Medicine (NFRPC) is a large research component of the Atomic Energy Organization of Iran (AEOI), which was designated in resolution 1737 (2006). The NFRPC is AEOI's center for the development of nuclear fuel and is involved in enrichment-related activities.

Location: P.O. Box 31585-4395, Karaj, Iran

<u>A.K.A.</u>: Center for Agricultural Research and Nuclear Medicine; Karaji Agricultural and Medical Research Center

14. **Pejman Industrial Services Corporation**: Pejman Industrial Services Corporation is owned or controlled by, or acts on behalf of, SBIG.

Location: P.O. Box 16785-195, Tehran, Iran

15. Sabalan Company: Sabalan is a cover name for SHIG.

Location: Damavand Tehran Highway, Tehran, Iran

16. Sahand Aluminum Parts Industrial Company (SAPICO): SAPICO is a cover name for SHIG.

Location: Damavand Tehran Highway, Tehran, Iran

17. **Shahid Karrazi Industries**: Shahid Karrazi Industries is owned or controlled by, or act on behalf of, SBIG.

Location: Tehran, Iran

18. **Shahid Satarri Industries**: Shahid Sattari Industries is owned or controlled by, or acts on behalf of, SBIG.

Location: Southeast Tehran, Iran

<u>A.K.A.</u>: Shahid Sattari Group Equipment Industries

19. **Shahid Sayyade Shirazi Industries**: Shahid Sayyade Shirazi Industries (SSSI) is owned or controlled by, or acts on behalf of, the DIO.

Location: Next To Nirou Battery Mfg. Co, Shahid Babaii Expressway, Nobonyad Square, Tehran, Iran; Pasdaran St., P.O. Box 16765, Tehran 1835, Iran; Babaei Highway — Next to Niru M.F.G, Tehran, Iran

20. **Special Industries Group**: Special Industries Group (SIG) is a subordinate of DIO.

Location: Pasdaran Avenue, PO Box 19585/777, Tehran, Iran

21. **Tiz Pars**: Tiz Pars is a cover name for SHIG. Between April and July 2007, Tiz Pars attempted to procure a five axis laser welding and cutting machine, which could make a material contribution to Iran's missile program, on behalf of SHIG.

Location: Damavand Tehran Highway, Tehran, Iran

22. **Yazd Metallurgy Industries**: Yazd Metallurgy Industries (YMI) is a subordinate of DIO.

Location: Pasdaran Avenue, Next To Telecommunication Industry, Tehran 16588, Iran; Postal Box 89195/878, Yazd, Iran; P.O. Box 89195-678, Yazd, Iran; Km 5 of Taft Road, Yazd, Iran

<u>A.K.A.</u>: Yazd Ammunition Manufacturing and Metallurgy Industries, Directorate of Yazd Ammunition and Metallurgy Industries

Individuals

Javad Rahiqi: Head of the Atomic Energy Organization of Iran (AEOI) Esfahan Nuclear Technology Center (additional information: DOB: 24 April 1954; POB: Marshad).

Annex II

Entities owned, controlled, or acting on behalf of the Islamic Revolutionary Guard Corps

1. **Fater (or Faater) Institute**: Khatam al-Anbiya (KAA) subsidiary. Fater has worked with foreign suppliers, likely on behalf of other KAA companies on IRGC projects in Iran.

2. Gharagahe Sazandegi Ghaem: Gharagahe Sazandegi Ghaem is owned or controlled by KAA.

- 3. Ghorb Karbala: Ghorb Karbala is owned or controlled by KAA.
- 4. Ghorb Nooh: Ghorb Nooh is owned or controlled by KAA
- 5. Hara Company: Owned or controlled by Ghorb Nooh.

6. **Imensazan Consultant Engineers Institute**: Owned or controlled by, or acts on behalf of, KAA.

7. **Khatam al-Anbiya Construction Headquarters**: Khatam al-Anbiya Construction Headquarters (KAA) is an IRGC-owned company involved in large scale civil and military construction projects and other engineering activities. It undertakes a significant amount of work on Passive Defense Organization projects. In particular, KAA subsidiaries were heavily involved in the construction of the uranium enrichment site at Qom/Fordow.

8. **Makin**: Makin is owned or controlled by or acting on behalf of KAA, and is a subsidiary of KAA.

9. **Omran Sahel**: Owned or controlled by Ghorb Nooh.

10. **Oriental Oil Kish**: Oriental Oil Kish is owned or controlled by or acting on behalf of KAA.

11. Rah Sahel: Rah Sahel is owned or controlled by or acting on behalf of KAA.

12. **Rahab Engineering Institute**: Rahab is owned or controlled by or acting on behalf of KAA, and is a subsidiary of KAA.

- 13. Sahel Consultant Engineers: Owned or controlled by Ghorb Nooh.
- 14. Sepanir: Sepanir is owned or controlled by or acting on behalf of KAA.

15. **Sepasad Engineering Company**: Sepasad Engineering Company is owned or controlled by or acting on behalf of KAA.

Annex III

Entities owned, controlled, or acting on behalf of the Islamic Republic of Iran Shipping Lines (IRISL)

1. Irano Hind Shipping Company

Location: 18 Mehrshad Street, Sadaghat Street, Opposite of Park Mellat, Valie-Asr Ave., Tehran, Iran; 265, Next to Mehrshad, Sedaghat St., Opposite of Mellat Park, Vali Asr Ave., Tehran 1A001, Iran

2. IRISL Benelux NV

Location: Noorderlaan 139, B-2030, Antwerp, Belgium; V.A.T. Number BE480224531 (Belgium)

3. South Shipping Line Iran (SSL)

Location: Apt. No. 7, 3rd Floor, No. 2, 4th Alley, Gandi Ave., Tehran, Iran; Qaem Magham Farahani St., Tehran, Iran

Annex IV

Proposal to the Islamic Republic of Iran by China, France, Germany, the Russian Federation, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the European Union

Presented to the Iranian authorities on 14 June 2008 Teheran

Possible Areas of Cooperation with Iran

In order to seek a comprehensive, long-term and proper solution of the Iranian nuclear issue consistent with relevant UN Security Council resolutions and building further upon the proposal presented to Iran in June 2006, which remains on the table, the elements below are proposed as topics for negotiations between China, France, Germany, Iran, Russia, the United Kingdom, and the United States, joined by the High Representative of the European Union, as long as Iran verifiably suspends its enrichment-related and reprocessing activities, pursuant to OP 15 and OP 19(a) of UNSCR 1803. In the perspective of such negotiations, we also expect Iran to heed the requirements of the UNSC and the IAEA. For their part, China, France, Germany, Russia, the United Kingdom, the United States and the European Union High Representative state their readiness:

to recognize Iran's right to develop research, production and use of nuclear energy for peaceful purposes in conformity with its NPT obligations;

to treat Iran's nuclear programme in the same manner as that of any Non-nuclear Weapon State Party to the NPT once international confidence in the exclusively peaceful nature of Iran's nuclear programme is restored.

Nuclear Energy

- Reaffirmation of Iran's right to nuclear energy for exclusively peaceful purposes in conformity with its obligations under the NPT.
- Provision of technological and financial assistance necessary for Iran's peaceful use of nuclear energy, support for the resumption of technical cooperation projects in Iran by the IAEA.
- Support for construction of LWR based on state-of-the-art technology.
- Support for R&D in nuclear energy as international confidence is gradually restored.
- Provision of legally binding nuclear fuel supply guarantees.
- Cooperation with regard to management of spent fuel and radioactive waste.

Political

- Improving the six countries' and the EU's relations with Iran and building up mutual trust.
- Encouragement of direct contact and dialogue with Iran.
- Support Iran in playing an important and constructive role in international affairs.

- Promotion of dialogue and cooperation on non-proliferation, regional security and stabilization issues.
- Work with Iran and others in the region to encourage confidence-building measures and regional security.
- Establishment of appropriate consultation and cooperation mechanisms.
- Support for a conference on regional security issues.
- Reaffirmation that a solution to the Iranian nuclear issue would contribute to non-proliferation efforts and to realizing the objective of a Middle East free of weapons of mass destruction, including their means of delivery.
- Reaffirmation of the obligation under the UN Charter to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State or in any other manner inconsistent with the Charter of the United Nations.
- Cooperation on Afghanistan, including on intensified cooperation in the fight against drug trafficking, support for programmes on the return of Afghan refugees to Afghanistan; cooperation on reconstruction of Afghanistan; cooperation on guarding the Iran-Afghan border.

Economic

Steps towards the normalization of trade and economic relations, such as improving Iran's access to the international economy, markets and capital through practical support for full integration into international structures, including the World Trade Organization, and to create the framework for increased direct investment in Iran and trade with Iran.

Energy Partnership

Steps towards the normalization of cooperation with Iran in the area of energy: establishment of a long-term and wide-ranging strategic energy partnership between Iran and the European Union and other willing partners, with concrete and practical applications/measures.

Agriculture

- Support for agricultural development in Iran.

Facilitation of Iran's complete self-sufficiency in food through cooperation in modern technology.

Environment, Infrastructure

- Civilian Projects in the field of environmental protection, infrastructure, science and technology, and high-tech:
 - Development of transport infrastructure, including international transport corridors.
 - Support for modernization of Iran's telecommunication infrastructure, including by possible removal of relevant export restrictions.

Civil Aviation

- Civil aviation cooperation, including the possible removal of restrictions on manufacturers exporting aircraft to Iran:
 - Enabling Iran to renew its civil aviation fleet;
 - Assisting Iran to ensure that Iranian aircraft meet international safety standards.

Economic, social and human development/humanitarian issues

- Provide, as necessary, assistance to Iran's economic and social development and humanitarian need.
- Cooperation/technical support in education in areas of benefit to Iran:
 - Supporting Iranians to take courses, placements or degrees in areas such as civil engineering, agriculture and environmental studies;
 - Supporting partnerships between Higher Education Institutions e.g. public health, rural livelihoods, joint scientific projects, public administration, history and philosophy.
- Cooperation in the field of development of effective emergency response capabilities (e.g. seismology, earthquake research, disaster control etc.).
- Cooperation within the framework of a "dialogue among civilizations".

Implementation mechanism

- Constitution of joint monitoring groups for the implementation of a future agreement.





Iran vows not to 'retreat one iota' in nuclear pursuit

- The U.N. Security Council is scheduled to receive a report on Iran on Thursday
- Iran says it's willing to assure the West it will never move toward nuclear weapons
- President Mahmoud Ahmadinejad says Iran won't halt enrichment
- · Security Council won't take action before March 9, leaving time for more dialogue

TEHRAN, Iran (CNN) -- The Iranian president scoffed Wednesday at a U.N. Security Council demand that the Islamic republic halt its uranium-enrichment program.

"Iran will not retreat one iota in its path to nuclear victory," President Mahmoud Ahmadinejad said in a speech Wednesday, according to the state-run Islamic Republic News Agency.

He added, "Today, there are those who are against Iran's access to peaceful nuclear technology and are trying to put obstacles in our nuclear path in order to prevent us from exercising our rights with the grace of the God," IRNA reported.

Ahmadinejad's remarks come the day before a report on Iran's nuclear activities is scheduled to be circulated to the Security Council in New York.

Tehran has insisted that its nuclear program is for civilian energy purposes only, but Western powers have said Iran has its eye on nuclear weaponry.

Iran's position on the matter has remained static since well before July, when the United Nations gave Iran an August 31 deadline to halt its nuclear program.

Ahmadinejad told reporters as that deadline passed, "Access to peaceful nuclear energy and power is the right of the Iranian people. We've chosen our right and under international law we want to use our right. Nobody can prevent us from it."

On December 23, the 15-member Security Council unanimously approved a resolution imposing sanctions on Iran. Russia and China, two veto-wielding members of the Security Council, voted in favor of the resolution despite previously expressing their aversion to imposing sanctions.

Under Resolution 1737, the council requested that International Atomic Energy Agency Director-General Mohamed ElBaradei report within 60 days on whether Iran has suspended its nuclear activities.

It was initially reported that the deadline expired Wednesday -- 60 days after the December 23 resolution passed -- but an IAEA official told CNN the deadline is Friday. ElBaradei is scheduled to deliver his report Thursday, the official said.

ElBaradei said in Monday's Financial Times that he expected to report that Iran had not complied with the resolution. However, ElBaradei noted, the Security Council will not take any action until he reports to the IAEA board of governors next month.

"Even if my report is coming out this week, I can still add and reverse judgments there until the sixth of March," ElBaradei told the London-based newspaper. The board of governors is scheduled to meet in Vienna, Austria, March 5-9.

After the December 23 vote, Iran defiantly vowed to continue with its nuclear program, which included the production of 3,000 centrifuges at its nuclear complex in Natanz. Iran said the work would be done under IAEA supervision.

ElBaradei told The Financial Times that Iran was still months from having those centrifuges running smoothly. Presently, the IAEA chief said, Iran is operating at least one 164-centrifuge cascade to enrich uranium.

Experts say thousands of centrifuges are needed to produce weapons-grade uranium, and ElBaradei told the newspaper Monday that Iran's operation "is still small scale, so whatever they have, what we have seen today, is not the kind of capacity that would enable them to make bomb."

Assurances offered

Iran's chief nuclear negotiator Ari Larijani, who met with ElBaradei in Vienna, Austria, on Wednesday, told IRNA that Iran was willing to offer assurances that its nuclear program was aimed at energy production, not bombmaking.

One of the proffered assurances, according to Reuters, is an Iranian pledge to refine uranium no higher than the 4-5 percent level, well below the 80 percent threshold needed for nuclear bombs.

Supreme Leader Ayatollah Ali Khamenei has the final say in Iran's nuclear matters. According to Reuters, Ali Akbar Velayati, a Khamenei aide, told a French newspaper that Iran was flexible on negotiating a deal,"but one cannot dictate the solution in advance."

The Iranian nuclear issue will be discussed over a breakfast meeting among U.S. Secretary of State Condoleezza Rice, Russian Foreign Minister Sergei Lavrov, European Union Foreign Policy Chief Javier Solana and German Foreign Minister Frank-Walter Steinmeier.

Israel also has a stake in the negotiations as Ahmadinejad has questioned the United States' "blind support for the Zionists" and called for Israel to be "wiped off the map."

Prime Minister Ehud Olmert called on the international community Wednesday to step up its pressure on the Islamic republic. He also questioned Iranian assertions regarding the progress of the nation's nuclear program.

"A lot more has to be done, but I think that the Iranians are not as close to the technological threshold as they claim to be, and unfortunately they are not as far [away] as we would love them to be," he said. "So there is a lot that still can be done and ought to be done. And the sooner it will be done the better it will be."

He continued with remarks addressing Ahmadinejad, "It is incumbent upon the international community not only to take practical measures to stop these threats but also to take practical measures that will indicate the extent of the disapproval of his language, of his attitude and of his approaches."

CNN's Liz Neisloss and Michal Zippori contributed to this report.

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Board of Governors

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Item 5(d) of the provisional agenda (GOV/2013/3)

Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions in the Islamic Republic of Iran

Report by the Director General

A. Introduction

1. This report of the Director General to the Board of Governors and, in parallel, to the Security Council, is on the implementation of the NPT Safeguards Agreement¹ and relevant provisions of Security Council resolutions in the Islamic Republic of Iran (Iran).

2. The Security Council has affirmed that the steps required by the Board of Governors in its resolutions² are binding on Iran.³ The relevant provisions of the aforementioned Security Council

¹ The Agreement between Iran and the Agency for the Application of Safeguards in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons (INFCIRC/214), which entered into force on 15 May 1974.

 $^{^2}$ The Board of Governors has adopted 12 resolutions in connection with the implementation of safeguards in Iran: GOV/2003/69 (12 September 2003); GOV/2003/81 (26 November 2003); GOV/2004/21 (13 March 2004); GOV/2004/49 (18 June 2004); GOV/2004/79 (18 September 2004); GOV/2004/90 (29 November 2004); GOV/2005/64 (11 August 2005); GOV/2005/77 (24 September 2005); GOV/2006/14 (4 February 2006); GOV/2009/82 (27 November 2009); GOV/2011/69 (18 November 2011); and GOV/2012/50 (13 September 2012).

³ In resolution 1929 (2010), the Security Council: affirmed, inter alia, that Iran shall, without further delay, take the steps required by the Board in GOV/2006/14 and GOV/2009/82; reaffirmed Iran's obligation to cooperate fully with the IAEA on all outstanding issues, particularly those which give rise to concerns about the possible military dimensions of the Iranian nuclear programme; decided that Iran shall, without delay, comply fully and without qualification with its Safeguards Agreement, including through the application of modified Code 3.1 of the Subsidiary Arrangements; and called upon Iran to act strictly in accordance with the provisions of its Additional Protocol and to ratify it promptly (paras 1–6).

resolutions⁴ were adopted under Chapter VII of the United Nations Charter, and are mandatory, in accordance with the terms of those resolutions.⁵

3. This report addresses developments since the Director General's previous report (GOV/2012/55, 16 November 2012), as well as issues of longer standing. It focuses on those areas where Iran has not fully implemented its binding obligations, as the full implementation of these obligations is needed to establish international confidence in the exclusively peaceful nature of Iran's nuclear programme.

B. Clarification of Unresolved Issues

4. In November 2011, the Board adopted resolution GOV/2011/69, in which, inter alia, it stressed that it was essential for Iran and the Agency to intensify their dialogue aimed at the urgent resolution of all outstanding substantive issues for the purpose of providing clarifications regarding those issues, including access to all relevant information, documentation, sites, material and personnel in Iran. In that resolution, the Board also called on Iran to engage seriously and without preconditions in talks aimed at restoring international confidence in the exclusively peaceful nature of Iran's nuclear programme. In light of this, between January and the beginning of September 2012, Agency and Iranian officials held six rounds of talks in Vienna and Tehran, including during a visit by the Director General to Tehran in May 2012. However, no concrete results were achieved.⁶

5. On 13 September 2012, the Board adopted resolution GOV/2012/50, in which, inter alia, it decided that Iranian cooperation with Agency requests aimed at the resolution of all outstanding issues was essential and urgent in order to restore international confidence in the exclusively peaceful nature of Iran's nuclear programme. The Board also stressed that it was essential for Iran to immediately conclude and implement a structured approach for resolving outstanding issues related to possible military dimensions to its nuclear programme, including, as a first step, providing the Agency with the access it had requested to relevant sites. Immediately following the adoption of that resolution, the Agency took steps to engage Iran in further talks.⁷

6. Since the Director General's November 2012 report, Agency and Iranian officials have held three further rounds of talks in Tehran – on 13 December 2012, 16 and 17 January 2013 and 13 February 2013 – aimed at finalizing the structured approach document.⁸ While the Secretariat's commitment to continued dialogue is unwavering, it has not been possible to reach agreement with Iran on the structured approach or to begin substantive work on the outstanding issues, including those related to possible military dimensions to Iran's nuclear programme.

⁴ The United Nations Security Council has adopted the following resolutions on Iran: 1696 (2006); 1737 (2006); 1747 (2007); 1803 (2008); 1835 (2008); and 1929 (2010).

⁵ By virtue of its Relationship Agreement with the United Nations (INFCIRC/11, Part I.A), the Agency is required to cooperate with the Security Council in the exercise of the Council's responsibility for the maintenance or restoration of international peace and security. All Member States of the United Nations agree to accept and carry out the decisions of the Security Council and, in this respect, to take actions which are consistent with their obligations under the United Nations Charter.

⁶ GOV/2012/37, para. 8.

⁷ GOV/2012/55, para. 6.

⁸ The current focus of the document is on the issues outlined in the Annex to the Director General's November 2011 report. The other outstanding issues will need to be addressed separately.

C. Facilities Declared under Iran's Safeguards Agreement

7. Under its Safeguards Agreement, Iran has declared to the Agency 16 nuclear facilities and nine locations outside facilities where nuclear material is customarily used (LOFs).⁹ Notwithstanding that certain of the activities being undertaken by Iran at some of the facilities are contrary to the relevant resolutions of the Board of Governors and the Security Council, as indicated below, the Agency continues to verify the non-diversion of declared material at these facilities and LOFs.

D. Enrichment Related Activities

8. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran has not suspended its enrichment related activities in the declared facilities referred to below. All of these activities are under Agency safeguards, and all of the nuclear material, installed cascades and the feed and withdrawal stations at those facilities are subject to Agency containment and surveillance.¹⁰

9. Iran has stated that the purpose of enriching UF_6 up to 5% U-235 is the production of fuel for its nuclear facilities¹¹ and that the purpose of enriching UF_6 up to 20% U-235 is the manufacture of fuel for research reactors.¹²

- 10. Since Iran began enriching uranium at its declared facilities, it has produced at those facilities:
 - 8271 kg (+660 kg since the Director General's previous report) of UF₆ enriched up to 5% U-235, of which 5974 kg remain in the form of UF₆ enriched up to 5% U-235¹³ and the rest has been further processed (as detailed in paras 19 and 25–27 below); and
 - 280 kg (+47 kg since the Director General's previous report) of UF₆ enriched up to 20% U-235, of which 167 kg remain in the form of UF₆ enriched up to 20% U-235¹⁴ and the rest has been further processed (as detailed in para. 45 below).

D.1. Natanz

11. **Fuel Enrichment Plant:** FEP is a centrifuge enrichment plant for the production of low enriched uranium (LEU) enriched up to 5% U-235, which was first brought into operation in 2007. The plant is divided into Production Hall A and Production Hall B. According to design information submitted by Iran, eight units are planned for Production Hall A, with 18 cascades in each unit, which totals approximately 25 000 centrifuges in 144 cascades. Iran has yet to provide the corresponding design information for Production Hall B.

⁹ All of the LOFs are situated within hospitals.

¹⁰ In line with normal safeguards practice, small amounts of nuclear material (e.g. some waste and samples) may not be subject to containment and surveillance.

¹¹ As declared in Iran's design information questionnaires (DIQs) for the Fuel Enrichment Plant (FEP) at Natanz.

¹² GOV/2010/10, para. 8; as declared in the DIQ for the Fuel Plate Fabrication Plant (FPFP).

¹³ This comprises nuclear material in storage, as well as nuclear material in the cold traps and still inside cylinders attached to the enrichment process.

¹⁴ This comprises nuclear material in storage, nuclear material in the cold traps and still inside cylinders attached to the enrichment process, and nuclear material in cylinders attached to the conversion process.

12. As of 19 February 2013, Iran had fully installed 74 cascades in Production Hall A, partially installed three other cascades and completed preparatory installation work for the other 67 cascades.¹⁵ On that date, Iran declared that it was feeding 53 of the fully installed cascades with natural UF₆.

13. In a letter dated 23 January 2013, Iran informed the Agency that IR-2m centrifuges "will be used" in one of the units of Production Hall A.¹⁶ At the request of the Agency, Iran, in a letter dated 6 February 2013, provided additional information on the planned cascade configuration for the unit that would comprise IR-2m centrifuges and provided other related technical information. On 6 February 2013, the Agency observed that Iran had started the installation of IR-2m centrifuges and empty centrifuge casings. This is the first time that centrifuges more advanced than the IR-1 have been installed in FEP.

14. As a result of the physical inventory verification (PIV) carried out by the Agency at FEP between 20 October 2012 and 11 November 2012, the Agency verified, within measurement uncertainties normally associated with such a facility, the inventory of nuclear material as declared by Iran on 21 October 2012.

15. The Agency has confirmed that, as of 21 October 2012, 85 644 kg of natural UF₆ had been fed into the cascades since production began in February 2007, and a total of 7451 kg of UF₆ enriched up to 5% U-235 had been produced. Iran has estimated that, between 22 October 2012 and 3 February 2013, a total of 9106 kg of natural UF₆ was fed into the cascades and a total of approximately 820 kg of UF₆ enriched up to 5% U-235 was produced, which would result in a total production of 8271 kg of UF₆ enriched up to 5% U-235 since production began.

16. Based on the results of the analysis of environmental samples taken at FEP since February 2007,¹⁷ and other verification activities, the Agency has concluded that the facility has operated as declared by Iran in the relevant design information questionnaire (DIQ).

17. **Pilot Fuel Enrichment Plant:** PFEP is a research and development (R&D) facility, and a pilot LEU production facility, which was first brought into operation in October 2003. It has a cascade hall that can accommodate six cascades, and is divided between an area designated by Iran for the production of UF₆ enriched up to 20% U-235 (Cascades 1 and 6) and an area designated by Iran for R&D (Cascades 2, 3, 4 and 5).

18. *Production area:* As of 12 February 2013, Iran was continuing to feed low enriched UF_6 into two interconnected cascades (Cascades 1 and 6) containing a total of 328 IR-1 centrifuges.

19. As previously reported,¹⁸ the Agency has verified that, as of 15 September 2012, 1119.6 kg of UF_6 enriched up to 5% U-235 produced at FEP had been fed into the cascades in the production area since production began in February 2010, and that a total of 129.1 kg of UF_6 enriched up to 20% U-235 had been produced. Iran has estimated that, between 16 September 2012 and 12 February 2013, a total of 145.5 kg of UF_6 enriched up to 5% U-235 produced at FEP was fed into the cascades in the production area and that approximately 20.8 kg of UF_6 enriched up to 20% U-235 were produced. This would result in a total production of 149.9 kg of UF_6 enriched up to 20% U-235 at PFEP since production began.

¹⁵ As of 19 February 2013, 12 669 IR-1 centrifuges (+2255 since the Director General's previous report) and, in two cascades, 180 IR-2m centrifuges and empty centrifuge casings were installed in FEP.

¹⁶ GOV/INF/2013/3, 30 January 2013.

¹⁷ Results are available to the Agency for samples taken up to 7 August 2012.

¹⁸ GOV/2012/55, para. 18.

20. *R&D* area: Since the Director General's previous report, Iran has installed two new types of centrifuge (IR-6 and IR-6s) and has been intermittently feeding natural UF₆ into them as single machines. Iran has also been intermittently feeding natural UF₆ into IR-2m and IR-4 centrifuges, sometimes into single machines and sometimes into cascades of various sizes.¹⁹

21. Between 12 November 2012 and 12 February 2013, a total of approximately 469.2 kg of natural UF_6 was fed into centrifuges in the R&D area, but no LEU was withdrawn as the product and the tails were recombined at the end of the process.

22. In an updated DIQ dated 6 February 2013, Iran informed the Agency that it planned to start withdrawing from Cascades 4 and 5 the product and the tails separately, rather than recombining them at the end of the process as it had done previously. The Agency and Iran are discussing how safeguards measures will need to be modified as a result of the changes in the operation of these cascades. Iran has agreed not to start operations until such safeguards measures are in place.

23. Based on the results of the analysis of the environmental samples taken at PFEP,²⁰ and other verification activities, the Agency has concluded that the facility has operated as declared by Iran in the relevant DIQ.

D.2. Fordow

24. **Fordow Fuel Enrichment Plant:** FFEP is, according to the DIQ of 18 January 2012, a centrifuge enrichment plant for the production of UF₆ enriched up to 20% U-235 and the production of UF₆ enriched up to 5% U-235. Additional information from Iran is still needed in connection with this facility, particularly in light of the difference between the original stated purpose of the facility and the purpose for which it is now being used.²¹ The facility, which was first brought into operation in 2011, is designed to contain up to 2976 centrifuges in 16 cascades, divided between Unit 1 and Unit 2. To date, all of the centrifuges installed are IR-1 machines.²² Iran has yet to inform the Agency which of the cascades are to be used for enrichment up to 5% U-235 and/or for enrichment up to 20% U-235.²³

25. As of 17 February 2013, Iran was continuing to feed four cascades (configured in two sets of two interconnected cascades) of Unit 2 with UF_6 enriched up to 5% U-235;²⁴ none of the other 12 cascades had been fed with UF_6 .²⁵

26. Between 17 November 2012 and 3 December 2012, the Agency conducted a PIV at FFEP and verified that, as of 17 November 2012, a total of 769 kg of UF₆ enriched up to 5% U-235 produced at FEP had been fed into cascades at FFEP since production began in December 2011, and that 101.2 kg of UF₆ enriched up to 20% U-235 had been produced. As a result of this PIV, the Agency verified,

¹⁹ On 19 February 2013, there were 29 IR-4 centrifuges, six IR-6 centrifuges and two IR-6s centrifuges installed in Cascade 2, nine IR-2m centrifuges and two IR-1 centrifuges installed in Cascade 3, 164 IR-4 centrifuges installed in Cascade 4 and 162 IR-2m centrifuges installed in Cascade 5.

²⁰ Results are available to the Agency for samples taken up to 22 October 2012.

²¹ GOV/2009/74, paras 7 and 14; GOV/2012/9, para. 24. To date, Iran has provided the Agency with an initial DIQ and three revised DIQs. Each of the DIQs has stated a different purpose for the facility.

²² As of 17 February 2013, 2710 centrifuges were installed at FFEP (-74 since the Director General's previous report).

²³ In a letter to the Agency dated 23 May 2012, Iran stated that the Agency would be notified about the production level of the cascades prior to their operation (GOV/2012/23, para. 25).

²⁴ The number of centrifuges being fed (696) remains unchanged from that reflected in the Director General's previous report (GOV/2012/55, para. 23).

 $^{^{25}}$ As of 17 February 2013, all eight cascades in Unit 1, and three of the four remaining cascades in Unit 2, had been subjected to vacuum testing and made ready for feeding with UF₆. The fourth cascade in Unit 2 was incomplete.

within measurement uncertainties normally associated with such a facility, the inventory of nuclear material as declared by Iran on 17 November 2012.

27. Iran has estimated that between 18 November 2012 and 10 February 2013, a total of 210.1 kg of UF_6 enriched up to 5% U-235 was fed into cascades at FFEP, and that approximately 28.7 kg of UF_6 enriched up to 20% U-235 were produced. This would result in a total production of 129.9 kg of UF_6 enriched up to 20% U-235 since production began, 125.3 kg of which have been withdrawn from the process and verified by the Agency.

28. Based on the results of the analysis of environmental samples taken at FFEP,²⁶ and other verification activities, the Agency has concluded that the facility has operated as declared by Iran in its most recent DIQ for FFEP.

D.3. Other Enrichment Related Activities

29. Iran has not provided a substantive response to Agency requests for further information in relation to announcements made by Iran concerning the construction of ten new uranium enrichment facilities, the sites for five of which, according to Iran, have been decided.²⁷ Nor has Iran provided information, as requested by the Agency, in connection with its announcement on 7 February 2010 that it possessed laser enrichment technology.²⁸ As a result of Iran's lack of cooperation on those issues, the Agency is unable to verify and report fully on these matters.

E. Reprocessing Activities

30. Pursuant to the relevant resolutions of the Board of Governors and the Security Council, Iran is obliged to suspend its reprocessing activities, including R&D.²⁹ Iran has stated that it "does not have reprocessing activities".³⁰

31. The Agency has continued to monitor the use of hot cells at the Tehran Research Reactor (TRR)³¹ and the Molybdenum, Iodine and Xenon Radioisotope Production (MIX) Facility.³² The Agency carried out an inspection and design information verification (DIV) at TRR on 12 February 2013, and a DIV at the MIX Facility on 13 February 2013. It is only with respect to TRR, the MIX Facility and the other facilities to which the Agency has access that the Agency can confirm that there are no ongoing reprocessing related activities in Iran.

²⁶ Results are available to the Agency for samples taken up to 28 October 2012.

²⁷ 'Iran Specifies Location for 10 New Enrichment Sites', Fars News Agency, 16 August 2010.

²⁸ Cited on the website of the Presidency of the Islamic Republic of Iran, 7 February 2010, at http://www.president.ir/en/?ArtID=20255.

²⁹ S/RES/1696 (2006), para. 2; S/RES/1737 (2006), para. 2; S/RES/1747 (2007), para. 1; S/RES/1803 (2008), para. 1; S/RES/1835 (2008), para. 4; S/RES/1929 (2010), para. 2.

³⁰ Letter to the Agency dated 15 February 2008.

³¹ TRR is a 5 MW reactor which operates with 20% U-235 enriched fuel and is used for the irradiation of different types of targets and for research and training purposes.

³² The MIX Facility is a hot cell complex for the separation of radiopharmaceutical isotopes from targets, including uranium, irradiated at TRR. The MIX Facility is not currently processing any uranium targets.

F. Heavy Water Related Projects

32. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran has not suspended work on all heavy water related projects, including the ongoing construction of the heavy water moderated research reactor at Arak, the Iran Nuclear Research Reactor (IR-40 Reactor), which is under Agency safeguards.³³

33. On 11 February 2013, the Agency carried out a DIV at the IR-40 Reactor at Arak and observed that the installation of cooling and moderator circuit piping was almost complete. As previously reported, Iran has stated that the operation of the IR-40 Reactor is expected to commence in the first quarter of 2014.³⁴

34. Since its visit to the Heavy Water Production Plant (HWPP) on 17 August 2011, the Agency has not been provided with further access to the plant. As a result, the Agency is again relying only on satellite imagery to monitor the status of HWPP. Based on recent images, the plant appears to continue to be in operation. To date, Iran has not permitted the Agency to take samples of the heavy water stored at the Uranium Conversion Facility (UCF).³⁵ Since the Director General's previous report, the Agency has reiterated its requests to Iran for access to HWPP and for the taking of samples of the aforementioned heavy water. Iran has again not provided the requested access.

G. Uranium Conversion and Fuel Fabrication

35. Although Iran is obliged to suspend all enrichment related activities and heavy water related projects, it is conducting a number of activities at UCF, the Fuel Manufacturing Plant (FMP) and the Fuel Plate Fabrication Plant (FPFP) at Esfahan, as indicated below, which are in contravention of those obligations, notwithstanding that the facilities are under Agency safeguards.

36. Since Iran began conversion and fuel fabrication at its declared facilities, it has, inter alia:

- Produced 550 tonnes of natural UF_6 at UCF,³⁶ of which 107 tonnes have been transferred to FEP;
- Fed into the R&D conversion process at UCF 53 kg of UF₆ enriched up to 3.34% U-235 and produced 24 kg of uranium in the form of UO_2 ;³⁷
- Fed into the conversion process at FPFP 111 kg of UF_6 enriched up to 20% U-235 (+28.3 kg since the Director General's previous report) and produced 50 kg of uranium in the form of U_3O_8 ; and
- Transferred to TRR five fuel assemblies containing uranium enriched up to 20% U-235 and two fuel assemblies containing uranium enriched to 3.34% U-235.

³³ S/RES/1737 (2006), para. 2; S/RES/1747 (2007), para. 1; S/RES/1803 (2008), para. 1; S/RES/1835 (2008), para. 4; S/RES/1929 (2010), para. 2.

³⁴ GOV/2012/55, para. 29.

³⁵ GOV/2010/10, paras 20 and 21.

³⁶ GOV/2012/37, para. 33.

³⁷ GOV/2012/55, para. 35.

37. **Uranium Conversion Facility:** As a result of the PIV carried out by the Agency at UCF in March 2012 and following the receipt of further information from Iran,³⁸ the Agency verified, within measurement uncertainties normally associated with such a facility, the inventory of nuclear material as declared by Iran on 2 March 2012.

38. Since the previous report, Iran has informed the Agency that it intends to conduct R&D conversion activities involving the use of natural UF₆ for the production of UO₂.³⁹

39. According to Iran, as of 3 February 2013, it had produced 9056 kg of natural uranium in the form of UO_2 through the conversion of uranium ore concentrate. As of 5 February 2013, the Agency had verified that Iran had transferred 3823 kg of this UO_2 to FMP.

40. Since the Director General's previous report, Iran has informed the Agency that it has recovered – in the form of liquid scrap, sludge and solid waste – the majority of the nuclear material that spilled onto the floor of the facility when a storage tank ruptured last year.⁴⁰ The Agency is currently assessing Iran's declaration.

41. **Fuel Manufacturing Plant:** As a result of the PIV carried out by the Agency at FMP between 4 and 6 September 2012, the Agency verified, within measurement uncertainties normally associated with such a facility, the inventory of nuclear material as declared by Iran on 4 September 2012.

42. On 26 November 2012, the Agency verified a prototype IR-40 natural uranium fuel assembly before its transfer to TRR for irradiation testing.

43. On 9 and 11 February 2013, the Agency carried out an inspection and a DIV at FMP and confirmed that the manufacture of pellets for the IR-40 Reactor using natural UO_2 was ongoing.

44. **Fuel Plate Fabrication Plant:** As a result of the PIV carried out by the Agency at FPFP on 29 September 2012, the Agency verified, within measurement uncertainties normally associated with such a facility, the inventory of nuclear material as declared by Iran on that date.

45. On 27 September 2012, Iran suspended converting UF₆ enriched up to 20% U-235 into U_3O_8 at FPFP. Iran has estimated that, between 2 December 2012, when it resumed such conversion activities, and 11 February 2013, 28.3 kg of UF₆ enriched up to 20% U-235 were fed into the conversion process at FPFP and 12 kg of uranium were produced in the form of U_3O_8 . This would bring the total amount of UF₆ enriched up to 20% U-235 which had been fed into the conversion process to 111 kg and the total amount of uranium in the form of U_3O_8 which had been produced to 50 kg.⁴¹

46. On 12 and 13 February 2013, the Agency verified seven fuel assemblies and 95 fuel plates present at the facility.

³⁸ GOV/2012/55, para. 33.

 $^{^{39}}$ Iran had previously conducted similar R&D conversion activities using UF_6 enriched up to 3.34% U-235 (GOV/2012/55, para. 35).

⁴⁰ GOV/2012/55, para. 36.

⁴¹ GOV/2012/55, para. 38. In addition, approximately 1.6 kg of UF₆ enriched up to 20% U-235 have been blended with natural UF₆ at PFEP (GOV/2012/23, para. 19).

H. Possible Military Dimensions

47. Previous reports by the Director General have identified outstanding issues related to possible military dimensions to Iran's nuclear programme and actions required of Iran to resolve these.⁴² Since 2002, the Agency has become increasingly concerned about the possible existence in Iran of undisclosed nuclear related activities involving military related organizations, including activities related to the development of a nuclear payload for a missile. Iran has dismissed the Agency's concerns, largely on the grounds that Iran considers them to be based on unfounded allegations.⁴³

48. The Annex to the Director General's November 2011 report (GOV/2011/65) provided a detailed analysis of the information available to the Agency, indicating that Iran has carried out activities that are relevant to the development of a nuclear explosive device. This information is assessed by the Agency to be, overall, credible.⁴⁴ Since November 2011, the Agency has obtained more information which further corroborates the analysis contained in the aforementioned Annex.

49. In resolution 1929 (2010), the Security Council reaffirmed Iran's obligations to take the steps required by the Board of Governors in its resolutions GOV/2006/14 and GOV/2009/82, and to cooperate fully with the Agency on all outstanding issues, particularly those which give rise to concerns about the possible military dimensions to Iran's nuclear programme, including by providing access without delay to all sites, equipment, persons and documents requested by the Agency.⁴⁵ As indicated in Section B above, since the publication of the Director General's November 2011 report, although the Board has adopted two resolutions addressing the urgent need to resolve outstanding issues regarding the Iranian nuclear programme, including those which need to be clarified to exclude the existence of possible military dimensions, it has not been possible to finalize the structured approach document or to begin substantive work in this regard.

50. **Parchin:** As stated in the Annex to the Director General's November 2011 report,⁴⁶ information provided to the Agency by Member States indicates that Iran constructed a large explosives containment vessel in which to conduct hydrodynamic experiments;⁴⁷ such experiments would be strong indicators of possible nuclear weapon development. The information also indicates that the containment vessel was installed at the Parchin site in 2000. The location at the Parchin site of the vessel was only identified in March 2011, and the Agency notified Iran of that location in January 2012.

51. As previously reported, satellite imagery available to the Agency for the period from February 2005 to January 2012 shows virtually no activity at or near the building housing the containment vessel (chamber building). Since the Agency's first request for access to this location, however, satellite imagery shows that extensive activities and resultant changes have taken place at

⁴² See, for example: GOV/2011/65, paras 38–45 and Annex; GOV/2011/29, para. 35; GOV/2011/7, Attachment; GOV/2010/10, paras 40–45; GOV/2009/55, paras 18–25; GOV/2008/38, paras 14–21; GOV/2008/15, paras 14–25 and Annex; GOV/2008/4, paras 35–42.

⁴³ GOV/2012/9, para. 8.

⁴⁴ GOV/2011/65, Annex, Section B.

 $^{^{\}rm 45}$ S/RES/1929, paras 2 and 3.

⁴⁶ GOV/2011/65, Annex, para. 49.

⁴⁷ GOV/2011/65, Annex, para. 47.

this location.⁴⁸ The Agency has reiterated during each round of talks with Iran its request for access to the location at the Parchin site, but Iran has not acceded to that request.

52. Among the most significant developments observed by the Agency at this location since the Director General's report in November 2012 are:

- Reinstatement of some of the chamber building's features (e.g. wall panels and exhaust piping);
- Alterations to the roofs of the chamber building and the other large building;
- Dismantlement and reconstruction of the annex to the other large building;
- Construction of one small building at the same place where a building of similar size had previously been demolished;
- Spreading, levelling and compacting of another layer of material over a large area; and
- Installation of a fence that divides the location into two areas.

53. As previously reported, Iran has stated that the allegation of nuclear activities at the Parchin site is "baseless" and that "the recent activities claimed to be conducted in the vicinity of the location of interest to the Agency, has nothing to do with specified location by the Agency".⁴⁹ To date, Iran has only provided an explanation for the soil displacement by trucks, which it stated was "due to constructing the Parchin new road".⁵⁰

54. In light of the extensive activities that have been, and continue to be, undertaken by Iran at the aforementioned location on the Parchin site, when the Agency gains access to the location, its ability to conduct effective verification will have been seriously undermined. While the Agency continues to assess that it is necessary to have access to this location without further delay, it is essential that Iran also provide without further delay substantive answers to the Agency's detailed questions regarding the Parchin site and the foreign expert,⁵¹ as requested by the Agency in February 2012.⁵²

I. Design Information

55. Contrary to its Safeguards Agreement and relevant resolutions of the Board of Governors and the Security Council, Iran is not implementing the provisions of the modified Code 3.1 of the Subsidiary Arrangements General Part to Iran's Safeguards Agreement.⁵³ It is important to note that the absence of such early information reduces the time available for the Agency to plan the necessary safeguards

⁴⁸ For a list of the most significant developments observed by the Agency at this location between February 2012 and the publication of the Director General's November 2012 report, see GOV/2012/55, para. 44.

⁴⁹ GOV/2012/37, para. 43.

⁵⁰ INFCIRC/847, 20 December 2012, para. 58.

⁵¹ GOV/2011/65, Annex, para. 44.

⁵² GOV/2012/9, para. 8.

⁵³ In accordance with Article 39 of Iran's Safeguards Agreement, agreed Subsidiary Arrangements cannot be changed unilaterally; nor is there a mechanism in the Safeguards Agreement for the suspension of provisions agreed to in the Subsidiary Arrangements. Therefore, as previously explained in the Director General's reports (see, for example, GOV/2007/22, 23 May 2007), the modified Code 3.1, as agreed to by Iran in 2003, remains in force. Iran is further bound by operative paragraph 5 of Security Council resolution 1929 (2010) to "comply fully and without qualification with its IAEA Safeguards Agreement, including through the application of modified Code 3.1".

arrangements, especially for new facilities, and reduces the level of confidence in the absence of other nuclear facilities.⁵⁴

56. Contrary to Iran's obligations under the modified Code 3.1, Iran has not provided the Agency with an updated DIQ for the IR-40 Reactor since 2006. The lack of up-to-date information is having an adverse impact on the Agency's ability to effectively verify the design of the facility and to implement an effective safeguards approach.⁵⁵

57. Iran's response to Agency requests that Iran confirm, or provide further information regarding, its stated intention to construct new nuclear facilities is that it would provide the Agency with the required information in "due time" rather than as required by the modified Code 3.1 of the Subsidiary Arrangements General Part to its Safeguards Agreement.⁵⁶

J. Additional Protocol

58. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran is not implementing its Additional Protocol. The Agency will not be in a position to provide credible assurance about the absence of undeclared nuclear material and activities in Iran unless and until Iran provides the necessary cooperation with the Agency, including by implementing its Additional Protocol.⁵⁷

K. Other Matters

59. The Agency and Iran continue to discuss the discrepancy between the amount of nuclear material declared by the operator and that measured by the Agency in connection with conversion experiments carried out by Iran at the Jabr Ibn Hayan Multipurpose Research Laboratory (JHL) between 1995 and 2002.⁵⁸

60. On 12 February 2013, three fuel assemblies that had been produced in Iran and which contain nuclear material that was enriched in Iran up to 3.5% and up to 20% U-235 were in the core of TRR.⁵⁹

61. On 26 and 27 November 2012, the Agency conducted a PIV at the Bushehr Nuclear Power Plant (BNPP) and verified that the fuel assemblies that previously had been transferred to the spent fuel

⁵⁴ GOV/2010/10, para. 35.

⁵⁵ GOV/2012/37, para. 46.

⁵⁶ GOV/2011/29, para. 37; GOV/2012/23, para. 29.

⁵⁷ Iran's Additional Protocol was approved by the Board on 21 November 2003 and signed by Iran on 18 December 2003, although it has not been brought into force. Iran provisionally implemented its Additional Protocol between December 2003 and February 2006.

⁵⁸ GOV/2003/75, paras 20–25 and Annex 1; GOV/2004/34, para. 32, and Annex, paras 10–12; GOV/2004/60, para. 33, and Annex, paras 1–7; GOV/2011/65, para. 49.

⁵⁹ On 12 February 2013, the core of TRR comprised a total of 33 fuel assemblies.

pond had since been reloaded into the reactor core.⁶⁰ During an inspection conducted by the Agency at BNPP on 16 and 17 February 2013, Iran informed the Agency that the reactor was shut down.

L. Summary

62. While the Agency continues to verify the non-diversion of declared nuclear material at the nuclear facilities and LOFs declared by Iran under its Safeguards Agreement, as Iran is not providing the necessary cooperation, including by not implementing its Additional Protocol, the Agency is unable to provide credible assurance about the absence of undeclared nuclear material and activities in Iran, and therefore to conclude that all nuclear material in Iran is in peaceful activities.⁶¹

63. Iran has started the installation of more advanced centrifuges (IR-2m) at FEP for the first time.

64. Contrary to the Board resolutions of November 2011 and September 2012 and despite the intensified dialogue between the Agency and Iran since January 2012 in nine rounds of talks, it has not been possible to agree on the structured approach. The Director General is unable to report any progress on the clarification of outstanding issues, including those relating to possible military dimensions to Iran's nuclear programme.

65. It is a matter of concern that the extensive and significant activities which have taken place since February 2012 at the location within the Parchin site to which the Agency has repeatedly requested access will have seriously undermined the Agency's ability to undertake effective verification. The Agency reiterates its request that Iran, without further delay, provide both access to that location and substantive answers to the Agency's detailed questions regarding the Parchin site and the foreign expert.

66. Given the nature and extent of credible information available, the Agency continues to consider it essential for Iran to engage with the Agency without further delay on the substance of the Agency's concerns. In the absence of such engagement, the Agency will not be able to resolve concerns about issues regarding the Iranian nuclear programme, including those which need to be clarified to exclude the existence of possible military dimensions to Iran's nuclear programme.

67. The Director General continues to urge Iran to take steps towards the full implementation of its Safeguards Agreement and its other obligations and to engage with the Agency to achieve concrete results on all outstanding substantive issues, as required in the binding resolutions of the Board of Governors and the mandatory Security Council resolutions.

68. The Director General will continue to report as appropriate.

⁶⁰ GOV/2012/55, para. 52.

⁶¹ The Board has confirmed on numerous occasions, since as early as 1992, that paragraph 2 of INFCIRC/153 (Corr.), which corresponds to Article 2 of Iran's Safeguards Agreement, authorizes and requires the Agency to seek to verify both the non-diversion of nuclear material from declared activities (i.e. correctness) and the absence of undeclared nuclear activities in the State (i.e. completeness) (see, for example, GOV/OR.864, para. 49 and GOV/OR.865, paras. 53-54).



Board of Governors

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Item 8(d) of the provisional agenda (GOV/2014/39)

Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions in the Islamic Republic of Iran

Report by the Director General

Main Developments

- Iran has: implemented one of the five practical measures that it agreed with the Agency in May 2014 in the third step of the Framework for Cooperation by the agreed deadline of 25 August 2014; implemented two of the five measures after the deadline; and begun discussions with the Agency on the other two practical measures.
- The Agency requested that Iran propose new practical measures by 2 September 2014 to be implemented by Iran in the next step in relation to the Framework for Cooperation. New practical measures have yet to be proposed.
- The Agency has continued to undertake monitoring and verification in relation to the nuclear-related measures set out in the Joint Plan of Action (JPA), as extended.
- Since the JPA took effect, Iran has not enriched UF_6 above 5% U-235 at any of its declared facilities. As a result of downblending and conversion that has taken place over the same period, Iran no longer has a stock of UF_6 enriched up to 20% U-235.
- While enrichment of UF₆ up to 5% U-235 continues at a rate of production similar to that indicated in the Director General's previous reports, as Iran has begun converting some of this nuclear material at the Enriched UO₂ Powder Plant (EUPP), the amount of such nuclear material that remains in the form of UF₆ enriched up to 5% U-235 has decreased to 7765 kg.
- No additional major components have been installed at the IR-40 Reactor and there has been no manufacture and testing of fuel for the reactor.
- Iran has continued to provide the Agency with managed access to centrifuge assembly workshops, centrifuge rotor production workshops and storage facilities.

A. Introduction

1. This report of the Director General to the Board of Governors and, in parallel, to the Security Council, is on the implementation of the NPT Safeguards Agreement¹ and relevant provisions of Security Council resolutions in the Islamic Republic of Iran (Iran). It contains information, inter alia, regarding the implementation of measures under the "Joint Statement on a Framework for Cooperation" (the Framework for Cooperation) and the Joint Plan of Action (JPA), as extended.²

2. The Security Council has affirmed that the steps required by the Board of Governors in its resolutions³ are binding on Iran.⁴ The relevant provisions of the aforementioned Security Council resolutions⁵ were adopted under Chapter VII of the United Nations Charter and are mandatory, in accordance with the terms of those resolutions.⁶ The full implementation of Iran's obligations is needed in order to ensure international confidence in the exclusively peaceful nature of its nuclear programme.

3. As previously reported, on 11 November 2013 the Agency and Iran signed a "Joint Statement on a Framework for Cooperation" (GOV/INF/2013/14). In the Framework for Cooperation, the Agency and Iran agreed to cooperate further with respect to verification activities to be undertaken by the Agency to resolve all present and past issues, and to proceed with such activities in a step by step manner. The practical measures agreed to date in relation to the Framework for Cooperation are listed in Annex I.

4. As previously reported, in a separate development, on 24 November 2013 China, France, Germany, the Russian Federation, the United Kingdom and the United States of America (E3+3) agreed on the JPA with Iran. The JPA, inter alia, stated that the "goal for these negotiations is to reach a mutually-agreed long-term comprehensive solution that would ensure Iran's nuclear programme will be exclusively peaceful".^{7,8} According to the JPA, which took effect on 20 January 2014, the first step would be time-bound (six months) and renewable by mutual consent. As requested by the E3+3 and Iran, and endorsed by the Board of Governors (subject to the availability of funds), the Agency undertook the necessary nuclear-related monitoring and verification activities in relation to the JPA, involving activities additional to those already being carried out pursuant to Iran's Safeguards Agreement and relevant provisions of Security Council resolutions.

5. On 24 July 2014, the E3/EU+3 and Iran informed the Agency of the extension of the JPA until 24 November 2014 and requested it to continue to undertake the necessary nuclear related monitoring

¹ The Agreement between Iran and the Agency for the Application of Safeguards in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons (INFCIRC/214), which entered into force on 15 May 1974.

² GOV/INF/2014/18.

³ Between September 2003 and September 2012, the Board of Governors adopted 12 resolutions in connection with the implementation of safeguards in Iran (see GOV/2013/56, footnote 2).

⁴ Security Council resolution 1929 (2010).

⁵ GOV/2013/56, footnote 4.

⁶ Part I.A of the Agency's Relationship Agreement with the United Nations (INFCIRC/11).

⁷ GOV/2014/2, para. 2.

⁸ The JPA also stated that a Joint Commission would work with the Agency to "facilitate resolution of past and present issues of concern".

and verification activities in relation to the JPA, "including monitoring of fuel fabrication" for the Tehran Research Reactor (TRR), and downblending of Iran's UF₆ "enriched up to 2%".⁹

6. Based on the endorsement by the Board of Governors, at its meeting on 24 January 2014, of the Agency undertaking monitoring and verification in relation to the nuclear-related measures set out in the JPA, the Agency will continue to implement such monitoring and verification in relation to the JPA, as extended. In this regard, an additional sum of one million euros was required for the continuation of the Agency's monitoring and verification activities in relation to the extension of the JPA.¹⁰ As of the beginning of September 2014, approximately 0.3 million euros had been pledged.

7. This report addresses developments since the Director General's previous report (GOV/2014/28), as well as issues of longer standing.¹¹

B. Clarification of Unresolved Issues

8. The Board of Governors, in its resolution of November 2011 (GOV/2011/69), stressed that it was essential for Iran and the Agency to intensify their dialogue aimed at the urgent resolution of all outstanding substantive issues for the purpose of providing clarifications regarding those issues, including access to all relevant information, documentation, sites, material and personnel in Iran. In its resolution of September 2012 (GOV/2012/50), the Board of Governors decided that Iranian cooperation with Agency requests aimed at the resolution of all outstanding issues was essential and urgent in order to restore international confidence in the exclusively peaceful nature of Iran's nuclear programme.

9. Since the Director General's previous report and as requested by the Agency, Iran has provided some additional clarifications in respect of the practical measure in the second step of the Framework for Cooperation that relates to exploding bridge wire (EBW) detonators (see para. 65 below). On the basis of its analysis of the information provided by Iran in relation to the other six practical measures in the second step, the Agency currently has not identified any outstanding issues in relation to that information.

10. As part of the effort to advance high-level dialogue and to further cooperation between the Agency and Iran, the Director General held meetings in Tehran on 17 August 2014 with the President of the Islamic Republic of Iran, H.E. Hassan Rouhani, the Vice-President and Chairman of the Atomic Energy Organization of Iran, H.E. Ali Akbar Salehi, and the Minister for Foreign Affairs, H.E. Mohammad Javad Zarif. In these meetings, the Director General stressed the importance of the timely implementation of the Framework for Cooperation. The Director General noted Iran's statement of its firm commitment, expressed at a high level, to the implementation of the Framework for Cooperation. The Director General the resolution of all outstanding issues.

⁹ GOV/INF/2014/18, para. 1.

¹⁰ GOV/INF/2014/18, para. 4.

¹¹ The Director General continues to provide the Board of Governors with monthly updates on Iran's implementation of "voluntary measures" undertaken in relation to the JPA, the seventh of which was provided in GOV/INF/2014/19.

11. In relation to EBW detonators, the Director General noted that Iran had provided information and explanations to the Agency on Iran's decision in early 2000 to develop safe detonators. He noted that Iran had also provided information and explanations to the Agency on Iran's work after 2007 related to the application of EBW detonators in the oil and gas industry which was not inconsistent with specialized industry practices. The Director General further noted that the Agency would need to consider all past outstanding issues, including EBW detonators, integrating all of them in a "system" and assessing the "system" as a whole.

12. During technical meetings in Tehran on 16 and 17 August 2014, Iranian and Agency officials discussed how to move ahead with the existing practical measures, including the five practical measures in the third step of the Framework for Cooperation agreed in May 2014. The Agency also proposed discussions on new practical measures, to be taken up as the next step in the Framework for Cooperation.

13. On 25 August 2014, the Agency wrote four letters to Iran aimed at moving the process forward. The Agency proposed, inter alia, that a meeting be held in Tehran before the end of August to allow Iran and the Agency to address the five practical measures in the third step of the Framework for Cooperation. The Agency also invited Iran to propose new practical measures to address the concerns expressed by the Agency in the Annex to GOV/2011/65.

14. Iran has implemented three of the five practical measures agreed with the Agency in the third step of the Framework for Cooperation, two of which were implemented after the agreed deadline of 25 August 2014, as follows:

- Provided mutually agreed information and arranged a technical visit to a centrifuge research and development centre (on 30 August 2014).
- Provided mutually agreed information and managed access to centrifuge assembly workshops, centrifuge rotor production workshops and storage facilities (the most recent of which took place on 18, 19 and 20 August 2014).
- Concluded the safeguards approach for the IR-40 Reactor (on 31 August 2014).

The Agency confirms that Iran has implemented these practical measures in the third step of the Framework for Cooperation and the Agency is analysing the information provided by Iran.

15. In a letter dated 28 August 2014, Iran, inter alia, indicated its readiness to host a technical meeting with the Agency in Tehran on 31 August 2014. At this meeting, Iran began discussions with the Agency on the other two practical measures in the third step of the Framework for Cooperation relating to the initiation of high explosives and to neutron transport calculations (see Annex I). It was agreed that another technical meeting would be convened.

16. In its aforementioned letter of 28 August 2014, Iran also proposed that a road map be developed before any new measures are identified. In its reply dated 4 September 2014, the Agency reiterated its invitation to Iran (see para. 13 above) to propose new practical measures in relation to the Framework for Cooperation, in order to address the concerns expressed by the Agency in the Annex to GOV/2011/65, without further delay. New practical measures have yet to be proposed.

17. Iran's engagement with the Agency, including the provision of information, and the Agency's ongoing analysis are helping the Agency to gain a better understanding of Iran's nuclear programme.

C. Facilities Declared under Iran's Safeguards Agreement

18. Under its Safeguards Agreement, Iran has declared to the Agency 18 nuclear facilities and nine locations outside facilities where nuclear material is customarily used (LOFs)¹² (Annex II). Notwithstanding that certain of the activities being undertaken by Iran at some of the facilities are contrary to the relevant resolutions of the Board of Governors and the Security Council, as indicated below, the Agency continues to verify the non-diversion of declared nuclear material at these facilities and LOFs.

D. Enrichment Related Activities

19. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran has not suspended all of its enrichment related activities in the declared facilities referred to below. However, since 20 January 2014, Iran has not produced UF₆ enriched above 5% U-235 and all of its stock of UF₆ enriched up to 20% U-235 has been further processed through downblending or conversion. All of the enrichment related activities at Iran's declared facilities are under Agency safeguards, and all of the nuclear material, installed cascades, and feed and withdrawal stations at those facilities are subject to Agency containment and surveillance.¹³

20. Iran has stated that the purpose of enriching UF_6 up to 5% U-235 is the production of fuel for its nuclear facilities.¹⁴ Iran has also stated that the purpose of enriching UF_6 up to 20% U-235 is the manufacture of fuel for research reactors.¹⁵

21. Since Iran began enriching uranium at its declared facilities, it has produced at those facilities:

- 12 772 kg (+795 kg since the Director General's previous report) of UF_6 enriched up to 5% U-235, of which 7765 kg (-710 kg since the Director General's previous report)¹⁶ remain in the form of UF_6 enriched up to 5% U-235¹⁷ and the rest has been further processed (see Annex III); and
- Up to the point at which it stopped producing UF_6 enriched up to 20% U-235, 447.8 kg of such nuclear material, all of which has been further processed through downblending or conversion into uranium oxide¹⁸ (see Annex III).

¹² All of the LOFs are situated within hospitals.

¹³ In line with normal safeguards practice, small amounts of nuclear material (e.g. some waste and samples) may not be subject to containment and surveillance.

¹⁴ As declared by Iran in its design information questionnaires (DIQs) for the Fuel Enrichment Plant (FEP) at Natanz.

¹⁵ GOV/2010/10, para. 8; and as declared by Iran in its DIQ for the Fuel Plate Fabrication Plant (FPFP).

¹⁶ These figures include 115.6 kg of UF₆ enriched up to 5% U-235 that has been produced from the downblending of UF₆ enriched up to 20% U-235.

¹⁷ This comprises nuclear material in storage as well as nuclear material in the cold traps and inside cylinders still attached to the enrichment process.

¹⁸ Apart from 0.6 kg of UF_6 enriched up to 20% U-235, which is under Agency seal at Iran's declared enrichment facilities where the nuclear material had been used as reference material for mass spectrometry.

D.1. Natanz

22. **Fuel Enrichment Plant:** FEP is a centrifuge enrichment plant for the production of low enriched uranium (LEU) enriched up to 5% U-235, which was first brought into operation in 2007. The plant is divided into Production Hall A and Production Hall B. According to the design information submitted by Iran, eight units, each containing 18 cascades, are planned for Production Hall A, which totals approximately 25 000 centrifuges in 144 cascades. Currently, one unit contains IR-2m centrifuges; five contain IR-1 centrifuges; and the other two units do not contain centrifuges. Iran has yet to provide the corresponding design information for Production Hall B.

23. In the unit containing IR-2m centrifuges, as of 13 August 2014, the situation remained unchanged from the Director General's previous report: six cascades had been fully installed with IR-2m centrifuges;¹⁹ none of these cascades had been fed with natural UF₆; and preparatory installation work had been completed for the other 12 IR-2m cascades in the unit.

24. In the five units containing IR-1 centrifuges, as of 13 August 2014, the situation remained unchanged from the Director General's previous report: 90 cascades had been fully installed,²⁰ of which 54 were being fed with natural UF_6 .²¹ As previously reported, preparatory installation work had been completed for 36 IR-1 cascades in the two units not containing centrifuges.

25. As of 12 August 2014, Iran had fed 141 513 kg of natural UF_6 into the cascades at FEP since production began in February 2007 and produced a total of 12 464 kg of UF_6 enriched up to 5% U-235.

26. On 17 August 2014, Iran informed the Agency that it would downblend about 4118 kg of UF_6 enriched up to 2% U-235 to natural uranium.²²

27. Based on the results of the analysis of environmental samples taken at FEP,²³ and other verification activities, the Agency has concluded that the facility has operated as declared by Iran in the relevant design information questionnaire (DIQ).

28. **Pilot Fuel Enrichment Plant:** PFEP is a pilot LEU production, and research and development (R&D) facility that was first brought into operation in October 2003. It can accommodate six cascades, and is divided between an area designated by Iran for the production of UF₆ enriched up to 20% U-235 (Cascades 1 and 6) and an area designated by Iran for R&D (Cascades 2, 3, 4 and 5).

29. *Production area:* As indicated in the Director General's previous report, Iran has ceased feeding Cascades 1 and 6 with UF_6 enriched up to 5% U-235 and is feeding them with natural UF_6 instead.²⁴ On 8 February 2014, Iran provided an update to parts of the DIQ in which it stated that it had taken measures "due to change in level of enrichment" and that the measures "are temporarily taken during

²³ Results are available to the Agency for samples taken up to 14 May 2014.

¹⁹ The number of IR-2m centrifuges installed at FEP (1008) was also unchanged.

²⁰ The number of IR-1 centrifuges installed at FEP (15 420) was also unchanged.

²¹ GOV/2014/10, para. 22. The Agency has applied additional containment and surveillance measures to confirm that no more than the 54 IR-1 cascades (containing 9156 centrifuges) are being fed with nuclear material at FEP.

²² This relates to one of Iran's undertakings in the JPA. The nuclear material originates from the tails produced by the enrichment of UF₆ up to 20% U-235 and from nuclear material evacuated from the cascades producing UF₆ enriched up to 5% U-235, and is not included in the amount of UF₆ enriched up to 5% U-235 indicated in para. 25.

²⁴ As of 26 August 2014, Cascades 1 and 6 contained a total of 328 IR-1 centrifuges (unchanged).

the first step implementation of the JPA".²⁵ Since the JPA took effect, Iran has not operated Cascades 1 and 6 in an interconnected configuration.²⁶

30. As of 20 January 2014, when it ceased production of UF_6 enriched up to 20% U-235, Iran had fed 1630.8 kg of UF_6 enriched up to 5% U-235 into Cascades 1 and 6 since production began in February 2010 and had produced a total of 201.9 kg of UF_6 enriched up to 20% U-235, all of which has since been withdrawn from the process and verified by the Agency. Between 20 January 2014 and 18 August 2014, Iran fed 519.2 kg of natural UF_6 into Cascades 1 and 6 at PFEP and produced a total of 49.7 kg of UF_6 enriched up to 5% U-235.

31. *R&D* area: Since the Director General's previous report, Iran has been intermittently feeding natural UF₆ into IR-6s centrifuges as single machines and into IR-1, IR-2m, IR-4 and IR-6 centrifuges, sometimes into single machines and sometimes into cascades of various sizes.²⁷ The single installed IR-5 centrifuge has yet to be fed with UF₆. As previously reported, the Agency confirms that a "casing" remains in place but without connections.²⁸

32. Between 6 May 2014 and 18 August 2014, a total of approximately 397.8 kg of natural UF_6 was fed into centrifuges in the R&D area, but no LEU was withdrawn as the product and the tails were recombined at the end of the process.

33. Between 20 January 2014 and 20 July 2014, Iran downblended 108.4 kg of its inventory of UF_6 enriched up to 20% U-235.²⁹

34. Based on the results of the analysis of environmental samples taken at PFEP,³⁰ and other verification activities, the Agency has concluded that the facility has operated as declared by Iran in the relevant DIQ.

D.2. Fordow

35. Fordow Fuel Enrichment Plant: FFEP is, according to the DIQ of 18 January 2012, a centrifuge enrichment plant for the production of UF₆ enriched up to 20% U-235 and the production of UF₆ enriched up to 5% U-235.³¹ The facility, which was first brought into operation in 2011, is designed to contain up to 2976 centrifuges in 16 cascades, divided between Unit 1 and Unit 2. To date, all of the centrifuges installed are IR-1 machines. On 8 February 2014, Iran provided an update to parts of the DIQ in which it stated that it had taken measures "due to change in level of enrichment" and that the measures "are temporarily taken during the first step implementation of the JPA".³²

²⁹ By 20 July 2014, in line with the JPA, the downblending process had been completed.

²⁵ Iran and the E3/EU+3 have since agreed to extend the JPA.

²⁶ GOV/2014/10, para. 28. The Agency has applied additional containment and surveillance measures to confirm that Cascades 1 and 6 are not interconnected.

²⁷ On 26 August 2014, there were 14 IR-4 centrifuges, seven IR-6 centrifuges, one IR-5 centrifuge, one IR-2m centrifuge, three IR-1 centrifuges and no IR-6s centrifuges installed in Cascade 2; 14 IR-1 centrifuges and ten IR-4 centrifuges installed in Cascade 3; 164 IR-4 centrifuges installed in Cascade 4; and 162 IR-2m centrifuges installed in Cascade 5.

²⁸ GOV/2014/10, para. 30.

³⁰ Results are available to the Agency for samples taken up to 9 April 2014.

³¹ GOV/2009/74, paras 7 and 14; GOV/2012/9, para. 24. Iran has provided the Agency with an initial DIQ and three revised DIQs with different stated purposes for FFEP. In light of the difference between the original stated purpose of the facility and the purpose for which it is now being used, additional information from Iran is still required.

 $^{^{32}}$ Iran and the E3/EU+3 have since agreed to extend the JPA.

36. As indicated in the Director General's previous report, Iran has ceased feeding UF₆ enriched up to 5% U-235 into the four cascades of Unit 2 previously used for this purpose and is feeding them with natural UF₆ instead. Since the JPA took effect, Iran has not operated these cascades in an interconnected configuration.³³ None of the other 12 cascades in FFEP had been fed with UF₆.³⁴

37. As a result of the physical inventory verification (PIV) carried out by the Agency at FFEP between 18 January and 2 February 2014, the Agency verified, within measurement uncertainties normally associated with such a facility, the inventory of nuclear material as declared by Iran on 20 January 2014.

38. As of 20 January 2014, when it ceased production of UF_6 enriched up to 20% U-235, Iran had fed 1806 kg of UF_6 enriched up to 5% U-235 into the cascades at FFEP since production began in December 2011 and had produced a total of 245.9 kg of UF_6 enriched up to 20% U-235, all of which has since been withdrawn from the process and verified by the Agency. Between 20 January 2014 and 17 August 2014, Iran fed 1349.7 kg of natural UF_6 into the cascades at FFEP and produced a total of 142.7 kg of UF_6 enriched up to 5% U-235.

39. Based on the results of the analysis of environmental samples taken at FFEP,³⁵ and other verification activities, the Agency has concluded that the facility has operated as declared by Iran in the relevant DIQ.

D.3. Other Enrichment Related Activities

40. Iran continues to provide the Agency with regular managed access to centrifuge assembly workshops, centrifuge rotor production workshops and storage facilities.³⁶ Such access, as well as associated mutually agreed information, was also provided by Iran pursuant to one of the practical measures agreed in relation to the Framework for Cooperation (see para. 14 above). As part of this managed access, Iran has also provided the Agency with an inventory of centrifuge rotor assemblies to be used to replace those centrifuges that fail. The Agency has analysed the information provided by Iran and, upon request, has received additional clarifications. Since the JPA took effect, based on analysis of all the information provided by Iran, as well as the managed access and other verification activities carried out by the Agency, the Agency can confirm that centrifuge rotor manufacturing and assembly are consistent with Iran's replacement programme for damaged centrifuges.³⁷

41. Pursuant to one of the practical measures agreed in relation to the third step of the Framework for Cooperation (see para. 14 above), Iran provided mutually agreed information and arranged a technical visit by the Agency to a centrifuge research and development centre, which the Agency carried out on 30 August 2014.

 $^{^{33}}$ GOV/2014/10, para. 36. The Agency has applied additional containment and surveillance measures at FFEP to confirm that only the four IR-1 cascades are used to enrich UF₆ and that they are not interconnected.

³⁴ The number of centrifuges installed at FFEP (2710) was also unchanged.

³⁵ Results are available to the Agency for samples taken up to 19 May 2014.

³⁶ This relates to one of Iran's undertakings in the JPA.

³⁷ This relates to one of Iran's undertakings in the JPA.

E. Reprocessing Activities

42. Iran is required, pursuant to the relevant resolutions of the Board of Governors and the Security Council, to suspend its reprocessing activities, including R&D.³⁸ As previously reported, Iran stated in January 2014 that "during the first step time-bound (six months), Iran will not engage in stages of reprocessing activities, or construction of a facility capable of reprocessing".³⁹ In a letter to the Agency dated 27 August 2014, Iran indicated that this "voluntary measure" had been extended in line with the extension of the JPA.

43. The Agency has continued to monitor the use of hot cells at TRR⁴⁰ and the Molybdenum, Iodine and Xenon Radioisotope Production (MIX) Facility.⁴¹ The Agency carried out a PIV and a design information verification (DIV) at TRR on 12 August 2014, and a DIV at the MIX Facility on 13 August 2014. The Agency can confirm that there are no ongoing reprocessing related activities with respect to TRR, the MIX Facility and the other facilities to which the Agency has access in Iran.

F. Heavy Water Related Projects

44. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran has not suspended work on all heavy water related projects.⁴² However, since the JPA took effect, Iran has neither installed any major components at the IR-40 Reactor nor produced nuclear fuel assemblies for the IR-40 Reactor at the Fuel Manufacturing Plant (FMP) (see para. 57 below).

45. **IR-40 Reactor:** The IR-40 Reactor, which is under Agency safeguards, is a 40 MW heavy water moderated research reactor designed to contain 150 fuel assemblies containing natural uranium in the form of UO_2 .

46. On 11 August 2014, the Agency carried out a DIV at the IR-40 Reactor and observed that, since the Director General's previous report, none of the reactor's remaining major components had been installed.⁴³ Pursuant to one of the practical measures agreed in relation to the Framework for Cooperation, as indicated earlier (para. 14 above), on 31 August 2014 Iran concluded with the Agency a safeguards approach for the IR-40 Reactor.

47. **Heavy Water Production Plant:** The Heavy Water Production Plant (HWPP) is a facility for the production of heavy water with a design capacity to produce 16 tonnes of reactor-grade heavy water per year.

43 GOV/2013/56, para. 34.

³⁸ GOV/2013/56, footnote 28.

³⁹ This relates to one of Iran's undertakings in the JPA.

⁴⁰ The TRR is a 5 MW reactor which operates with 20% U-235 enriched fuel and is used for the irradiation of different types of targets and for research and training purposes.

⁴¹ The MIX Facility is a hot cell complex for the separation of radiopharmaceutical isotopes from targets, including uranium, irradiated at TRR.

⁴² GOV/2013/56, footnote 32.

48. As previously reported, although the HWPP is not under Agency safeguards, the plant was subject to managed access by the Agency on 8 December 2013.⁴⁴ During the managed access, Iran also provided the Agency with mutually agreed relevant information. In addition, access to the heavy water storage location at the Uranium Conversion Facility (UCF) at Esfahan has enabled the Agency to characterize the heavy water.⁴⁵

G. Uranium Conversion and Fuel Fabrication

49. Iran is conducting a number of activities at UCF, EUPP, FMP and the Fuel Plate Fabrication Plant (FPFP) at Esfahan, as indicated below, which are in contravention of its obligations to suspend all enrichment related activities and heavy water related projects, notwithstanding that the facilities are under Agency safeguards.

50. Since Iran began conversion and fuel fabrication at its declared facilities, it has, inter alia:

- Produced 550 tonnes of natural UF_6 at UCF, of which 163 tonnes have been transferred to FEP.
- Transferred four tonnes of natural UF_6 from UCF to EUPP.⁴⁶ In addition, 4.3 tonnes of UF_6 enriched up to 5% U-235 have been transferred from FEP to EUPP.
- Fed into the conversion process at EUPP 1505 kg of UF_6 enriched up to 5% U-235.
- Fed into the R&D conversion process at UCF 53 kg of UF₆ enriched to 3.34% U-235 and produced 24 kg of uranium in the form of UO_2 .⁴⁷
- Fed into the conversion process at FPFP 337.2 kg of UF₆ enriched up to 20% U-235 (+34.0 kg since the Director General's previous report) and produced 162.3 kg of uranium in the form of U₃O₈.

51. **Uranium Conversion Facility:** UCF is a conversion facility for the production of both natural UF_6 and natural UO_2 from uranium ore concentrate (UOC). It is planned that UCF will also produce UF_4 from depleted UF_6 , and uranium metal ingots from natural and depleted UF_4 .

52. On 26 July 2014, Iran informed the Agency that Iran would conduct R&D activities at UCF on uranium recovery from liquid and solid scrap resulting from conversion activities at UCF.

53. Between 17 and 21 May 2014, the Agency conducted a PIV at UCF, the results of which are being evaluated by the Agency.

⁴⁴ GOV/2014/10, para. 13.

⁴⁵ GOV/2013/56, para. 39.

⁴⁶ GOV/2013/40, footnote 44.

⁴⁷ GOV/2012/55, para. 35.

54. Iran has declared that, as of 10 August 2014, it had produced 13.8 tonnes⁴⁸ of natural uranium in the form of UO₂ through the conversion of UOC.⁴⁹ The Agency has verified that, as of the same date, Iran had transferred 13.2 tonnes⁵⁰ of natural uranium in the form of UO₂ to FMP.

55. **Enriched UO₂ Powder Plant:** EUPP is a facility for the conversion of UF₆ enriched up to 5% U-235 into UO₂ powder.⁵¹ As indicated in the Director General's previous report, Iran began commissioning the facility in May 2014 using natural uranium. As part of the commissioning, as of 30 August 2014, Iran had fed a total of 2790 kg of natural UF₆ into the conversion process and produced 167 kg of uranium in the form of UO₂. In July 2014, the plant began operations, since which time Iran has fed 1505 kg of UF₆ enriched up to 5% U-235 into the conversion process for the production of UO₂.⁵²

56. **Fuel Manufacturing Plant:** FMP is a facility for the fabrication of nuclear fuel assemblies for power and research reactors (see Annex III).

57. On 16 and 17 August 2014, the Agency conducted an inspection and a DIV at FMP and verified that Iran had continued its cessation of production of nuclear fuel assemblies using natural UO_2 for the IR-40 Reactor and that all of the fuel assemblies that had been produced previously remained at FMP.

58. **Fuel Plate Fabrication Plant:** FPFP is a facility for the conversion of UF_6 enriched up to 20% U-235 into U_3O_8 and the manufacture of fuel assemblies made of fuel plates containing U_3O_8 (see Annex III).

59. As previously reported, Iran stated in January 2014 that "during the first step of time-bound (six months), Iran declares that there is no reconversion line to reconvert uranium oxide enriched up to 20% U-235 back into UF_6 enriched up to 20% U-235".⁵³ In a letter to the Agency dated 27 August 2014, Iran indicated that this "voluntary measure" had been extended in line with the extension of the JPA. On 18 and 19 August 2014, the Agency conducted an inspection and a DIV at FPFP during which it confirmed that there was no process line at the plant for the reconversion of uranium oxide into UF_6 .

60. The Agency has verified that, as of 17 August 2014, Iran had fed a total of 337.2 kg of UF₆ enriched up to 20% U-235 (227.6 kg of uranium) into the conversion process of FPFP and had produced 162.3 kg of uranium in the form of U_3O_8 .⁵⁴ The Agency also verified that 44.0 kg of uranium were contained in solid and liquid scrap. The remainder of the uranium that was fed into the process remains in the process and in waste.

61. The Agency has verified that, as of 17 August 2014, Iran had produced at FPFP one experimental fuel assembly and 27 TRR-type fuel assemblies. Twenty-six of these fuel assemblies, including the experimental assembly, had been transferred to TRR.

⁴⁸ Unchanged from the figure indicated in the Director General's previous report.

⁴⁹ This amount only refers to nuclear material qualified for fuel fabrication.

⁵⁰ Unchanged from the figure indicated in the Director General's previous report.

⁵¹ GOV/2013/40, para. 45.

 $^{^{52}}$ Pursuant to Iran's undertaking under the JPA to convert into oxide "UF₆ newly enriched up to 5% during the six-month period".

⁵³ This relates to one of Iran's undertakings in the JPA.

⁵⁴ 65.2 kg of this nuclear material has been used for the production of fuel items for TRR.

H. Possible Military Dimensions

62. Previous reports by the Director General have identified outstanding issues related to possible military dimensions to Iran's nuclear programme and actions required of Iran to resolve these.⁵⁵ The Agency remains concerned about the possible existence in Iran of undisclosed nuclear related activities involving military related organizations, including activities related to the development of a nuclear payload for a missile. Iran is required to cooperate fully with the Agency on all outstanding issues, particularly those which give rise to concerns about the possible military dimensions to Iran's nuclear programme, including by providing access without delay to all sites, equipment, persons and documents requested by the Agency.⁵⁶

63. The Annex to the Director General's November 2011 report (GOV/2011/65) provided a detailed analysis of the information available to the Agency at that time, indicating that Iran has carried out activities that are relevant to the development of a nuclear explosive device. This information is assessed by the Agency to be, overall, credible.⁵⁷ The Agency has obtained more information since November 2011 that has further corroborated the analysis contained in that Annex.

64. In February 2012, Iran dismissed the Agency's concerns, largely on the grounds that Iran considered them to be based on unfounded allegations.⁵⁸ In a letter to the Agency dated 28 August 2014, Iran stated that "most of the issues" in the Annex to GOV/2011/65 were "mere allegations and do not merit consideration".

65. As indicated above (para. 9), one of the seven practical measures agreed in the second step of the Framework for Cooperation on 20 May 2014 was the provision by Iran of "information and explanations for the Agency to assess Iran's stated need or application for the development of Exploding Bridge Wire detonators".⁵⁹ In this regard, as indicated in the Director General's previous report, Iran provided the Agency with information and explanations in April 2014 and additional information and explanations in May 2014, including showing documents, to substantiate its stated need for the development of EBW detonators and their application. At a technical meeting in Tehran on 16 August 2014, the Agency asked for additional clarifications, certain of which Iran provided.

66. During the technical meetings on 16 and 17 August 2014, the Agency and Iran also held discussions on the practical measures relating to the initiation of high explosives and to neutron transport calculations. As indicated above (para. 15), at the technical meeting in Tehran on 31 August 2014, the Agency and Iran began discussions on these two practical measures and agreed that another meeting would be convened.

67. Since the Director General's previous report, at a particular location at the Parchin site, the Agency has observed through satellite imagery ongoing construction activity that appears to show the removal/replacement or refurbishment of the site's two main buildings' external wall structures. One of these buildings⁶⁰ has also had a section of its roof removed and replaced. Observations of deposits

⁶⁰ GOV/2011/65, Annex, para. 49.

⁵⁵ For example: GOV/2011/65, paras 38–45 and Annex; GOV/2011/29, para. 35; GOV/2011/7, Attachment; GOV/2010/10, paras 40–45; GOV/2009/55, paras 18–25; GOV/2008/38, paras 14–21; GOV/2008/15, paras 14–25 and Annex; GOV/2008/4, paras 35–42.

⁵⁶ Security Council resolution 1929, paras 2 and 3.

⁵⁷ GOV/2011/65, Annex, Section B.

⁵⁸ GOV/2012/9, para. 8.

⁵⁹ GOV/2014/10, para. 14.

of material and/or debris, and equipment suggest that construction activity has expanded to two other site buildings. These activities are likely to have further undermined the Agency's ability to conduct effective verification.⁶¹ It remains important for Iran to provide answers to the Agency's questions⁶² and access to the particular location in question.⁶³

68. As indicated in the Director General's previous report and as reiterated by the Director General following his meetings in Tehran on 17 August 2014, the Agency needs to be able to conduct a "system" assessment of the outstanding issues contained in the Annex to GOV/2011/65. This will involve considering and acquiring an understanding of each issue in turn, and then integrating all of the issues into a "system" and assessing that system as a whole.

I. Design Information

69. Under the terms of its Safeguards Agreement and relevant resolutions of the Board of Governors and the Security Council, Iran is required to implement the provisions of the modified Code 3.1 of the Subsidiary Arrangements General Part concerning the early provision of design information.⁶⁴

J. Additional Protocol

70. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran is not implementing its Additional Protocol. The Agency will not be in a position to provide credible assurance about the absence of undeclared nuclear material and activities in Iran unless and until Iran provides the necessary cooperation with the Agency, including by implementing its Additional Protocol.⁶⁵

⁶¹ For a list of the most significant developments observed by the Agency at this location between February 2012 and the publication of the Director General's May 2013 report, see GOV/2012/55, para. 44; GOV/2013/6, para. 52; and GOV/2013/27, para. 55.

⁶² GOV/2011/65, Annex, Section C; GOV/2012/23, para. 5.

⁶³ The Agency has information provided by Member States indicating that Iran had constructed a large explosives containment vessel (chamber) at this location in which to conduct hydrodynamic experiments. Such experiments would be strong indicators of possible nuclear weapon development (GOV/2011/65, Annex, paras 49–51).

⁶⁴ In a letter dated 29 March 2007, Iran informed the Agency that it had suspended implementation of the modified Code 3.1 of the Subsidiary Arrangements to its Safeguards Agreement (GOV/INF/2007/8). In accordance with Article 39 of Iran's Safeguards Agreement, agreed Subsidiary Arrangements cannot be changed unilaterally; nor is there a mechanism in the Safeguards Agreement for the suspension of provisions agreed to in the Subsidiary Arrangements. Therefore, the modified Code 3.1, as agreed to by Iran in 2003, remains in force. Iran is further bound by operative para. 5 of Security Council resolution 1929 (2010).

⁶⁵ Iran's Additional Protocol was approved by the Board of Governors on 21 November 2003 and signed by Iran on 18 December 2003, although it has not been brought into force. Iran provisionally implemented its Additional Protocol between December 2003 and February 2006.

K. Other Matters

71. On 12 August 2014, the Agency confirmed that 12 fuel assemblies which had been produced in Iran and which contain uranium that was enriched in Iran up to 20% U-235 were in the core of TRR.⁶⁶ On the same date, the Agency observed that the Mini IR-40 prototype fuel assembly was in the storage pool.⁶⁷

72. As of 13 August 2014, the Agency confirms that one fuel plate, containing a mixture of U_3O_8 (up to 20% enriched) and aluminium, remains at the MIX facility, having been transferred from FPFP, and was being used for R&D activities aimed at optimizing the production of ⁹⁹Mo, ¹³³Xe and ¹³²I isotopes.⁶⁸

73. On 16 and 17 August 2014, the Agency conducted an inspection and a DIV at the Bushehr Nuclear Power Plant, at which time the reactor was operating at 100% of its nominal power.

74. The visa for one member of the Agency team to visit Iran for the technical meeting in Tehran on 31 August 2014 was not issued. This is the third occasion on which this individual has been unable to participate in technical meetings in Tehran as a result of Iran not issuing a visa. For the Agency to be able to address the outstanding issues effectively, it is important that any staff member identified by the Agency with the requisite expertise is able to participate in the Agency's technical activities in Iran.

L. Summary

75. While the Agency continues to verify the non-diversion of declared nuclear material at the nuclear facilities and LOFs declared by Iran under its Safeguards Agreement, the Agency is not in a position to provide credible assurance about the absence of undeclared nuclear material and activities in Iran, and therefore to conclude that all nuclear material in Iran is in peaceful activities.⁶⁹

76. Iran has: implemented one of the five practical measures that it agreed with the Agency in the third step of the Framework for Cooperation by the agreed deadline; implemented two of the five measures after the deadline; and begun discussions with the Agency on the other two practical measures.

77. New practical measures to be taken up in the next step in relation to the Framework for Cooperation have yet to be proposed by Iran.

78. The Director General notes Iran's statement of its firm commitment, expressed at a high level, to the implementation of the Framework for Cooperation and of its willingness to accelerate the

⁶⁶ On 12 August 2014, the core of TRR comprised a total of 33 fuel assemblies.

⁶⁷ GOV/2013/40, para. 64.

⁶⁸ GOV/2013/40, para. 65.

⁶⁹ The Board of Governors has confirmed on numerous occasions, since as early as 1992, that para 2 of INFCIRC/153 (Corr.), which corresponds to Article 2 of Iran's Safeguards Agreement, authorizes and requires the Agency to seek to verify both the non-diversion of nuclear material from declared activities (i.e. correctness) and the absence of undeclared nuclear activities in the State (i.e. completeness) (see, for example, GOV/OR.864, para. 49 and GOV/OR.865, paras 53–54).

resolution of all outstanding issues. The timely implementation of the Framework for Cooperation is essential to resolve all outstanding issues.

79. The Agency continues to undertake monitoring and verification in relation to the nuclear-related measures set out in the JPA, as extended.

80. The Director General will continue to report as appropriate.

Annex I

Practical Measures agreed to date by the Agency and Iran in relation to the Framework for Cooperation

FIRST STEP: Six (Initial) Practical Measures, agreed on 11 November 2013

- 1. Providing mutually agreed relevant information and managed access to the Gchine mine in Bandar Abbas.
- 2. Providing mutually agreed relevant information and managed access to the Heavy Water Production Plant.
- 3. Providing information on new research reactors.
- 4. Providing information with regard to the identification of 16 sites designated for the construction of nuclear power plants.
- 5. Clarification of the announcement made by Iran regarding additional enrichment facilities.
- 6. Further clarification of the announcement made by Iran with respect to laser enrichment technology.

SECOND STEP: Seven Practical Measures, agreed on 9 February 2014

- 1. Providing mutually agreed relevant information and managed access to the Saghand mine in Yazd.
- 2. Providing mutually agreed relevant information and managed access to the Ardakan concentration plant.
- 3. Submission of an updated Design Information Questionnaire (DIQ) for the IR-40 Reactor.
- 4. Taking steps to agree with the Agency on the conclusion of a Safeguards Approach for the IR-40 Reactor.
- 5. Providing mutually agreed relevant information and arranging for a technical visit to Lashkar Ab'ad Laser Centre.
- 6. Providing information on source material, which has not reached the composition and purity suitable for fuel fabrication or for being isotopically enriched, including imports of such material and on Iran's extraction of uranium from phosphates.
- 7. Providing information and explanations for the Agency to assess Iran's stated need or application for the development of Exploding Bridge Wire detonators.

THIRD STEP: Five Practical Measures, agreed on 20 May 2014

- 1. Exchanging information with the Agency with respect to the allegations related to the initiation of high explosives, including the conduct of large scale high explosives experimentation in Iran.
- 2. Providing mutually agreed relevant information and explanations related to studies made and/or papers published in Iran in relation to neutron transport and associated modelling and calculations and their alleged application to compressed materials.
- 3. Providing mutually agreed information and arranging a technical visit to a centrifuge research and development centre.
- 4. Providing mutually agreed information and managed access to centrifuge assembly workshops, centrifuge rotor production workshops and storage facilities.
- 5. Concluding the safeguards approach for the IR-40 Reactor.

Annex II

List of Declared Nuclear Facilities and LOFs in Iran

Tehran:

- 1. Tehran Research Reactor (TRR)
- 2. Molybdenum, Iodine and Xenon Radioisotope Production (MIX) Facility
- 3. Jabr Ibn Hayan Multipurpose Laboratories (JHL)

Esfahan:

- 4. Miniature Neutron Source Reactor (MNSR)
- 5. Light Water Sub-Critical Reactor (LWSCR)
- 6. Heavy Water Zero Power Reactor (HWZPR)
- 7. Uranium Conversion Facility (UCF)
- 8. Fuel Manufacturing Plant (FMP)
- 9. Fuel Plate Fabrication Plant (FPFP)
- 10. Enriched UO₂ Powder Plant (EUPP)

Natanz:

- 11. Fuel Enrichment Plant (FEP)
- 12. Pilot Fuel Enrichment Plant (PFEP)

Fordow:

13. Fordow Fuel Enrichment Plant (FFEP)

Arak:

14. Iran Nuclear Research Reactor (IR-40 Reactor)

Karaj:

15. Karaj Waste Storage

Bushehr:

16. Bushehr Nuclear Power Plant (BNPP)

Darkhovin:

17. 360 MW Nuclear Power Plant

Shiraz:

18. 10 MW Fars Research Reactor (FRR)

LOFs:

Nine (all situated within hospitals)

Annex III

Table 1: Su	mmary of UF ₆	Production	and Flows
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	Date	Quantity	Enrichment
Produced at UCF	10 August 2014	550 000 kg	Natural
Fed into FEP, PFEP and FFEP	August 2014	143 382 kg	Natural
Produced at FEP, PFEP and FFEP	August 2014	12 656.4 kg	Up to 5%
Produced by downblending	20 July 2014	115.6 kg	Up to 5%
Fed into PFEP	20 January 2014	1630.8 kg	Up to 5%
Produced at PFEP	20 January 2014	201.9 kg	Up to 20%
Fed into FFEP	20 January 2014	1806.0 kg	Up to 5%
Produced at FFEP	20 January 2014	245.9 kg	Up to 20%

Table 2: Inventory of UF₆ Enriched up to 20% U-235

Produced at FFEP and PFEP	447.8 kg
Fed into conversion process	337.2 kg
Downblended	110.0 kg*
Stored as UF ₆	0.6 kg**

* The figure includes 1.6 kg that was previously downblended (GOV/2012/55, para. 10).

** See footnote 19 of this report.

Table 3: Conversion at UCF

Conversion process	Quantity produced	Transferred to FMP	
UF ₆ (~3.4% U-235) into UO ₂	24 kg U	24 kg U	
Natural UOC into UO ₂	13 792 kg U*	13 229 kg U	

* Uranium content in material qualified for fuel fabrication.

Table 4: Conversion of UF₆ Enriched up to 20% U-235 into U₃O₈ at FPFP

Feed quantity	Quantity produced	
337.2 kg of UF ₆ (227.6 kg U)	162.3 kg U	

Table 5: Conversion of UF_6 into UO_2 at EUPP

Feed quantity	Quantity produced
2790 kg of natural UF_6 (1883 kg U)	167 kg U*
1505 kg of UF ₆ enriched up to 5% U-235 (1016 kg U)	_ *

 \ast The rest of the nuclear material is in different stages of the process.

Table 6: Fuel Manufacturing at FMP

Item	Number produced	Enrichment	Item mass (g U)	Number irradiated
Test fuel rod for IR-40 Reactor	3	Natural uranium	500	1
Test fuel rod	2	3.4%	500	-
Fuel rod assembly	2	3.4%	6 000	1
Mini IR-40 prototype fuel assembly	1	Natural uranium	10 000	1
IR-40 prototype fuel assembly	36	Natural uranium	35 500	Not applicable
IR-40 fuel assembly	11	Natural uranium	56 500	-

Table 7: TRR Fuel Fabrication at FPFP

Item	Number produced	Enrichment	Item mass (g U)	Present at TRR	Irradiated
TRR test plate (Natural Uranium)	4	Natural uranium	5	2	1
TRR test plate	5	19%	75	5	2
TRR control fuel assembly	8	19%	1 000	8	5
TRR standard fuel assembly	18	19%	1 400	17	8
Test assembly (with 8 plates)	1	19%	550	1	-



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Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions in the Islamic Republic of Iran

Report by the Director General

A. Introduction

1. This report of the Director General to the Board of Governors and, in parallel, to the Security Council, is on the implementation of the NPT Safeguards Agreement¹ and relevant provisions of Security Council resolutions in the Islamic Republic of Iran (Iran).

2. The Security Council has affirmed that the steps required by the Board of Governors in its resolutions² are binding on Iran.³ The relevant provisions of the aforementioned Security Council resolutions were adopted under Chapter VII of the United Nations Charter, and are mandatory, in accordance with the terms of those resolutions.⁴

¹ The Agreement between Iran and the Agency for the Application of Safeguards in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons (INFCIRC/214), which entered into force on 15 May 1974.

 $^{^2}$ The Board of Governors has adopted ten resolutions in connection with the implementation of safeguards in Iran: GOV/2003/69 (12 September 2003); GOV/2003/81 (26 November 2003); GOV/2004/21 (13 March 2004); GOV/2004/49 (18 June 2004); GOV/2004/79 (18 September 2004); GOV/2004/90 (29 November 2004); GOV/2005/64 (11 August 2005); GOV/2005/77 (24 September 2005); GOV/2006/14 (4 February 2006); and GOV/2009/82 (27 November 2009).

 $^{^{3}}$ In resolution 1929 (2010), the Security Council: affirmed, inter alia, that Iran shall, without further delay, take the steps required by the Board in GOV/2006/14 and GOV/2009/82; reaffirmed Iran's obligation to cooperate fully with the IAEA on all outstanding issues, particularly those which give rise to concerns about the possible military dimensions of the Iranian nuclear programme; decided that Iran shall, without delay, comply fully and without qualification with its Safeguards Agreement, including through the application of modified Code 3.1 of the Subsidiary Arrangements; and called upon Iran to act strictly in accordance with the provisions of its Additional Protocol and to ratify it promptly (operative paras 1–6).

⁴ The United Nations Security Council has adopted the following resolutions on Iran: 1696 (2006); 1737 (2006); 1747 (2007); 1803 (2008); 1835 (2008); and 1929 (2010).

3. By virtue of its Relationship Agreement with the United Nations,⁵ the Agency is required to cooperate with the Security Council in the exercise of the Council's responsibility for the maintenance or restoration of international peace and security. All Members of the United Nations agree to accept and carry out the decisions of the Security Council,⁶ and in this respect, to take actions which are consistent with their obligations under the United Nations Charter.

In a letter dated 26 May 2011, H.E. Dr Fereydoun Abbasi, Vice President of Iran and Head of the 4. Atomic Energy Organization of Iran (AEOI), informed the Director General that Iran would be prepared to receive relevant questions from the Agency on its nuclear activities after a declaration by the Agency that the work plan (INFCIRC/711) had been fully implemented and that the Agency would thereafter implement safeguards in Iran in a routine manner. In his reply of 3 June 2011, the Director General informed Dr Abbasi that the Agency was neither in a position to make such a declaration, nor to conduct safeguards in Iran in a routine manner, in light of concerns about the existence in Iran of possible military dimensions to Iran's nuclear programme. On 19 September 2011, the Director General met Dr Abbasi in Vienna, and discussed issues related to the implementation of Iran's Safeguards Agreement and other relevant obligations. In a letter dated 30 September 2011, the Agency reiterated its invitation to Iran to reengage with the Agency on the outstanding issues related to possible military dimensions to Iran's nuclear programme and the actions required of Iran to resolve those issues. In a letter dated 30 October 2011, Dr Abbasi referred to his previous discussions with the Director General and expressed the will of Iran "to remove ambiguities, if any", suggesting that the Deputy Director General for Safeguards (DDG-SG), should visit Iran for discussions. In his reply, dated 2 November 2011, the Director General indicated his preparedness to send the DDG-SG to "discuss the issues identified" in his forthcoming report to the Board of Governors.

5. This report addresses developments since the last report (GOV/2011/54, 2 September 2011), as well as issues of longer standing, and, in line with the Director General's opening remarks to the Board of Governors on 12 September 2011, contains an Annex setting out in more detail the basis for the Agency's concerns about possible military dimensions to Iran's nuclear programme. The report focuses on those areas where Iran has not fully implemented its binding obligations, as the full implementation of these obligations is needed to establish international confidence in the exclusively peaceful nature of Iran's nuclear programme.

B. Facilities Declared under Iran's Safeguards Agreement

6. Under its Safeguards Agreement, Iran has declared to the Agency 15 nuclear facilities and nine locations outside facilities where nuclear material is customarily used (LOFs).⁷ Notwithstanding that certain of the activities being undertaken by Iran at some of the facilities are contrary to the relevant resolutions of the Board of Governors and the Security Council, as indicated below, the Agency continues to implement safeguards at these facilities and LOFs.

⁵ The Agreement Governing the Relationship between the United Nations and the IAEA entered into force on 14 November 1957, following approval by the General Conference, upon recommendation of the Board of Governors, and approval by the General Assembly of the United Nations. It is reproduced in INFCIRC/11 (30 October 1959), Part I.A.

⁶ The Charter of the United Nations, Article 25.

⁷ All of the LOFs are situated within hospitals.

C. Enrichment Related Activities

7. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran has not suspended its enrichment related activities in the following declared facilities, all of which are nevertheless under Agency safeguards.

C.1. Natanz: Fuel Enrichment Plant and Pilot Fuel Enrichment Plant

8. **Fuel Enrichment Plant (FEP):** There are two cascade halls at FEP: Production Hall A and Production Hall B. According to the design information submitted by Iran, eight units are planned for Production Hall A, with 18 cascades in each unit. No detailed design information has yet been provided for Production Hall B.

9. As of 2 November 2011, 54 cascades were installed in three of the eight units in Production Hall A, 37 of which were declared by Iran as being fed with UF_{6} .⁸ Whereas initially each installed cascade comprised 164 centrifuges, Iran has subsequently modified 15 of the cascades to contain 174 centrifuges each. To date, all the centrifuges installed are IR-1 machines. As of 2 November 2011, installation work in the remaining five units was ongoing, but no centrifuges had been installed, and there had been no installation work in Production Hall B.

10. Between 15 October and 8 November 2011, the Agency conducted a physical inventory verification (PIV) at FEP, the results of which the Agency is currently evaluating.

11. Iran has estimated that, between 18 October 2010 and 1 November 2011, it produced 1787 kg of low enriched UF_6 , which would result in a total production of 4922 kg of low enriched UF_6 since production began in February 2007.⁹ The nuclear material at FEP (including the feed, product and tails), as well as all installed cascades and the feed and withdrawal stations, are subject to Agency containment and surveillance.¹⁰ The consequences for safeguards of the seal breakage in the feed and withdrawal area¹¹ will be evaluated by the Agency upon completion of its assessment of the PIV.

12. Based on the results of the analysis of environmental samples taken at FEP since February 2007¹² and other verification activities, the Agency has concluded that the facility has operated as declared by Iran in the Design Information Questionnaire (DIQ).

13. **Pilot Fuel Enrichment Plant (PFEP):** PFEP is a research and development (R&D) facility, and a pilot low enriched uranium (LEU) production facility, which was first brought into operation in October 2003. It has a cascade hall that can accommodate six cascades, and is divided between an area designated for the production of LEU enriched up to 20% U-235 (Cascades 1 and 6) and an area designated for R&D (Cascades 2, 3, 4 and 5).

14. In the production area, Iran first began feeding low enriched UF_6 into Cascade 1 on 9 February 2010, for the stated purpose of producing UF_6 enriched up to 20% U-235 for use in the manufacture of fuel for

⁸ The 54 installed cascades contained approximately 8000 centrifuges; the 37 cascades declared by Iran as being fed with UF_6 on that date contained 6208 centrifuges. Not all of the centrifuges in the cascades that were being fed with UF_6 may have been working.

⁹ The Agency previously verified that, as of 17 October 2010, a total of 3135 kg of low enriched UF₆ had been produced since the start of operations in February 2007 (GOV/2011/29, para. 9).

¹⁰ In line with normal safeguards practice, small amounts of nuclear material at the facility (e.g. some waste and samples) are not subject to containment and surveillance.

¹¹ GOV/2011/29, para. 10.

¹² Results are available to the Agency for samples taken up to 6 March 2011.

the Tehran Research Reactor (TRR).^{13,14} Since 13 July 2010, Iran has been feeding low enriched UF_6 into two interconnected cascades (Cascades 1 and 6), each of which consists of 164 IR-1 centrifuges.¹⁵

15. Between 13 and 29 September 2011, the Agency conducted a PIV at PFEP and verified that, as of 13 September 2011, 720.8 kg of low enriched UF₆ had been fed into the cascade(s) in the production area since the process began on 9 February 2010, and that a total of 73.7 kg of UF₆ enriched up to 20% U-235 had been produced. The Agency is continuing with its assessment of the results of the PIV. Iran has estimated that, between 14 September 2011 and 28 October 2011, a total of 44.7 kg of UF₆ enriched at FEP was fed into the two interconnected cascades and that approximately 6 kg of UF₆ enriched up to 20% U-235 were produced.

16. The preliminary results of the PIV show an improvement to the operator's weighing system. Once the assessment of the PIV has been completed, the Agency will be able to determine whether the operator's better sampling procedures have resulted in a more accurate determination of the level of U-235 enrichment.¹⁶

17. In the R&D area, as of 22 October 2011, Iran had installed 164 IR-2m centrifuges in Cascade 5,¹⁷ all of which were under vacuum, and 66 IR-4 centrifuges in Cascade 4, none of which had been fed with UF₆. In Cascades 2 and 3, Iran has been feeding natural UF₆ into single machines, 10-machine cascades and 20-machine cascades of IR-1, IR-2m and IR-4 centrifuges.

18. Between 21 August 2011 and 28 October 2011, a total of approximately 59.8 kg of natural UF_6 was fed into centrifuges in the R&D area, but no LEU was withdrawn as the product and the tails are recombined at the end of the process.

19. Based on the results of the analysis of the environmental samples taken at $PFEP^{18}$ and other verification activities, the Agency has concluded that the facility has operated as declared by Iran in the DIQ.

C.2. Fordow Fuel Enrichment Plant

20. In September 2009, Iran informed the Agency that it was constructing the Fordow Fuel Enrichment Plant (FFEP), located near the city of Qom. In its DIQ of 10 October 2009, Iran stated that the purpose of the facility was the production of UF_6 enriched up to 5% U-235, and that the facility was being built to contain 16 cascades, with a total of approximately 3000 centrifuges.¹⁹

21. In September 2010, Iran provided the Agency with a revised DIQ in which it stated that the purpose of FFEP was to include R&D as well as the production of UF₆ enriched up to 5% U-235.

22. As previously reported, Iran provided the Agency with another revised DIQ in June 2011 in which the stated purpose of FFEP was the production of UF₆ enriched up to 20% U-235, as well as R&D. Iran informed the Agency that initially this production would take place within two sets of two interconnected cascades, and that each of these cascades would consist of 174 centrifuges. Iran was reported to have

¹³ GOV/2010/28, para. 9.

¹⁴ TRR is a 5 MW reactor which operates with 20% U-235 enriched fuel and is used for the irradiation of different types of targets and for research and training purposes.

¹⁵ GOV/2010/28, para. 9.

¹⁶ GOV/2011/29, para. 14; GOV/2011/54, para. 15.

 $^{^{17}}$ Iran had previously indicated its intention to install two 164-centrifuge cascades (Cascades 4 and 5) in the R&D area (GOV/2011/7, para. 17).

¹⁸ Results are available to the Agency for samples taken up to 5 March 2011.

¹⁹ GOV/2009/74, para. 9.

decided to "triple its (production) capacity", after which Iran would stop the "20% fuel production" at Natanz.²⁰

23. On 17 October 2011, as anticipated in its letter to the Agency dated 11 October 2011, Iran transferred from FEP to FFEP one large cylinder containing LEU in the form of UF_6 and one small cylinder containing depleted uranium (DU) in the form of UF_6 . According to Iran, the LEU will be used for feeding and the DU will be used for line passivation. On 24 October 2011, the Agency detached the seal on the cylinder containing the DU, and the cylinder was immobilized at the feeding station. At the request of Iran, the Agency will detach the seal on the cylinder containing the LEU on 8 November 2011, and the cylinder will be immobilized at the feeding station.

24. During an inspection on 23 and 24 October 2011, the Agency verified that Iran had installed all 174 centrifuges in each of two cascades, neither of which had been connected to the cooling and electrical lines, and had installed 64 centrifuges in a third cascade. To date, all the centrifuges installed are IR-1 machines. Iran informed the Agency that the main power supply had been connected to the facility. No centrifuges had been installed in the area designated for R&D purposes.

25. The Agency continues to verify that FFEP is being constructed according to the latest DIQ provided by Iran. As previously reported, although Iran has provided some clarification regarding the initial timing of, and circumstances relating to, its decision to build FFEP at an existing defence establishment, additional information from Iran is still needed in connection with this facility.²¹

26. The results of the analysis of the environmental samples taken at FFEP up to 27 April 2011 did not indicate the presence of enriched uranium.²²

C.3. Other Enrichment Related Activities

27. The Agency is still awaiting a substantive response from Iran to Agency requests for further information in relation to announcements made by Iran concerning the construction of ten new uranium enrichment facilities, the sites for five of which, according to Iran, have been decided, and the construction of one of which was to have begun by the end of the last Iranian year (20 March 2011) or the start of this Iranian year.^{23,24} In August 2011, Dr Abbasi was reported as having said that Iran did not need to build new enrichment facilities during the next two years.²⁵ Iran has not provided information, as requested by the Agency in its letter of 18 August 2010, in connection with its announcement on 7 February 2010 that it possessed laser enrichment technology.²⁶ As a result of Iran's lack of cooperation on those issues, the Agency is unable to verify and report fully on these matters.

²³ 'Iran Specifies Location for 10 New Enrichment Sites', Fars News Agency, 16 August 2010.

²⁰ Dr Fereydoun Abbasi, 'Iran to Triple Production of 20%-Enriched Uranium', Fars News Agency, 8 June 2011.

²¹ GOV/2011/29, para. 20.

²² The results did show a small number of particles of depleted uranium (GOV/2010/10, para. 17).

²⁴ GOV/2010/46, para. 33.

²⁵ 'Iran atomic chief says fuel swap talks over: IRNA', Agence France Press article of 31 August 2011, citing remarks made by Dr Abbasi during an interview with the Islamic Republic News Agency.

²⁶ Cited on the website of the Presidency of the Islamic Republic of Iran, 7 February 2010, at <u>http://www.president.ir/en/?ArtID=20255</u>.

D. Reprocessing Activities

28. Pursuant to the relevant resolutions of the Board of Governors and the Security Council, Iran is obliged to suspend its reprocessing activities, including R&D.²⁷ In a letter to the Agency dated 15 February 2008, Iran stated that it "does not have reprocessing activities". In that context, the Agency has continued to monitor the use of hot cells at TRR and the Molybdenum, Iodine and Xenon Radioisotope Production (MIX) Facility.²⁸ The Agency carried out an inspection and design information verification (DIV) at TRR on 15 October 2011, and a DIV at the MIX Facility on 16 October 2011. It is only with respect to TRR, the MIX Facility and the other facilities to which the Agency has access that the Agency can confirm that there are no ongoing reprocessing related activities in Iran.

E. Heavy Water Related Projects

29. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran has not suspended work on all heavy water related projects, including the construction of the heavy water moderated research reactor, the Iran Nuclear Research Reactor (IR-40 Reactor), which is subject to Agency safeguards.²⁹

30. On 17 October 2011, the Agency carried out a DIV at the IR-40 Reactor at Arak and observed that construction of the facility was ongoing and the coolant heat exchangers had been installed. According to Iran, the operation of the IR-40 Reactor is planned to commence by the end of 2013.

31. Since its visit to the Heavy Water Production Plant (HWPP) on 17 August 2011, the Agency, in a letter to Iran dated 20 October 2011, requested further access to HWPP. The Agency has yet to receive a reply to that letter, and is again relying on satellite imagery to monitor the status of HWPP. Based on recent images, the HWPP appears to be in operation. To date, Iran has not provided the Agency access to the heavy water stored at the Uranium Conversion Facility (UCF) in order to take samples.³⁰

F. Uranium Conversion and Fuel Fabrication

32. Although it is obliged to suspend all enrichment related activities and heavy water related projects, Iran is conducting a number of activities at UCF and the Fuel Manufacturing Plant (FMP) at Esfahan which, as described below, are in contravention of those obligations, although both facilities are under Agency safeguards.

33. Uranium Conversion Facility: On 18 October 2011, the Agency carried out a DIV at UCF during which the Agency observed the ongoing installation of the process equipment for the conversion of UF_6 enriched up to 20% U-235 into U₃O₈. During the DIV, Iran informed the Agency that the initial tests of

³⁰ GOV/2010/10, paras 20 and 21.

²⁷ S/RES/1696 (2006), para. 2; S/RES/1737 (2006), para. 2; S/RES/1747 (2007), para. 1; S/RES/1803 (2008), para. 1; S/RES/1835 (2008), para. 4; S/RES/1929 (2010), para. 2.

²⁸ The MIX Facility is a hot cell complex for the separation of radiopharmaceutical isotopes from targets, including uranium, irradiated at TRR. The MIX Facility is not currently processing any uranium targets.

²⁹ S/RES/1737 (2006), para. 2; S/RES/1747 (2007), para. 1; S/RES/1803 (2008), para. 1; S/RES/1835 (2008), para. 4; S/RES/1929 (2010), para. 2.

this conversion line, originally scheduled to start on 6 September 2011, had been postponed and would not involve the use of nuclear material.

34. As previously reported, Iran informed the Agency in July 2011 that it would start R&D activities at UCF for the conversion of UF₆ enriched up to 5% U-235 into UO₂. During the aforementioned DIV, Iran informed the Agency that 6.8 kg of DU in the form of UF₆ had been processed and that Iran had produced 113 g of uranium in the form of UO₂ that met its specifications. According to Iran, this UO₂ has been sent to FMP to produce test pellets. Iran has also started using UF₆ enriched to 3.34% U-235 to produce UO₂. During the DIV, Iran further informed the Agency that this UO₂ would also be sent to FMP to produce fuel pellets, which would then be sent to TRR for "performance test studies".

35. In a letter dated 4 October 2011, Iran informed the Agency of the postponement of the production of natural UF₆, involving the use of uranium ore concentrate (UOC) produced at the Bandar Abbas Uranium Production Plant, originally scheduled to restart on 23 October 2011. In a letter dated 11 October 2011, Iran informed the Agency that, from 11 November 2011, it intended to use UOC produced at the Bandar Abbas Uranium Production Plant for the production of natural uranium in the form of UO₂. During the DIV on 18 October 2011, the Agency took a sample of this UOC. During the same DIV, Iran informed the Agency that, since 23 July 2011, it had fed into the process 958.7 kg of uranium in the form of UOC³¹ and produced about 185.6 kg of natural uranium in the form of UO₂, and further indicated that some of the product had been fed back into the process. In a letter dated 8 October 2011, Iran informed the Agency that it had transferred about 1 kg of this UO₂ to the R&D section of FMP in order to "conduct research activities and pellet fabrication".

36. **Fuel Manufacturing Plant:** As previously reported, in a DIQ for FMP dated 31 May 2011, Iran informed the Agency that a fresh fuel rod of natural UO₂ manufactured at FMP would be shipped to TRR for irradiation and post-irradiation analysis. On 15 October 2011, the Agency carried out an inspection and a DIV at TRR and confirmed that, on 23 August 2011, Iran had started to irradiate a prototype fuel rod containing natural UO₂ that had been manufactured at FMP. In a letter dated 30 August 2011, Iran informed the Agency that "for the time being" it had no plans to conduct any destructive testing on the rod and that only non-destructive testing would be conducted at TRR.

37. On 22 October 2011, the Agency carried out an inspection and a DIV at FMP and confirmed that Iran had started to install some equipment for the fabrication of fuel for TRR.³² During the inspection, the Agency verified five fuel plates containing natural U_3O_8 that had been produced at the R&D laboratory at FMP for testing purposes.

G. Possible Military Dimensions

38. Previous reports by the Director General have identified outstanding issues related to possible military dimensions to Iran's nuclear programme and actions required of Iran to resolve these.³³ Since 2002, the Agency has become increasingly concerned about the possible existence in Iran of undisclosed nuclear related activities involving military related organizations, including activities related to the development of a nuclear payload for a missile, about which the Agency has regularly received new information.

³¹ This was taken from Iran's stockpile of imported UOC (GOV/2003/75, Annex I, para. 8).

³² GOV/2010/46, para. 26.

³³ GOV/2011/29, para. 35; GOV/2011/7, Attachment; GOV/2010/10, paras 40–45; GOV/2009/55, paras 18–25; GOV/2008/38, paras 14–21; GOV/2008/15, paras 14–25 and Annex; GOV/2008/4, paras 35–42.

39. The Board of Governors has called on Iran on a number of occasions to engage with the Agency on the resolution of all outstanding issues in order to exclude the existence of possible military dimensions to Iran's nuclear programme.³⁴ In resolution 1929 (2010), the Security Council reaffirmed Iran's obligations to take the steps required by the Board of Governors in its resolutions GOV/2006/14 and GOV/2009/82, and to cooperate fully with the Agency on all outstanding issues, particularly those which give rise to concerns about the possible military dimensions to Iran's nuclear programme, including by providing access without delay to all sites, equipment, persons and documents requested by the Agency.³⁵ Since August 2008, Iran has not engaged with the Agency in any substantive way on this matter.

40. The Director General, in his opening remarks to the Board of Governors on 12 September 2011, stated that in the near future he hoped to set out in greater detail the basis for the Agency's concerns so that all Member States would be kept fully informed. In line with that statement, the Annex to this report provides a detailed analysis of the information available to the Agency to date which has given rise to concerns about possible military dimensions to Iran's nuclear programme.

41. The analysis itself is based on a structured and systematic approach to information analysis which the Agency uses in its evaluation of safeguards implementation in all States with comprehensive safeguards agreements in force. This approach involves, inter alia, the identification of indicators of the existence or development of the processes associated with nuclear-related activities, including weaponization.

42. The information which serves as the basis for the Agency's analysis and concerns, as identified in the Annex, is assessed by the Agency to be, overall, credible. The information comes from a wide variety of independent sources, including from a number of Member States, from the Agency's own efforts and from information provided by Iran itself. It is consistent in terms of technical content, individuals and organizations involved, and time frames.

43. The information indicates that Iran has carried out the following activities that are relevant to the development of a nuclear explosive device:

- Efforts, some successful, to procure nuclear related and dual use equipment and materials by military related individuals and entities (Annex, Sections C.1 and C.2);
- Efforts to develop undeclared pathways for the production of nuclear material (Annex, Section C.3);
- The acquisition of nuclear weapons development information and documentation from a clandestine nuclear supply network (Annex, Section C.4); and
- Work on the development of an indigenous design of a nuclear weapon including the testing of components (Annex, Sections C.5–C.12).

44. While some of the activities identified in the Annex have civilian as well as military applications, others are specific to nuclear weapons.

45. The information indicates that prior to the end of 2003 the above activities took place under a structured programme. There are also indications that some activities relevant to the development of a nuclear explosive device continued after 2003, and that some may still be ongoing.

³⁴ Most recently in GOV/2009/82 (27 November 2009).

³⁵ S/RES/1929, paras 2 and 3.

H. Design Information

46. The modified Code 3.1 of the Subsidiary Arrangements General Part to Iran's Safeguards Agreement provides for the submission to the Agency of design information for new facilities as soon as the decision to construct, or to authorize construction of, a new facility has been taken, whichever is the earlier. The modified Code 3.1 also provides for the submission of fuller design information as the design is developed early in the project definition, preliminary design, construction and commissioning phases. Iran remains the only State with significant nuclear activities in which the Agency is implementing a comprehensive safeguards agreement but which is not implementing the provisions of the modified Code 3.1.³⁶ The Agency is still awaiting receipt from Iran of updated design information for the IR-40 Reactor, and further information pursuant to statements it has made concerning the planned construction of new uranium enrichment facilities and the design of a reactor similar to TRR.³⁷

47. As reported previously, Iran's response to Agency requests for Iran to confirm or provide further information regarding its statements concerning its intention to construct new nuclear facilities is that it would provide the Agency with the required information in "due time" rather than as required by the modified Code 3.1 of the Subsidiary Arrangements General Part to its Safeguards Agreement.³⁸

I. Additional Protocol

48. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran is not implementing its Additional Protocol. The Agency will not be in a position to provide credible assurance about the absence of undeclared nuclear material and activities in Iran unless and until Iran provides the necessary cooperation with the Agency, including by implementing its Additional Protocol.³⁹

J. Other Matters

49. In August 2011, the Agency carried out a PIV at the Jabr Ibn Hayan Multipurpose Research Laboratory (JHL) to verify, inter alia, nuclear material, in the form of natural uranium metal and process waste, related to the conversion experiments carried out by Iran between 1995 and 2002.^{40,41} The Agency's measurement of this material was 19.8 kg less than the operator's declaration of 270.7 kg. In a letter dated

³⁶ In accordance with Article 39 of Iran's Safeguards Agreement, agreed Subsidiary Arrangements cannot be changed unilaterally; nor is there a mechanism in the Safeguards Agreement for the suspension of provisions agreed to in the Subsidiary Arrangements. Therefore, as previously explained in the Director General's reports (see e.g. GOV/2007/22, 23 May 2007), the modified Code 3.1, as agreed to by Iran in 2003, remains in force. Iran is further bound by operative paragraph 5 of Security Council resolution 1929 (2010) to "comply fully and without qualification with its IAEA Safeguards Agreement, including through the application of modified Code 3.1".

³⁷ GOV/2010/46, para. 32.

³⁸ See para. 27 of this report and GOV/2011/29, para. 37.

³⁹ Iran's Additional Protocol was approved by the Board on 21 November 2003 and signed by Iran on 18 December 2003, although it has not been brought into force. Iran provisionally implemented its Additional Protocol between December 2003 and February 2006.

⁴⁰ This material had been under Agency seal since 2003.

⁴¹ GOV/2003/75, paras 20–25 and Annex 1; GOV/2004/34, para. 32, and Annex, paras 10–12; GOV/2004/60, para. 33, and Annex, paras 1–7.

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2 November 2011, Iran provided additional information on this matter. The Agency is working with Iran to try to resolve this discrepancy.

50. As previously reported, in a letter dated 19 June 2011, Iran informed the Agency of its intention to "transfer some of spent fuel assemblies (HEU [high enriched uranium] Control Fuel Element (CFE) and Standard Fuel Element (SFE)) from spent fuel pool (KMPE) to reactor core (KMPB) in order to conduct a research project". As of 15 October 2011, this activity had yet to begin.

51. On 2 and 3 October 2011, the Agency carried out an inspection at the Bushehr Nuclear Power Plant, during which the Agency noted that the reactor was in operation. Iran subsequently informed the Agency that the reactor has since been shut down for routine maintenance.

K. Summary

52. While the Agency continues to verify the non-diversion of declared nuclear material at the nuclear facilities and LOFs declared by Iran under its Safeguards Agreement, as Iran is not providing the necessary cooperation, including by not implementing its Additional Protocol, the Agency is unable to provide credible assurance about the absence of undeclared nuclear material and activities in Iran, and therefore to conclude that all nuclear material in Iran is in peaceful activities.⁴²

53. The Agency has serious concerns regarding possible military dimensions to Iran's nuclear programme. After assessing carefully and critically the extensive information available to it, the Agency finds the information to be, overall, credible. The information indicates that Iran has carried out activities relevant to the development of a nuclear explosive device. The information also indicates that prior to the end of 2003, these activities took place under a structured programme, and that some activities may still be ongoing.

54. Given the concerns identified above, Iran is requested to engage substantively with the Agency without delay for the purpose of providing clarifications regarding possible military dimensions to Iran's nuclear programme as identified in the Annex to this report.

55. The Agency is working with Iran with a view to resolving the discrepancy identified during the recent PIV at JHL.

56. The Director General urges Iran, as required in the binding resolutions of the Board of Governors and mandatory Security Council resolutions, to take steps towards the full implementation of its Safeguards Agreement and its other obligations, including: implementation of the provisions of its Additional Protocol; implementation of the modified Code 3.1 of the Subsidiary Arrangements General Part to its Safeguards Agreement; suspension of enrichment related activities; suspension of heavy water related activities; and, as referred to above, addressing the Agency's serious concerns about possible military dimensions to Iran's nuclear programme, in order to establish international confidence in the exclusively peaceful nature of Iran's nuclear programme.

57. The Director General will continue to report as appropriate.

⁴² The Board has confirmed on numerous occasions, since as early as 1992, that paragraph 2 of INFCIRC/153 (Corr.), which corresponds to Article 2 of Iran's Safeguards Agreement, authorizes and requires the Agency to seek to verify both the non-diversion of nuclear material from declared activities (i.e. correctness) and the absence of undeclared nuclear activities in the State (i.e. completeness) (see, for example, GOV/OR.864, para. 49).

ANNEX

Possible Military Dimensions to Iran's Nuclear Programme

1. This Annex consists of three Sections: Section A, which provides an historical overview of the Agency's efforts to resolve questions about the scope and nature of Iran's nuclear programme, in particular regarding concerns about possible military dimensions; Section B, which provides a general description of the sources of information available to the Agency and its assessment of the credibility of that information; and Section C, which reflects the Agency's analysis of the information available to it in the context of relevant indicators of the existence or development of processes associated with nuclear-related activities, including weaponization.

A. Historical Overview

2. Since late 2002, the Director General has reported to the Board of Governors on the Agency's concerns about the nature of Iran's nuclear programme. Such concerns coincided with the appearance in open sources of information which indicated that Iran was building a large underground nuclear related facility at Natanz and a heavy water production plant at Arak.¹

3. Between 2003 and 2004, the Agency confirmed a number of significant failures on the part of Iran to meet its obligations under its Safeguards Agreement with respect to the reporting of nuclear material, the processing and use of undeclared nuclear material and the failure to declare facilities where the nuclear material had been received, stored and processed.² Specifically, it was discovered that, as early as the late 1970s and early 1980s, and continuing into the 1990s and 2000s, Iran had used undeclared nuclear material for testing and experimentation in several uranium conversion, enrichment, fabrication and irradiation activities, including the separation of plutonium, at undeclared locations and facilities.³

4. In October 2003, Iran informed the Director General that it had adopted a policy of full disclosure and had decided to provide the Agency with a full picture of its nuclear activities.⁴ Following that announcement, Iran granted the Agency access to locations the Agency requested to visit, provided information and clarifications in relation to the origin of imported equipment and components and made individuals available for interviews. It also continued to implement the modified Code 3.1 of the Subsidiary Arrangements General Part, to which it agreed in February 2003, which provides for the submission of design information on new nuclear facilities as soon as the decision to construct or to authorize construction of such a facility is taken.⁵ In November 2003, Iran announced its intention to sign an Additional Protocol to its Safeguards Agreement (which it did in December 2003 following Board approval of the text), and that, prior to its entry into force, Iran would act in accordance with the provisions of that Protocol.⁶

5. Between 2003 and early 2006, Iran submitted inventory change reports, provided design information with respect to facilities where the undeclared activities had taken place and made nuclear

¹ GOV/2003/40, para. 3.

² GOV/2003/40, para. 32; GOV/2003/75, para. 48; GOV/2004/83, paras 85–86; GOV/2005/67, para. 4.

³ GOV/2003/75, Annex 1; GOV/2004/83, paras 85–86.

⁴ GOV/2003/75, paras 13 and 15.

⁵ GOV/2003/40, para. 6. Iran stopped implementing the modified Code 3.1 in March 2007 (GOV/2007/22, para. 12).

⁶ GOV/2003/75, para. 18. The Additional Protocol was approved by the Board of Governors on 21 November 2003, and signed on behalf of Iran and the Agency on 18 December 2003 (GOV/2004/11, para. 5). In February 2006, Iran notified the Agency that it would no longer implement the provisions of the Additional Protocol (GOV/2006/15, para. 31).

material available for Agency verification. Iran also acknowledged that it had utilized entities with links to the Ministry of Defence in some of its previously undeclared activities.⁷ Iran acknowledged that it had had contacts with intermediaries of a clandestine nuclear supply network in 1987 and the early 1990s, and that, in 1987, it had received a handwritten one page document offering assistance with the development of uranium centrifuge enrichment technology, in which reference was also made to a reconversion unit with casting equipment.⁸ Iran further acknowledged that it had received a package of information related to centrifuge enrichment technology that also included a 15 page document (hereafter referred to as the "uranium metal document") which Iran said it did not ask for and which describes, inter alia, processes for the conversion of uranium fluoride compounds into uranium metal and the production of hemispherical enriched uranium metallic components.⁹

6. The Agency continued to seek clarification of issues with respect to the scope and nature of Iran's nuclear programme, particularly in light of Iran's admissions concerning its contacts with the clandestine nuclear supply network, information provided by participants in that network and information which had been provided to the Agency by a Member State. This last information, collectively referred to as the "alleged studies documentation", which was made known to the Agency in 2005, indicated that Iran had been engaged in activities involving studies on a so-called green salt project, high explosives testing and the re-engineering of a missile re-entry vehicle to accommodate a new payload.¹⁰ All of this information, taken together, gave rise to concerns about possible military dimensions to Iran's nuclear programme.

7. In August 2007, Iran and the Agency agreed on "Understandings of the Islamic Republic of Iran and the IAEA on the Modalities of Resolution of the Outstanding Issues" (generally referred to as the "work plan") (INFCIRC/711). By February 2008, the four items identified in the work plan as "past outstanding issues", and the two items identified as "other outstanding issues", had been determined by the Agency to be either closed, completed or no longer outstanding¹¹. The remaining issues which needed to be clarified by Iran related to the alleged studies, together with other matters which had arisen in the course of resolving the six other issues and which needed to be addressed in connection with the alleged studies, specifically: the circumstances of Iran's acquisition of the uranium metal document, procurement and research and development (R&D) activities of military related institutes and companies that could be nuclear related; and the production of nuclear equipment and components by companies belonging to defence industries.¹²

8. Between February and May 2008, pursuant to the work plan, the Agency shared with Iran information (including documentation) on the alleged studies, and sought clarifications from Iran.¹³ In May 2008, Iran submitted to the Agency a 117 page assessment of that information. While Iran confirmed the veracity of some of the information which the Agency had shared with it (such as acknowledgement of names of people, places and organizations), Iran's assessment was focused on deficiencies in form and format, and dismissed the allegations as having been based on "forged" documents and "fabricated" data.¹⁴

9. The Agency continued to receive additional information from Member States and acquired new information as a result of its own efforts. The Agency tried without success to engage Iran in discussions

⁷ GOV/2004/11, para. 37.

⁸ Iran has stated that the intermediaries offered the reconversion unit with casting equipment on their own initiative, not at the request of the AEOI. Iran also stated that it did not receive the reconversion unit (GOV/2005/67, para. 14).

⁹ GOV/2005/87, para. 6; GOV/2007/58, para. 25. Pakistan confirmed, in response to an Agency inquiry, that an identical document existed in Pakistan (GOV/2008/15, para. 24).

¹⁰ GOV/2006/15, para. 38.

¹¹ GOV/2007/58, paras 18, 23, 25; GOV/2008/4, paras 11, 18, 24, 34.

¹² GOV/2008/15, paras 14–15, 25.

¹³ GOV/2008/15, para. 16.

¹⁴ GOV/2008/38, para. 15.

about the information, and finally wrote to Iran in October 2010 to inform it about this additional information.¹⁵

10. Between 2007 and 2010, Iran continued to conceal nuclear activities, by not informing the Agency in a timely manner of the decision to construct or to authorize construction of a new nuclear power plant at Darkhovin¹⁶ and a third enrichment facility near Qom (the Fordow Fuel Enrichment Plant).^{17,18} The Agency is still awaiting substantive responses from Iran to Agency requests for further information about its announcements, in 2009 and 2010 respectively, that it had decided to construct ten additional enrichment facilities (the locations for five of which had already been identified)¹⁹ and that it possessed laser enrichment technology.²⁰

11. The Agency has continued to receive, collect and evaluate information relevant to possible military dimensions to Iran's nuclear programme. As additional information has become available to the Agency, the Agency has been able, notwithstanding Iran's lack of engagement, to refine its analysis of possible military dimensions to Iran's nuclear programme.²¹

B. Credibility of Information

12. As indicated in paragraph 6 above, among the information available to the Agency is the alleged studies documentation: a large volume of documentation (including correspondence, reports, view graphs from presentations, videos and engineering drawings), amounting to over a thousand pages. The information reflected in that documentation is of a technically complex and interconnected nature, showing research, development and testing activities over time. It also contains working level correspondence consistent with the day to day implementation of a formal programme. Consistent with the Agency's practice, that information has been carefully and critically examined. The Agency has also had several meetings with the Member State to clarify the information it had provided, to question the Member State about the forensics it had carried out on the documentation and the information reflected in it, and to obtain more information on the underlying sources.

13. In addition to the alleged studies documentation, the Agency has received information from more than ten Member States. This has included procurement information, information on international travel by individuals said to have been involved in the alleged activities, financial records, documents reflecting health and safety arrangements, and other documents demonstrating manufacturing techniques for certain high explosive components. This information reinforces and tends to corroborate the information reflected in the alleged studies documentation, and relates to activities substantially beyond those identified in that documentation.

14. In addition to the information referred to in paragraphs 12 and 13 above, the Agency has acquired information as a result of its own efforts, including publications and articles acquired through open source research, satellite imagery, the results of Agency verification activities and information provided by Iran in the context of those verification activities.²² Importantly, the Agency has also had direct discussions with a number of individuals who were involved in relevant activities in Iran, including, for example, an interview with a leading figure in the clandestine nuclear supply network (see paragraph 35 below). The information obtained by the Agency from the discussions with these individuals is consistent with the

²⁰ GOV/2010/46, para. 18.

²¹ GOV/2011/54, para. 43.

¹⁵ GOV/2010/62, paras 34–35.

¹⁶ GOV/2008/38, para. 11.

¹⁷ GOV/2009/74, paras 7–17.

¹⁸ GOV/2010/10, para. 31; GOV/2010/28, para. 31; GOV/2010/46, para. 31.

¹⁹ GOV/2010/10, para. 33. In August 2010, Iran informed the Agency that the construction of one of these facilities was to start at the end of the current Iranian year (March 2011) or the beginning of the next year (GOV/2010/46, para. 33).

²² Further specific examples are described below in Section C of this Annex.

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information provided by Member States, and that acquired through its own efforts, in terms of time frames and technical content.

15. As indicated in paragraph 8 above, Iran has acknowledged certain information reflected in the alleged studies documentation. However, many of the answers given by Iran to questions posed by the Agency in connection with efforts to resolve the Agency's concerns have been imprecise and/or incomplete, and the information has been slow in coming and sometimes contradictory. This, combined with events such as the dismantling of the Lavisan-Shian site in late 2003/early 2004 (see paragraph 19 below), and a pattern of late or after the fact acknowledgement of the existence of previously undeclared parts of Iran's nuclear programme, have tended to increase the Agency's concerns, rather than dispel them.

16. As indicated above, the information consolidated and presented in this Annex comes from a wide variety of independent sources, including from a number of Member States, from the Agency's own efforts and from information provided by Iran itself. It is overall consistent in terms of technical content, individuals and organizations involved and time frames. Based on these considerations, and in light of the Agency's general knowledge of the Iranian nuclear programme and its historical evolution, the Agency finds the information upon which Part C of this Annex is based to be, overall, credible.

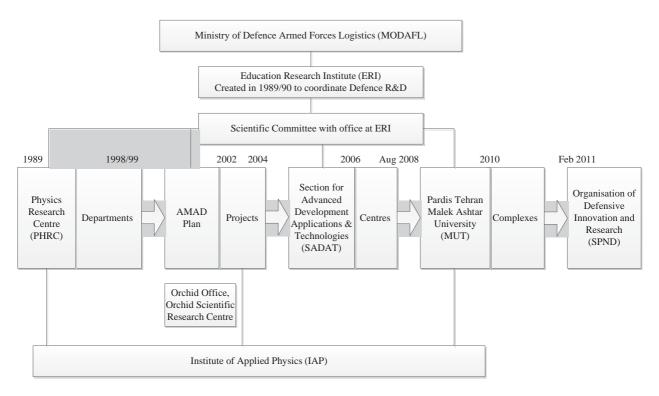
C. Nuclear Explosive Development Indicators

17. Within its nuclear programme, Iran has developed the capability to enrich uranium to a level of up to 20% U-235, declared to be for use as fuel in research reactors. In the absence of any indicators that Iran is currently considering reprocessing irradiated nuclear fuel to extract plutonium,²³ the Agency has, to date, focused its analysis of Iran's nuclear programme on an acquisition path involving high enriched uranium (HEU). Based on indicators observed by the Agency in connection with Iran's nuclear activities, the Agency's work has concentrated on an analysis pertinent to the development of an HEU implosion device.

C.1. Programme management structure

18. The Agency has been provided with information by Member States which indicates that the activities referred to in Sections C.2 to C.12 were, at least for some significant period of time, managed through a programme structure, assisted by advisory bodies, and that, owing to the importance of these efforts, senior Iranian figures featured within this command structure. From analysis of this information and information provided by Iran, and through its own endeavours, the Agency has been able to construct what it believes to be a good understanding of activities undertaken by Iran prior to the end of 2003. The Agency's ability to construct an equally good understanding of activities in Iran after the end of 2003 is reduced, due to the more limited information available to the Agency. For ease of reference, the figure below depicts, in summary form, what the Agency understands of the programme structure, and administrative changes in that structure over the years. Attachment 1 to this Annex provides further details, derived from that information, about the organizational arrangements and projects within that programme structure.

²³ Nevertheless, there are, and have been in the past, activities in Iran relevant to the production of plutonium.



19. The Agency received information from Member States which indicates that, sometime after the commencement by Iran in the late 1980s of covert procurement activities,²⁴ organizational structures and administrative arrangements for an undeclared nuclear programme were established and managed through the Physics Research Centre (PHRC), and were overseen, through a Scientific Committee, by the Defence Industries Education Research Institute (ERI), established to coordinate defence R&D for the Ministry of Defence Armed Forces Logistics (MODAFL). Iran has confirmed that the PHRC was established in 1989 at Lavisan-Shian, in Tehran. Iran has stated that the PHRC was created with the purpose of "preparedness to combat and neutralization of casualties due to nuclear attacks and accidents (nuclear defence) and also support and provide scientific advice and services to the Ministry of Defence". Iran has stated further that those activities were stopped in 1998.²⁵ In late 2003/early 2004, Iran completely cleared the site.²⁶

20. According to information provided by Member States, by the late 1990s or early 2000s, the PHRC activities were consolidated under the "AMAD Plan". Mohsen Fakhrizadeh (Mahabadi) was the Executive Officer of the AMAD Plan, the executive affairs of which were performed by the "Orchid Office".²⁷ Most of the activities carried out under the AMAD Plan appear to have been conducted during 2002 and 2003.

21. The majority of the details of the work said to have been conducted under the AMAD Plan come from the alleged studies documentation which, as indicated in paragraph 6 above, refer to studies conducted in three technical areas: the green salt project; high explosives (including the development of exploding bridgewire detonators); and re-engineering of the payload chamber of the Shahab 3 missile re-entry vehicle.

²⁴ GOV/2004/83; GOV/2003/75, Annex 1.

 $^{^{25}}$ At which time, according to Iran, the centre was changed to the Biological Studies Centre. Iran also stated that, in 2002, the Institute of Applied Physics (IAP) was also located at that site, and that, although some of the biological activities continued there, the main objective was to use the capabilities of universities in Iran (in particular at the Malek Ashtar University near Esfahan) for the education and R&D needs of the Ministry of Defence (GOV/2004/83, paras 100–101).

 $^{^{26}}$ According to Iran, the site was cleared in 2003/2004 in order to return the land to the local municipality (GOV/2004/60, paras 42–46; GOV/2004/83, paras 96–105).

²⁷ Possibly so named because one of the locations used by the AMAD Plan was on Orchid Street in Tehran.

22. According to the Agency's assessment of the information contained in that documentation, the green salt project (identified as Project 5.13) was part of a larger project (identified as Project 5) to provide a source of uranium suitable for use in an undisclosed enrichment programme. The product of this programme would be converted into metal for use in the new warhead which was the subject of the missile re-entry vehicle studies (identified as Project 111). As of May 2008, the Agency was not in a position to demonstrate to Iran the connection between Project 5 and Project 111. However, subsequently, the Agency was shown documents which established a connection between Project 5 and Project 111, and hence a link between nuclear material and a new payload development programme.

23. Information the Agency has received from Member States indicates that, owing to growing concerns about the international security situation in Iraq and neighbouring countries at that time, work on the AMAD Plan was stopped rather abruptly pursuant to a "halt order" instruction issued in late 2003 by senior Iranian officials. According to that information, however, staff remained in place to record and document the achievements of their respective projects. Subsequently, equipment and work places were either cleaned or disposed of so that there would be little to identify the sensitive nature of the work which had been undertaken.

24. The Agency has other information from Member States which indicates that some activities previously carried out under the AMAD Plan were resumed later, and that Mr Fakhrizadeh retained the principal organizational role, first under a new organization known as the Section for Advanced Development Applications and Technologies (SADAT)²⁸, which continued to report to MODAFL, and later, in mid-2008, as the head of the Malek Ashtar University of Technology (MUT) in Tehran.²⁹ The Agency has been advised by a Member State that, in February 2011, Mr Fakhrizadeh moved his seat of operations from MUT to an adjacent location known as the Modjeh Site, and that he now leads the Organization of Defensive Innovation and Research.³⁰ The Agency is concerned because some of the activities undertaken after 2003 would be highly relevant to a nuclear weapon programme.

C.2. Procurement activities

25. Under the AMAD Plan, Iran's efforts to procure goods and services allegedly involved a number of ostensibly private companies which were able to provide cover for the real purpose of the procurements. The Agency has been informed by several Member States that, for instance, Kimia Maadan was a cover company for chemical engineering operations under the AMAD Plan while also being used to help with procurement for the Atomic Energy Organization of Iran (AEOI).³¹

26. In addition, throughout the entire timeline, instances of procurement and attempted procurement by individuals associated with the AMAD Plan of equipment, materials and services which, although having other civilian applications, would be useful in the development of a nuclear explosive device, have either been uncovered by the Agency itself or been made known to it.³² Among such equipment, materials and services are: high speed electronic switches and spark gaps (useful for triggering and firing detonators); high speed cameras (useful in experimental diagnostics); neutron sources (useful for calibrating neutron measuring equipment); radiation detection and measuring equipment (useful in a nuclear material production environment); and training courses on topics relevant to nuclear explosives development (such as neutron cross section calculations and shock wave interactions/hydrodynamics).

²⁸ The information indicates that SADAT consisted of at least seven centres, each responsible for carrying out specific R&D work. The activities were established as overt work applicable to conventional military activities, some with possible nuclear applications. The work in the SADAT Centres drew on resources at Iranian universities which had laboratories available to them and students to do the research.

²⁹ The information indicates that, in his new role, Mr Fakhrizadeh merged the SADAT Centres into complexes within MUT, known as "Pardis Tehran".

³⁰ Known from its Farsi initials as "SPND".

³¹ GOV/2008/4, para. 32; GOV/2006/15, para. 39.

³² GOV/2008/4, para. 40.

C.3. Nuclear material acquisition

27. In 2008, the Director General informed the Board that: the Agency had no information at that time — apart from the uranium metal document — on the actual design or manufacture by Iran of nuclear material components of a nuclear weapon or of certain other key components, such as initiators, or on related nuclear physics studies,³³ and that it had not detected the actual use of nuclear material in connection with the alleged studies.³⁴

28. However, as indicated in paragraph 22 above, information contained in the alleged studies documentation suggests that Iran was working on a project to secure a source of uranium suitable for use in an undisclosed enrichment programme, the product of which would be converted into metal for use in the new warhead which was the subject of the missile re-entry vehicle studies. Additional information provided by Member States indicates that, although uranium was not used, kilogram quantities of natural uranium metal were available to the AMAD Plan.

29. Information made available to the Agency by a Member State, which the Agency has been able to examine directly, indicates that Iran made progress with experimentation aimed at the recovery of uranium from fluoride compounds (using lead oxide as a surrogate material to avoid the possibility of uncontrolled contamination occurring in the workplace).

30. In addition, although now declared and currently under safeguards, a number of facilities dedicated to uranium enrichment (the Fuel Enrichment Plant and Pilot Fuel Enrichment Plant at Natanz and the Fordow Fuel Enrichment Plant near Qom) were covertly built by Iran and only declared once the Agency was made aware of their existence by sources other than Iran. This, taken together with the past efforts by Iran to conceal activities involving nuclear material, create more concern about the possible existence of undeclared nuclear facilities and material in Iran.

C.4. Nuclear components for an explosive device

31. For use in a nuclear device, HEU retrieved from the enrichment process is first converted to metal. The metal is then cast and machined into suitable components for a nuclear core.

32. As indicated in paragraph 5 above, Iran has acknowledged that, along with the handwritten one page document offering assistance with the development of uranium centrifuge enrichment technology, in which reference is also made to a reconversion unit with casting equipment, Iran also received the uranium metal document which describes, inter alia, processes for the conversion of uranium compounds into uranium metal and the production of hemispherical enriched uranium metallic components.

33. The uranium metal document is known to have been available to the clandestine nuclear supply network that provided Iran with assistance in developing its centrifuge enrichment capability, and is also known to be part of a larger package of information which includes elements of a nuclear explosive design. A similar package of information, which surfaced in 2003, was provided by the same network to Libya.³⁵ The information in the Libyan package, which was first reviewed by Agency experts in January 2004, included details on the design and construction of, and the manufacture of components for, a nuclear explosive device.³⁶

34. In addition, a Member State provided the Agency experts with access to a collection of electronic files from seized computers belonging to key members of the network at different locations. That collection included documents seen in Libya, along with more recent versions of those documents, including an up-dated electronic version of the uranium metal document.

³³ GOV/2008/15, para. 24.

³⁴ GOV/2008/38, para. 21.

³⁵ The same network was also the source of an unsolicited offer to Iraq in 1990 for the provision of information dealing with centrifuge enrichment and nuclear weapon manufacturing (GOV/INF/1998/6, Section B.3).

³⁶ GOV/2004/11, para. 77; GOV/2004/12, paras 30-32.

35. In an interview in 2007 with a member of the clandestine nuclear supply network, the Agency was told that Iran had been provided with nuclear explosive design information. From information provided to the Agency during that interview, the Agency is concerned that Iran may have obtained more advanced design information than the information identified in 2004 as having been provided to Libya by the nuclear supply network.

36. Additionally, a Member State provided information indicating that, during the AMAD Plan, preparatory work, not involving nuclear material, for the fabrication of natural and high enriched uranium metal components for a nuclear explosive device was carried out.

37. As the conversion of HEU compounds into metal and the fabrication of HEU metal components suitable in size and quality are steps in the development of an HEU nuclear explosive device, clarification by Iran is needed in connection with the above.

C.5. Detonator development

38. The development of safe, fast-acting detonators, and equipment suitable for firing the detonators, is an integral part of a programme to develop an implosion type nuclear device. Included among the alleged studies documentation are a number of documents relating to the development by Iran, during the period 2002–2003, of fast functioning detonators, known as "exploding bridgewire detonators" or "EBWs" as safe alternatives to the type of detonator described for use in the nuclear device design referred to in paragraph 33 above.

39. In 2008, Iran told the Agency that it had developed EBWs for civil and conventional military applications and had achieved a simultaneity of about one microsecond when firing two to three detonators together,³⁷ and provided the Agency with a copy of a paper relating to EBW development work presented by two Iranian researchers at a conference held in Iran in 2005. A similar paper was published by the two researchers at an international conference later in 2005.³⁸ Both papers indicate that suitable high voltage firing equipment had been acquired or developed by Iran. Also in 2008, Iran told the Agency that, before the period 2002–2004, it had already achieved EBW technology. Iran also provided the Agency with a short undated document in Farsi, understood to be the specifications for a detonator development programme, and a document from a foreign source showing an example of a civilian application in which detonators are fired simultaneously. However, Iran has not explained to the Agency its own need or application for such detonators.

40. The Agency recognizes that there exist non-nuclear applications, albeit few, for detonators like EBWs, and of equipment suitable for firing multiple detonators with a high level of simultaneity. Notwithstanding, given their possible application in a nuclear explosive device, and the fact that there are limited civilian and conventional military applications for such technology, Iran's development of such detonators and equipment is a matter of concern, particularly in connection with the possible use of the multipoint initiation system referred to below.

C.6. Initiation of high explosives and associated experiments

41. Detonators provide point source initiation of explosives, generating a naturally diverging detonation wave. In an implosion type nuclear explosive device, an additional component, known as a multipoint initiation system, can be used to reshape the detonation wave into a converging smooth implosion to ensure uniform compression of the core fissile material to supercritical density.³⁹

42. The Agency has shared with Iran information provided by a Member State which indicates that Iran has had access to information on the design concept of a multipoint initiation system that can be used to

³⁷ GOV/2008/15, para. 20.

³⁸ The authors of the papers have affiliations to Malek Ashtar University and the Air Defence Industries Group of Tehran.

³⁹ "Supercritical" density is one at which fissionable material is able to sustain a chain reaction in such a manner that the rate of reaction increases.

initiate effectively and simultaneously a high explosive charge over its surface.⁴⁰ The Agency has been able to confirm independently that such a design concept exists and the country of origin of that design concept. Furthermore, the Agency has been informed by nuclear-weapon States that the specific multipoint initiation concept is used in some known nuclear explosive devices. In its 117 page submission to the Agency in May 2008, Iran stated that the subject was not understandable to Iran and that Iran had not conducted any activities of the type referred to in the document.

43. Information provided to the Agency by the same Member State referred to in the previous paragraph describes the multipoint initiation concept referred to above as being used by Iran in at least one large scale experiment in 2003 to initiate a high explosive charge in the form of a hemispherical shell. According to that information, during that experiment, the internal hemispherical curved surface of the high explosive charge was monitored using a large number of optical fibre cables, and the light output of the explosive upon detonation was recorded with a high speed streak camera. It should be noted that the dimensions of the initiation system and the explosives used with it were consistent with the dimensions for the new payload which, according to the alleged studies documentation, were given to the engineers who were studying how to integrate the new payload into the chamber of the Shahab 3 missile re-entry vehicle (Project 111) (see Section C.11 below). Further information provided to the Agency by the same Member State indicates that the large scale high explosive experiments were conducted by Iran in the region of Marivan.

44. The Agency has strong indications that the development by Iran of the high explosives initiation system, and its development of the high speed diagnostic configuration used to monitor related experiments, were assisted by the work of a foreign expert who was not only knowledgeable in these technologies, but who, a Member State has informed the Agency, worked for much of his career with this technology in the nuclear weapon programme of the country of his origin. The Agency has reviewed publications by this foreign expert and has met with him. The Agency has been able to verify through three separate routes, including the expert himself, that this person was in Iran from about 1996 to about 2002, ostensibly to assist Iran in the development of a facility and techniques for making ultra-dispersed diamonds ("UDDs" or "nanodiamonds"), where he also lectured on explosion physics and its applications.

45. Furthermore, the Agency has received information from two Member States that, after 2003, Iran engaged in experimental research involving a scaled down version of the hemispherical initiation system and high explosive charge referred to in paragraph 43 above, albeit in connection with non-nuclear applications. This work, together with other studies made known to the Agency in which the same initiation system is used in cylindrical geometry, could also be relevant to improving and optimizing the multipoint initiation design concept relevant to nuclear applications.

46. The Agency's concern about the activities described in this Section derives from the fact that a multipoint initiation system, such as that described above, can be used in a nuclear explosive device. However, Iran has not been willing to engage in discussion of this topic with the Agency.

C.7. Hydrodynamic experiments

47. One necessary step in a nuclear weapon development programme is determining whether a theoretical design of an implosion device, the behaviour of which can be studied through computer simulations, will work in practice. To that end, high explosive tests referred to as "hydrodynamic experiments" are conducted in which fissile and nuclear components may be replaced with surrogate materials.⁴¹

48. Information which the Agency has been provided by Member States, some of which the Agency has been able to examine directly, indicates that Iran has manufactured simulated nuclear explosive components using high density materials such as tungsten. These components were said to have

⁴⁰ GOV/2008/15, Annex, Section A.2, Document 3.

⁴¹ Hydrodynamic experiments can be designed to simulate the first stages of a nuclear explosion. In such experiments, conventional high explosives are detonated to study the effects of the explosion on specific materials. The term "hydrodynamic" is used because material is compressed and heated with such intensity that it begins to flow and mix like a fluid, and "hydrodynamic equations" are used to describe the behaviour of fluids.

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incorporated small central cavities suitable for the insertion of capsules such as those described in Section C.9 below. The end use of such components remains unclear, although they can be linked to other information received by the Agency concerning experiments involving the use of high speed diagnostic equipment, including flash X ray, to monitor the symmetry of the compressive shock of the simulated core of a nuclear device.

49. Other information which the Agency has been provided by Member States indicates that Iran constructed a large explosives containment vessel in which to conduct hydrodynamic experiments. The explosives vessel, or chamber, is said to have been put in place at Parchin in 2000. A building was constructed at that time around a large cylindrical object at a location at the Parchin military complex. A large earth berm was subsequently constructed between the building containing the cylinder and a neighbouring building, indicating the probable use of high explosives in the chamber. The Agency has obtained commercial satellite images that are consistent with this information. From independent evidence, including a publication by the foreign expert referred to in paragraph 44 above, the Agency has been able to confirm the date of construction of the cylinder and some of its design features (such as its dimensions), and that it was designed to contain the detonation of up to 70 kilograms of high explosives, which would be suitable for carrying out the type of experiments described in paragraph 43 above.

50. As a result of information the Agency obtained from a Member State in the early 2000s alleging that Iran was conducting high explosive testing, possibly in association with nuclear materials, at the Parchin military complex, the Agency was permitted by Iran to visit the site twice in 2005. From satellite imagery available at that time, the Agency identified a number of areas of interest, none of which, however, included the location now believed to contain the building which houses the explosives chamber mentioned above; consequently, the Agency's visits did not uncover anything of relevance.

51. Hydrodynamic experiments such as those described above, which involve high explosives in conjunction with nuclear material or nuclear material surrogates, are strong indicators of possible weapon development. In addition, the use of surrogate material, and/or confinement provided by a chamber of the type indicated above, could be used to prevent contamination of the site with nuclear material. It remains for Iran to explain the rationale behind these activities.

C.8. Modelling and calculations

52. Information provided to the Agency by two Member States relating to modelling studies alleged to have been conducted in 2008 and 2009 by Iran is of particular concern to the Agency. According to that information, the studies involved the modelling of spherical geometries, consisting of components of the core of an HEU nuclear device subjected to shock compression, for their neutronic behaviour at high density, and a determination of the subsequent nuclear explosive yield. The information also identifies models said to have been used in those studies and the results of these calculations, which the Agency has seen. The application of such studies to anything other than a nuclear explosive is unclear to the Agency. It is therefore essential that Iran engage with the Agency and provide an explanation.

53. The Agency obtained information in 2005 from a Member State indicating that, in 1997, representatives from Iran had met with officials from an institute in a nuclear-weapon State to request training courses in the fields of neutron cross section calculations using computer codes employing Monte Carlo methodology, and shock wave interactions with metals. In a letter dated 14 May 2008, Iran advised the Agency that there was nothing to support this information. The Agency has also been provided with information by a Member State indicating that, in 2005, arrangements were made in Iran for setting up projects within SADAT centres (see Section C.1 and Attachment 1), inter alia, to establish a databank for "equation of state" information⁴² and a hydrodynamics calculation centre. The Agency has also been provided with information from a different Member State that, in 2005, a senior official in SADAT solicited assistance from Shahid Behesti University in connection with complex calculations relating to the state of criticality of a solid sphere of uranium being compressed by high explosives.

⁴² An "equation of state" is a thermodynamic equation describing the state of matter under a given set of physical conditions (such as temperature, pressure, volume or internal energy).

54. Research by the Agency into scientific literature published over the past decade has revealed that Iranian workers, in particular groups of researchers at Shahid Behesti University and Amir Kabir University, have published papers relating to the generation, measurement and modelling of neutron transport.⁴³ The Agency has also found, through open source research, other Iranian publications which relate to the application of detonation shock dynamics to the modelling of detonation in high explosives, and the use of hydrodynamic codes in the modelling of jet formation with shaped (hollow) charges. Such studies are commonly used in reactor physics or conventional ordnance research⁴⁴, but also have applications in the development of nuclear explosives.

C.9. Neutron initiator

55. The Agency has information from a Member State that Iran has undertaken work to manufacture small capsules suitable for use as containers of a component containing nuclear material. The Agency was also informed by a different Member State that Iran may also have experimented with such components in order to assess their performance in generating neutrons. Such components, if placed in the centre of a nuclear core of an implosion type nuclear device and compressed, could produce a burst of neutrons suitable for initiating a fission chain reaction. The location where the experiments were conducted was said to have been cleaned of contamination after the experiments had taken place. The design of the capsule, and the material associated with it, are consistent with the device design information which the clandestine nuclear supply network allegedly provided to Iran.

56. The Agency also has information from a Member State that work in this technical area may have continued in Iran after 2004, and that Iran embarked on a four year programme, from around 2006 onwards, on the further validation of the design of this neutron source, including through the use of a non-nuclear material to avoid contamination.

57. Given the importance of neutron generation and transport, and their effect on geometries containing fissile materials in the context of an implosion device, Iran needs to explain to the Agency its objectives and capabilities in this field.

C.10. Conducting a test

58. The Agency has information provided by a Member State that Iran may have planned and undertaken preparatory experimentation which would be useful were Iran to carry out a test of a nuclear explosive device. In particular, the Agency has information that Iran has conducted a number of practical tests to see whether its EBW firing equipment would function satisfactorily over long distances between a firing point and a test device located down a deep shaft. Additionally, among the alleged studies documentation provided by that Member State, is a document, in Farsi, which relates directly to the logistics and safety arrangements that would be necessary for conducting a nuclear test. The Agency has been informed by a different Member State that these arrangements directly reflect those which have been used in nuclear tests conducted by nuclear-weapon States.

C.11. Integration into a missile delivery vehicle

59. The alleged studies documentation contains extensive information regarding work which is alleged to have been conducted by Iran during the period 2002 to 2003 under what was known as Project 111. From that information, the project appears to have consisted of a structured and comprehensive programme of engineering studies to examine how to integrate a new spherical payload into the existing payload chamber which would be mounted in the re-entry vehicle of the Shahab 3 missile.

⁴³ The modelling of neutron transport refers to the study of the motions and interactions of neutrons with materials which are used to see where they are and in what direction and at what speed they are going.

⁴⁴ For example, the shaped (hollow) charge studies said by Member States to have been carried out by the Centre for Research and Development of Explosion and Shock Technology, also known as "METFAZ", have conventional military applications (such as for developing armour piercing projectiles), but can also be used to develop computer codes which can then be adapted to model nuclear explosives.

60. According to that documentation, using a number of commercially available computer codes, Iran conducted computer modelling studies of at least 14 progressive design iterations of the payload chamber and its contents to examine how they would stand up to the various stresses that would be encountered on being launched and travelling on a ballistic trajectory to a target. It should be noted that the masses and dimensions of components identified in information provided to the Agency by Member States that Iran is alleged to have been developing (see paragraphs 43 and 48 above) correspond to those assessed to have been used in Project 111 engineering studies on the new payload chamber.

61. During these studies, prototype components were allegedly manufactured at workshops known to exist in Iran but which Iran refused the Agency permission to visit. The six engineering groups said to have worked under Project 111 produced many technical reports, which comprise a substantial part of the alleged studies documentation. The Agency has studied these reports extensively and finds that they are both internally consistent and consistent with other supporting information related to Project 111.

62. The alleged studies documentation also shows that, as part of the activities undertaken within Project 111, consideration was being given to subjecting the prototype payload and its chamber to engineering stress tests to see how well they would stand up in practice to simulated launch and flight stresses (so-called "environmental testing"). This work would have complemented the engineering modelling simulation studies referred to in paragraph 60 above. According to the information reflected in the alleged studies documentation, within Project 111, some, albeit limited, preparations were also being undertaken to enable the assembly of manufactured components.

63. Iran has denied conducting the engineering studies, claiming that the documentation which the Agency has is in electronic format and so could have been manipulated, and that it would have been easy to fabricate.⁴⁵ However, the quantity of the documentation, and the scope and contents of the work covered in the documentation, are sufficiently comprehensive and complex that, in the Agency's view, it is not likely to have been the result of forgery or fabrication. While the activities described as those of Project 111 may be relevant to the development of a non-nuclear payload, they are highly relevant to a nuclear weapon programme.

C.12. Fuzing, arming and firing system

64. The alleged studies documentation indicates that, as part of the studies carried out by the engineering groups under Project 111 to integrate the new payload into the re-entry vehicle of the Shahab 3 missile, additional work was conducted on the development of a prototype firing system that would enable the payload to explode both in the air above a target, or upon impact of the re-entry vehicle with the ground. Iran was shown this information, which, in its 117 page submission (referred to above in paragraph 8), it dismissed as being "an animation game".

65. The Agency, in conjunction with experts from Member States other than those which had provided the information in question, carried out an assessment of the possible nature of the new payload. As a result of that assessment, it was concluded that any payload option other than nuclear which could also be expected to have an airburst option (such as chemical weapons) could be ruled out. Iran was asked to comment on this assessment and agreed in the course of a meeting with the Agency which took place in Tehran in May 2008 that, if the information upon which it was based were true, it would constitute a programme for the development of a nuclear weapon. Attachment 2 to this Annex reproduces the results of the Agency's assessment as it was presented by the Secretariat to the Member States in the technical briefing which took place in February 2008.

⁴⁵ GOV/2008/15, para. 22.

Attachment 1: List of Departments, Projects and Centres

PHRC Departments

Department 01 Nuclear Physics Department 02 Centrifuge Enrichment Department 03 Laser Enrichment Department 04 Uranium Conversion Department 05 Geology Department 05 Health Physics Department 07 Workshop Department 08 Heavy Water Department 08 Analytical Laboratory Department 10 Computing Department 20 Analysis

AMAD Plan Projects

Project 110 Payload Design Project 111 Payload Integration Project 3 Manufacture of Components 3.12 Explosives and EBW detonator 3.14 Uranium metallurgy Project 4 Uranium Enrichment Project 4 Uranium Mining, Concentration & Conversion 5.13 Green Salt Project 5.15 Gchine Mine Project 5.15 Gchine Mine Project Project Health and Safety Project 19 Involvement of IAP Project 19 Involvement of IAP

SADAT Centres

Centre for Readiness & New Defence
Technologies
Centre for R&D (1) of Explosion & Shock
Technology
Centre for Industrial Research & Construction
Centre for R&T (2) of Advanced Materials –
Chemistry
Centre for R&T of Advanced Materials -
Metallurgy
Centre for R&D of New Aerospace Technology
Centre for Laser & Photonics Applications

(1) R&D = Research & Development(2) R&T = Research & Technology

	BIOLOGICAL	CHEMICAL	HIGH EXPLOSIVE	EMP	SATELLITE	NUCLEAR
Applicable Mass and Dimensions						
Contains a HV generator box						
Airburst <3000'						
Multiple Detonators Present						
No Capability for Release of Chamber from Capsule or Load from Chamber and no Antenna(s)						
Presence of 400m Shaft in Test Sketch						
Total Package Taken as a Whole						
LIKELY POSSIBLE UNLIKELY IMPOSSIBLE						BLE

Attachment 2: Analysis of Payload



Board of Governors

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Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions in the Islamic Republic of Iran

Report by the Director General

A. Introduction

1. This report of the Director General to the Board of Governors and, in parallel, to the Security Council, is on the implementation of the NPT Safeguards Agreement¹ and relevant provisions of Security Council resolutions in the Islamic Republic of Iran (Iran).

2. The Security Council has affirmed that the steps required by the Board of Governors in its resolutions² are binding on Iran.³ The relevant provisions of the aforementioned Security Council

¹ The Agreement between Iran and the Agency for the Application of Safeguards in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons (INFCIRC/214), which entered into force on 15 May 1974.

 $^{^2}$ The Board of Governors has adopted 12 resolutions in connection with the implementation of safeguards in Iran: GOV/2003/69 (12 September 2003); GOV/2003/81 (26 November 2003); GOV/2004/21 (13 March 2004); GOV/2004/49 (18 June 2004); GOV/2004/79 (18 September 2004); GOV/2004/90 (29 November 2004); GOV/2005/64 (11 August 2005); GOV/2005/77 (24 September 2005); GOV/2006/14 (4 February 2006); GOV/2009/82 (27 November 2009); GOV/2011/69 (18 November 2011); and GOV/2012/50 (13 September 2012).

³ In resolution 1929 (2010), the Security Council: affirmed, inter alia, that Iran shall, without further delay, take the steps required by the Board in GOV/2006/14 and GOV/2009/82; reaffirmed Iran's obligation to cooperate fully with the IAEA on all outstanding issues, particularly those which give rise to concerns about the possible military dimensions of the Iranian nuclear programme; decided that Iran shall, without delay, comply fully and without qualification with its Safeguards Agreement, including through the application of modified Code 3.1 of the Subsidiary Arrangements; and called upon Iran to act strictly in accordance with the provisions of its Additional Protocol and to ratify it promptly (paras 1–6).

resolutions⁴ were adopted under Chapter VII of the United Nations Charter, and are mandatory, in accordance with the terms of those resolutions.⁵

3. In line with the request of the Board of Governors in resolution GOV/2012/50 (13 September 2012),⁶ this document provides a comprehensive report on substantive implementation of that resolution and of resolution GOV/2011/69 (18 November 2011), especially with respect to the possible military dimensions of Iran's nuclear programme. It also addresses developments since the Director General's previous report (GOV/2012/37, 30 August 2012), as well as issues of longer standing. It focuses on those areas where Iran has not fully implemented its binding obligations, as the full implementation of these obligations is needed to establish international confidence in the exclusively peaceful nature of Iran's nuclear programme.

B. Clarification of Unresolved Issues

4. As previously reported, in resolution GOV/2011/69, the Board, inter alia, stressed that it was essential for Iran and the Agency to intensify their dialogue aimed at the urgent resolution of all outstanding substantive issues for the purpose of providing clarifications regarding those issues, including access to all relevant information, documentation, sites, material and personnel in Iran. In that resolution, the Board also called on Iran to engage seriously and without preconditions in talks aimed at restoring international confidence in the exclusively peaceful nature of Iran's nuclear programme. In light of this, from January 2012 onwards, Agency and Iranian officials held several rounds of talks in Vienna and Tehran, including during a visit by the Director General to Tehran in May 2012. However, no concrete results were achieved.⁷ In particular, there was no agreement on a structured approach to resolving outstanding issues related to possible military dimensions to Iran's nuclear programme and no agreement by Iran to the Agency's request for access to the Parchin site.

5. In resolution GOV/2012/50, the Board, inter alia, stressed that it was essential for Iran to immediately conclude and implement a structured approach, including, as a first step, providing the Agency with the access it had requested to relevant sites.⁸ In that resolution, the Board also decided that Iranian cooperation with Agency requests aimed at the resolution of all outstanding issues was essential and urgent in order to restore international confidence in the exclusively peaceful nature of Iran's nuclear programme.⁹

6. In light of resolution GOV/2012/50, and immediately following the September 2012 Board meeting, the Agency took steps to engage Iran in further talks, including at a meeting on 17 September 2012 between the Director General and H.E. Mr Fereydoun Abbasi, Vice President of

- ⁷ GOV/2012/37, para. 8.
- ⁸ GOV/2012/50, para. 4.
- 9 GOV/2012/50, para. 4.

⁴ The United Nations Security Council has adopted the following resolutions on Iran: 1696 (2006); 1737 (2006); 1747 (2007); 1803 (2008); 1835 (2008); and 1929 (2010).

⁵ By virtue of its Relationship Agreement with the United Nations (INFCIRC/11, Part I.A), the Agency is required to cooperate with the Security Council in the exercise of the Council's responsibility for the maintenance or restoration of international peace and security. All Member States of the United Nations agree to accept and carry out the decisions of the Security Council, and in this respect, to take actions which are consistent with their obligations under the United Nations Charter.

⁶ GOV/2012/50, para. 6.

Iran and Head of the Atomic Energy Organization of Iran. On 24 October 2012, the Agency wrote to Iran reaffirming the Agency's commitment to dialogue, and suggesting that a senior level meeting be held on 13 and 14 November 2012 aimed at finalising the structured approach document, agreement on which would allow the Agency and Iran to start substantive work on the outstanding issues. In a letter dated 1 November 2012, Iran reaffirmed its commitment to dialogue with the Agency and invited an Agency delegation to Tehran in mid-December 2012 in order to "discuss the modality for the resolution of the allegations, based on principles elaborated in the meeting between H.E. Dr. Jalili, the Secretary of Supreme National Security Council and the Director General on 30 May 2012". It was subsequently agreed that the Agency and Iran would meet in Tehran on 13 December 2012.

C. Facilities Declared under Iran's Safeguards Agreement

7. Under its Safeguards Agreement, Iran has declared to the Agency 16 nuclear facilities and nine locations outside facilities where nuclear material is customarily used (LOFs).¹⁰ Notwithstanding that certain of the activities being undertaken by Iran at some of the facilities are contrary to the relevant resolutions of the Board of Governors and the Security Council, as indicated below, the Agency continues to verify the non-diversion of declared material at these facilities and LOFs.

D. Enrichment Related Activities

8. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran has not suspended its enrichment related activities in the declared facilities referred to below. All of these activities are under Agency safeguards, and all of the nuclear material, installed cascades and the feed and withdrawal stations at those facilities are subject to Agency containment and surveillance.¹¹

9. Iran has stated that the purpose of enriching UF_6 up to 5% U-235 is the production of fuel for its nuclear facilities¹² and that the purpose of enriching UF_6 up to 20% U-235 is the manufacture of fuel for research reactors.¹³

10. Since Iran began enriching uranium at its declared facilities, it has produced at those facilities approximately:

7611 kg (+735 kg since the Director General's previous report) of UF₆ enriched up to 5% U-235, of which: 5303 kg is presently in storage; 1226 kg has been fed into the Pilot Fuel Enrichment Plant (PFEP) and 1029 kg has been fed into the Fordow Fuel Enrichment Plant

¹⁰ All of the LOFs are situated within hospitals.

¹¹ In line with normal safeguards practice, small amounts of nuclear material (e.g. some waste and samples) may not be subject to containment and surveillance.

¹² As declared in Iran's Design Information Questionnaires (DIQs) for the Fuel Enrichment Plant (FEP) at Natanz.

¹³ GOV/2010/10, para. 8; H.E. Mr Fereydoun Abbasi reportedly made a statement to the effect that Iran plans to build four to five new reactors in the next few years in order to produce radioisotopes and carry out research ('Iran will not stop producing 20% enriched uranium', Tehran Times, 12 April 2011). He was also quoted by the Iranian Student's News Agency as saying "To provide fuel for these (new) reactors, we need to continue with the 20 per cent enrichment of uranium" ('Iran to build new nuclear research reactors – report', Reuters, 11 April 2011).

(FFEP) for enrichment up to 20% U-235; and 53 kg has been fed into the Uranium Conversion Facility (UCF) for conversion to UO_{2i}^{14} and

• 232.8 kg (+43.4 kg since the Director General's previous report) of UF_6 enriched up to 20% U-235, of which: 134.9 kg is presently in storage; 1.6 kg has been downblended; and 96.3 kg has been fed into the Fuel Plate Fabrication Plant (FPFP) for conversion to U_3O_8 .¹⁵

D.1. Natanz

11. **Fuel Enrichment Plant:** FEP is a centrifuge enrichment plant for the production of low enriched uranium (LEU) enriched up to 5% U-235, which was first brought into operation in 2007. The plant is divided into Production Hall A and Production Hall B. According to design information submitted by Iran, eight units are planned for Production Hall A, with 18 cascades in each unit and a total of about 25 000 centrifuges. Iran has yet to provide the corresponding design information for Production Hall B.

12. As of 10 November 2012, Iran had fully installed 61 cascades in Production Hall A, 54 of which were declared by Iran as being fed with natural UF₆. Iran had also partially installed one other cascade. Preparatory installation work had been completed for another 28 cascades, and was ongoing in relation to 54 others. All of the centrifuges installed in Production Hall A are IR-1 machines.¹⁶

13. Between 20 October 2012 and 11 November 2012, the Agency conducted a physical inventory verification (PIV) at FEP and verified that, as of 21 October 2012, 85 644 kg of natural UF₆ had been fed into the cascades since production began in February 2007, and a total of 7451 kg of UF₆ enriched up to 5% U-235 had been produced. Iran has estimated that, between 22 October 2012 and 9 November 2012, a total of 1576 kg of natural UF₆ was fed into the cascades and a total of approximately 160 kg of UF₆ enriched up to 5% U-235 was produced, which would result in a total production of 7611 kg of UF₆ enriched up to 5% U-235 since production began.

14. Based on the results of the analysis of environmental samples taken at FEP since February 2007,¹⁷ and other verification activities, the Agency has concluded that the facility has operated as declared by Iran in the relevant design information questionnaire (DIQ).

15. **Pilot Fuel Enrichment Plant:** PFEP is a research and development (R&D) facility, and a pilot LEU production facility, which was first brought into operation in October 2003. It has a cascade hall that can accommodate six cascades, and is divided between an area designated for the production of LEU enriched up to 20% U-235 (Cascades 1 and 6) and an area designated for R&D (Cascades 2, 3, 4 and 5).

16. As a result of the PIV carried out by the Agency at PFEP between 15 September 2012 and 1 October 2012, the Agency verified, within measurement uncertainties normally associated with such a facility, the inventory as declared by Iran on 15 September 2012.

17. *Production area:* As of 6 November 2012, Iran was feeding low enriched UF_6 into two interconnected cascades (Cascades 1 and 6) containing a total of 328 IR-1 centrifuges.

¹⁴ The figures referring to the UF_6 fed into the enrichment and/or conversion processes include UF_6 contained in the cylinders attached to the processes, as well as nuclear material held up in the process and present in waste.

¹⁵ See footnote 14.

¹⁶ As of 10 November 2012, 10 414 centrifuges were installed at FEP (+991 since the Director General's previous report).

¹⁷ Results are available to the Agency for samples taken up to 24 June 2012.

18. The Agency has verified that, as of 15 September 2012, 1119.6 kg of UF₆ enriched up to 5% U-235 produced at FEP had been fed into the cascades in the production area since production began in February 2010, and that a total of 129.1 kg of UF₆ enriched up to 20% U-235 had been produced. Iran has estimated that, between 16 September 2012 and 11 November 2012, a total of 57.4 kg of UF₆ enriched up to 5% U-235 produced at FEP was fed into the cascades in the production area and that approximately 8.2 kg of UF₆ enriched up to 20% U-235 were produced. This would result in a total production of 137.3 kg of UF₆ enriched up to 20% U-235 at PFEP since production began.

19. *R&D* area: Since the Director General's previous report, Iran has been intermittently feeding natural UF₆ into IR-2m and IR-4 centrifuges, sometimes into single machines and sometimes into small or larger cascades.¹⁸ Iran has yet to install three new types of centrifuge (IR-5, IR-6 and IR-6s) as it had indicated it intends to do.^{19, 20}

20. Between 22 August 2012 and 11 November 2012, a total of approximately 198.6 kg of natural UF_6 was fed into centrifuges in the R&D area, but no LEU was withdrawn as the product and the tails were recombined at the end of the process.

21. Based on the results of the analysis of the environmental samples taken at PFEP,²¹ and other verification activities, the Agency has concluded that the facility has operated as declared by Iran in the relevant DIQ.

D.2. Fordow

22. Fordow Fuel Enrichment Plant: FFEP is, according to the DIQ of 18 January 2012,²² a centrifuge enrichment plant for the production of UF₆ enriched up to 20% U-235 and the production of UF₆ enriched up to 5% U-235. Additional information from Iran is still needed in connection with this facility, particularly in light of the difference between the original stated purpose of the facility and the purpose for which it is now being used.²³ The facility, which was first brought into operation in 2011, contains 16 cascades, equally divided between Unit 1 and Unit 2, with a total of 2784 centrifuges. To date, all of the centrifuges installed are IR-1 machines. Iran has yet to inform the Agency which of the cascades are to be used for enrichment up to 5% U-235 and/or for enrichment up to 20% U-235.²⁴

23. Since the Director General's previous report, Iran has installed 644 centrifuges at FFEP, thereby completing the installation of centrifuges in all eight cascades in Unit 1, none of which it was feeding with UF_6 . Iran had installed all eight cascades in Unit 2, four of which (configured in two sets of two

¹⁸ On 6 November 2012, there were 32 IR-4 centrifuges installed in Cascade 2, 14 IR-2m centrifuges installed in Cascade 3, 144 IR-4 centrifuges installed in Cascade 4, and 162 IR-2m centrifuges installed in Cascade 5.

¹⁹ GOV/2012/9, para. 20.

²⁰ On 6 November 2012, the Agency observed the presence of two empty casings for IR-6 centrifuges at PFEP. According to Iran, when originally received at PFEP, these centrifuges had been complete, but the rotors had subsequently been removed for testing somewhere other than PFEP.

²¹ Results are available to the Agency for samples taken up to 10 June 2012.

²² To date, Iran has provided the Agency with an initial DIQ and three revised DIQs (GOV/2012/9, para. 24).

²³ GOV/2009/74, paras 7 and 14.

²⁴ In a letter to the Agency dated 23 May 2012, Iran stated that the Agency would be notified about the production level of the cascades prior to their operation (GOV/2012/23, para. 25).

interconnected cascades) it was feeding with UF_6 enriched up to 5% U-235²⁵ and four of which, having been subjected to vacuum testing, were ready for feeding with UF_6 .

24. Iran has estimated that, between 14 December 2011, when feeding of the first set of two interconnected cascades began, and 10 November 2012, a total of 693 kg of UF_6 enriched up to 5% U-235 was fed into cascades at FFEP, and that approximately 95.5 kg of UF_6 enriched up to 20% U-235 were produced, 73.7 kg of which has been withdrawn from the process and verified by the Agency.

25. Based on the results of the analysis of environmental samples taken at FFEP,^{26, 27} and other verification activities, the Agency has concluded that the facility has operated as declared by Iran in its most recent relevant DIQ.

D.3. Other Enrichment Related Activities

26. The Agency is still awaiting a substantive response from Iran to Agency requests for further information in relation to announcements made by Iran concerning the construction of ten new uranium enrichment facilities, the sites for five of which, according to Iran, have been decided.²⁸ Iran has not provided information, as requested by the Agency, in connection with its announcement on 7 February 2010 that it possessed laser enrichment technology.²⁹ As a result of Iran's lack of cooperation on those issues, the Agency is unable to verify and report fully on these matters.

E. Reprocessing Activities

27. Pursuant to the relevant resolutions of the Board of Governors and the Security Council, Iran is obliged to suspend its reprocessing activities, including R&D.³⁰ Iran has stated that it "does not have reprocessing activities".³¹ The Agency has continued to monitor the use of hot cells at the Tehran Research Reactor (TRR)³² and the Molybdenum, Iodine and Xenon Radioisotope Production (MIX) Facility.³³ The Agency carried out an inspection and design information verification (DIV) at TRR on 11 November 2012, and a DIV at the MIX Facility on 12 November 2012. It is only with respect to TRR, the MIX Facility and the other facilities to which the Agency has access that the Agency can confirm that there are no ongoing reprocessing related activities in Iran.

²⁷ GOV/2012/37, para. 26.

²⁸ 'Iran Specifies Location for 10 New Enrichment Sites', Fars News Agency, 16 August 2010.

²⁹ Cited on the website of the Presidency of the Islamic Republic of Iran, 7 February 2010, at http://www.president.ir/en/?ArtID=20255.

³⁰ S/RES/1696 (2006), para. 2; S/RES/1737 (2006), para. 2; S/RES/1747 (2007), para. 1; S/RES/1803 (2008), para. 1; S/RES/1835 (2008), para. 4; S/RES/1929 (2010), para. 2.

³¹ Letter to the Agency dated 15 February 2008.

³² TRR is a 5 MW reactor which operates with 20% U-235 enriched fuel and is used for the irradiation of different types of targets and for research and training purposes.

³³ The MIX Facility is a hot cell complex for the separation of radiopharmaceutical isotopes from targets, including uranium, irradiated at TRR. The MIX Facility is not currently processing any uranium targets.

²⁵ The number of centrifuges being fed (696) remains unchanged from that reflected in the Director General's previous report (GOV/2012/37, Figure 7).

²⁶ Results are available to the Agency for samples taken up to 11 June 2012.

F. Heavy Water Related Projects

28. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran has not suspended work on all heavy water related projects, including the ongoing construction of the heavy water moderated research reactor at Arak, the Iran Nuclear Research Reactor (IR-40 Reactor), which is under Agency safeguards.³⁴

29. On 10 November 2012, the Agency carried out a DIV at the IR-40 Reactor at Arak and observed that the installation of cooling and moderator circuit piping was continuing. During the DIV, Iran stated that the operation of the IR-40 Reactor was now expected to commence in the first quarter of 2014.³⁵

30. Since its visit to the Heavy Water Production Plant (HWPP) on 17 August 2011, the Agency has not been provided with further access to the plant. As a result, the Agency is again relying on satellite imagery to monitor the status of HWPP. Based on recent images, the plant appears to continue to be in operation. To date, Iran has not permitted the Agency to take samples from the heavy water stored at UCF.³⁶

G. Uranium Conversion and Fuel Fabrication

31. Although Iran is obliged to suspend all enrichment related activities and heavy water related projects, it is conducting a number of activities at UCF, the Fuel Manufacturing Plant (FMP) and FPFP at Esfahan, as indicated below, which are in contravention of those obligations, notwithstanding that the facilities are under Agency safeguards. Iran has stated that it is conducting these activities in order to make fuel for research reactors.³⁷

32. According to the latest information available to the Agency:

- Iran has produced at UCF: 550 tonnes of natural UF_6 , 99 tonnes of which has been sent to FEP; and
- Iran has transferred to TRR the following fuel items produced at FMP and FPFP: ten containing uranium enriched up to 20% U-235, four containing uranium enriched to 3.34% U-235 and five containing natural uranium.

33. **Uranium Conversion Facility:** As previously reported, the Agency carried out a PIV at UCF in March 2012. In order to finalise its evaluation of the PIV results, the Agency has requested that Iran provide further information.

34. In the DIQ for UCF dated 13 October 2012, Iran informed the Agency of an increase in its capacity to produce natural UO_2 at UCF from 10 tonnes per year to 14 tonnes per year.

³⁴ S/RES/1737 (2006), para. 2; S/RES/1747 (2007), para. 1; S/RES/1803 (2008), para. 1; S/RES/1835 (2008), para. 4; S/RES/1929 (2010), para. 2.

³⁵ GOV/2012/23, para. 32.

³⁶ GOV/2010/10, paras 20 and 21.

³⁷ As declared in Iran's DIQs for FPFP.

35. The Agency has verified that, as of 5 November 2012, Iran had produced 24 kg of uranium in the form of UO₂ during R&D activities involving the conversion of UF₆ enriched up to 3.34% U-235. Iran subsequently transferred 13.6 kg of uranium in the form of UO₂ to FMP.³⁸ As of 6 November 2012, Iran had resumed these R&D activities, but had not produced additional uranium in the form of UO₂ from the conversion of UF₆ enriched to 3.34% U-235. As of the same date, Iran, through the conversion of uranium ore concentrate, had produced about 6231 kg of natural uranium in the form of UO₂, of which the Agency has verified that Iran transferred 3100 kg to FMP.

36. During a DIV carried out at UCF on 6 November 2012, Iran informed the Agency that, due to the rupture of a storage tank, a large quantity of liquid containing natural uranium scrap material had spilled onto the floor of the facility. Agency inspectors confirmed that the spillage had taken place. The Agency is discussing with Iran the accountancy of the nuclear material that has spilled from the tank.

37. **Fuel Manufacturing Plant:** Between 4 and 6 September 2012, the Agency carried out a PIV at FMP, the results of which it is still evaluating. On 7 November 2012, the Agency carried out a DIV and an inspection at FMP and confirmed that the manufacture of pellets for the IR-40 Reactor using natural UO₂ was ongoing. Iran informed the Agency that it had completed the manufacture of dummy fuel assemblies for the IR-40 Reactor.³⁹ As of 7 November 2012, Iran had not commenced the manufacture of fuel assemblies containing nuclear material. On the same date, the Agency also verified two prototype fuel rods made of UO₂ enriched to 3.34% U-235 prior to their transfer to TRR.

38. **Fuel Plate Fabrication Plant:** The Agency carried out a PIV at FPFP on 29 September 2012 and verified that, between the start of conversion activities on 17 December 2011 and 26 September 2012, 82.7 kg of UF₆ enriched up to 20% U-235 had been fed into the conversion process and 38 kg of uranium had been produced in the form of U_3O_8 powder⁴⁰ and fuel items. Iran has declared that, between 27 September 2012 and 10 November 2012, it did not convert any more of the UF₆ enriched up to 20% U-235 contained in the cylinder attached to the process. On 11 November 2012, the Agency verified a new fuel assembly prior to its transfer to TRR and verified the presence of 46 fuel plates. On 12 November 2012, the Agency and Iran agreed to an updated safeguards approach for FPFP.

H. Possible Military Dimensions

39. Previous reports by the Director General have identified outstanding issues related to possible military dimensions to Iran's nuclear programme and actions required of Iran to resolve these.⁴¹ Since 2002, the Agency has become increasingly concerned about the possible existence in Iran of undisclosed nuclear related activities involving military related organizations, including activities related to the development of a nuclear payload for a missile.

³⁸ GOV/2012/23, para. 35.

³⁹ A dummy assembly is similar to a fuel assembly except that it contains non-nuclear material.

 $^{^{40}}$ A small quantity of U₃O₈ enriched to 20% U-235 was converted into UO₂ and downblended with natural UO₂ to produce standard pellets at three different levels of enrichment (1.6%, 2.6% and 3.9%).

⁴¹ See, for example: GOV/2011/65, paras 38-45 and Annex; GOV/2011/29, para. 35; GOV/2011/7, Attachment; GOV/2010/10, paras 40–45; GOV/2009/55, paras 18–25; GOV/2008/38, paras 14–21; GOV/2008/15, paras 14–25 and Annex; GOV/2008/4, paras 35–42.

40. The Annex to the Director General's November 2011 report (GOV/2011/65) provided a detailed analysis of the information available to the Agency, indicating that Iran has carried out activities that are relevant to the development of a nuclear explosive device. This information, which comes from a wide variety of independent sources, including from a number of Member States, from the Agency's own efforts and from information provided by Iran itself, is assessed by the Agency to be, overall, credible. The information indicates that, prior to the end of 2003 the activities took place under a structured programme; that some continued after 2003; and that some may still be ongoing. Since November 2011, the Agency has obtained more information which further corroborates the analysis contained in the aforementioned Annex.

41. In resolution 1929 (2010), the Security Council reaffirmed Iran's obligations to take the steps required by the Board of Governors in its resolutions GOV/2006/14 and GOV/2009/82, and to cooperate fully with the Agency on all outstanding issues, particularly those which give rise to concerns about the possible military dimensions to Iran's nuclear programme, including by providing access without delay to all sites, equipment, persons and documents requested by the Agency.⁴² In its resolution GOV/2011/69, the Board of Governors, inter alia, expressed its deep and increasing concern about the unresolved issues regarding the Iranian nuclear programme, including those which need to be clarified to exclude the existence of possible military dimensions. As indicated above, in its resolution GOV/2012/50, the Board of Governors decided, inter alia, that Iranian cooperation with Agency requests aimed at the resolution of all outstanding issues was essential and urgent to restore international confidence in the exclusively peaceful nature of Iran's nuclear programme.

42. As indicated in Section B above, since the November 2011 Board, the Agency, through several rounds of formal talks and numerous informal contacts with Iran, has made intensive efforts to seek to resolve all of the outstanding issues related to Iran's nuclear programme, especially with respect to possible military dimensions, but without concrete results. Specifically, the Agency has:

- Sought agreement with Iran on a structured approach to the clarification of all outstanding issues (referred to in paragraph 4 above), focusing on the issues outlined in the Annex to GOV/2011/65. Agreement has yet to be reached;
- Requested that Iran provide the Agency with an initial declaration in connection with the issues identified in Section C of the Annex to GOV/2011/65. Iran's subsequent declaration dismissed the Agency's concerns in relation to these issues, largely on the grounds that Iran considered them to be based on unfounded allegations;
- Identified, as part of the structured approach, thirteen topics, consistent with those identified in the Annex to GOV/2011/65, which need to be addressed;
- Provided Iran with clarification of the nature of the Agency's concerns, and the information available to it, about Parchin and the foreign expert,⁴³ and presented Iran with initial questions in this regard, to which Iran has not responded; and
- Requested on several occasions, from January 2012 onwards, access to the Parchin site. Contrary to Board resolution GOV/2012/50, Iran has still not provided the Agency with access to the site.

⁴² S/RES/1929, paras 2 and 3.

⁴³ GOV/2011/65, Annex, para. 44.

43. **Parchin:** As stated in the Annex to the Director General's November 2011 report,⁴⁴ information provided to the Agency by Member States indicates that Iran constructed a large explosives containment vessel in which to conduct hydrodynamic experiments;⁴⁵ such experiments would be strong indicators of possible nuclear weapon development. The information also indicates that the containment vessel was installed at the Parchin site in 2000. As previously reported, the location at the Parchin site of the vessel was only identified in March 2011, and the Agency notified Iran of that location in January 2012. Iran has stated that "the allegation of nuclear activities in Parchin site is baseless".⁴⁶

44. As previously reported, satellite imagery available to the Agency for the period from February 2005 to January 2012 shows virtually no activity at or near the building housing the containment vessel. Since the Agency's first request for access to this location, however, satellite imagery shows that extensive activities and resultant changes have taken place at this location. Among the most significant developments observed by the Agency at this location since February 2012 are:

- Frequent presence of, and activities involving, equipment, trucks and personnel;
- Run off of large amounts of liquid from the containment building over a prolonged period;
- Removal of external pipework from the containment vessel building;
- Razing and removal of five other buildings or structures and the site perimeter fence;
- Reconfiguration of electrical and water supply infrastructure;
- Shrouding of the containment vessel building and another building; and
- Initial scraping and removal of considerable quantities of earth at the location and its surrounding area, covering over 25 hectares, followed by further removal of earth to a greater depth at the location and the depositing of new earth in its place.

45. In light of the extensive activities that have been, and continue to be, undertaken by Iran at the aforementioned location on the Parchin site, when the Agency gains access to the location, its ability to conduct effective verification will have been seriously undermined. While the Agency continues to assess that it is necessary to have access to this location without further delay, it is essential that Iran also provide without further delay substantive answers to the Agency's detailed questions regarding the Parchin site and the foreign expert, as requested by the Agency in February 2012.⁴⁷

I. Design Information

46. Contrary to its Safeguards Agreement and relevant resolutions of the Board of Governors and the Security Council, Iran is not implementing the provisions of the modified Code 3.1 of the Subsidiary

⁴⁴ GOV/2011/65, Annex, para. 49.

⁴⁵ GOV/2011/65, Annex, para. 47.

⁴⁶ GOV/2012/37, para. 43.

⁴⁷ GOV/2012/9, para. 8.

Arrangements General Part to Iran's Safeguards Agreement,⁴⁸ which provides for the submission to the Agency of design information for new facilities as soon as the decision to construct, or to authorize construction of, a new facility has been taken, whichever is the earlier. The modified Code 3.1 also provides for the submission of fuller design information as the design is developed early in the project definition, preliminary design, construction and commissioning phases. Iran remains the only State with significant nuclear activities in which the Agency is implementing a comprehensive safeguards agreement that is not implementing the provisions of the modified Code 3.1. It is important to note that the absence of such early information reduces the time available for the Agency to plan the necessary safeguards arrangements, especially for new facilities, and reduces the level of confidence in the absence of other nuclear facilities.⁴⁹

47. Contrary to Iran's obligations under the modified Code 3.1, Iran has not provided the Agency with an updated DIQ for the IR-40 Reactor since 2006. The lack of up-to-date information is having an adverse impact on the Agency's ability to effectively verify the design of the facility and to implement an effective safeguards approach.⁵⁰

48. Iran's response to Agency requests that Iran confirm or provide further information regarding its stated intention to construct new nuclear facilities is that it would provide the Agency with the required information in "due time" rather than as required by the modified Code 3.1 of the Subsidiary Arrangements General Part to its Safeguards Agreement.⁵¹

J. Additional Protocol

49. Contrary to the relevant resolutions of the Board of Governors and the Security Council, Iran is not implementing its Additional Protocol. The Agency will not be in a position to provide credible assurance about the absence of undeclared nuclear material and activities in Iran unless and until Iran provides the necessary cooperation with the Agency, including by implementing its Additional Protocol.⁵²

⁴⁹ GOV/2010/10, para. 35.

50 GOV/2012/37, para. 46.

⁴⁸ In accordance with Article 39 of Iran's Safeguards Agreement, agreed Subsidiary Arrangements cannot be changed unilaterally; nor is there a mechanism in the Safeguards Agreement for the suspension of provisions agreed to in the Subsidiary Arrangements. Therefore, as previously explained in the Director General's reports (see, for example, GOV/2007/22, 23 May 2007), the modified Code 3.1, as agreed to by Iran in 2003, remains in force. Iran is further bound by operative paragraph 5 of Security Council resolution 1929 (2010) to "comply fully and without qualification with its IAEA Safeguards Agreement, including through the application of modified Code 3.1".

⁵¹ GOV/2011/29, para. 37; GOV/2012/23, para. 29.

⁵² Iran's Additional Protocol was approved by the Board on 21 November 2003 and signed by Iran on 18 December 2003, although it has not been brought into force. Iran provisionally implemented its Additional Protocol between December 2003 and February 2006.

K. Other Matters

50. The Agency and Iran have continued to discuss the discrepancy between the amount of nuclear material declared by the operator and that measured by the Agency in connection with conversion experiments carried out by Iran at the Jabr Ibn Hayan Multipurpose Research Laboratory (JHL) between 1995 and 2002.⁵³

51. As previously reported, Iran is now using in the core of TRR a number of fuel assemblies that were produced in Iran and which contain nuclear material that was enriched in Iran up to 3.5% and up to 20% U-235.⁵⁴

52. As indicated in the Director General's previous report,⁵⁵ on 29 and 30 July 2012, the Agency conducted an inspection at the Bushehr Nuclear Power Plant (BNPP) while the reactor was operating at 75% of its nominal power. In a letter dated 15 October 2012, Iran informed the Agency that "fuel assemblies will be transferred from the core to spent fuel pond" from 22 to 29 October 2012. On 6 and 7 November 2012, the Agency conducted an inspection at BNPP and verified that the fuel assemblies were in the spent fuel pond.

L. Summary

53. While the Agency continues to verify the non-diversion of declared nuclear material at the nuclear facilities and LOFs declared by Iran under its Safeguards Agreement, as Iran is not providing the necessary cooperation, including by not implementing its Additional Protocol, the Agency is unable to provide credible assurance about the absence of undeclared nuclear material and activities in Iran, and therefore to conclude that all nuclear material in Iran is in peaceful activities.⁵⁶

54. Contrary to the Board resolutions of November 2011 and September 2012, and despite the intensified dialogue between the Agency and Iran since January 2012, no concrete results have been achieved in resolving the outstanding issues, including Iran having not concluded and implemented the structured approach. The Director General is, therefore, unable to report any progress on clarifying the issues relating to possible military dimensions to Iran's nuclear programme.

55. It is a matter of concern that the extensive and significant activities which have taken place since February 2012 at the location within the Parchin site to which the Agency has requested access will have seriously undermined the Agency's ability to undertake effective verification. The Agency reiterates its request that Iran, without further delay, provide both access to that location and substantive answers to the Agency's detailed questions regarding the Parchin site and the foreign expert.

⁵³ This material had been under Agency seal since 2003; GOV/2003/75, paras 20–25 and Annex 1; GOV/2004/34, para. 32, and Annex, paras 10–12; GOV/2004/60, para. 33, and Annex, paras 1–7; GOV/2011/65, para. 49.

⁵⁴ GOV/2012/37, para. 50.

⁵⁵ GOV/2012/37, para. 51.

⁵⁶ The Board has confirmed on numerous occasions, since as early as 1992, that paragraph 2 of INFCIRC/153 (Corr.), which corresponds to Article 2 of Iran's Safeguards Agreement, authorizes and requires the Agency to seek to verify both the non-diversion of nuclear material from declared activities (i.e. correctness) and the absence of undeclared nuclear activities in the State (i.e. completeness) (see, for example, GOV/OR.864, para. 49).

56. Given the nature and extent of credible information available, the Agency continues to consider it essential for Iran to engage with the Agency without further delay on the substance of the Agency's concerns. In the absence of such engagement, the Agency will not be able to resolve concerns about issues regarding the Iranian nuclear programme, including those which need to be clarified to exclude the existence of possible military dimensions to Iran's nuclear programme.

57. The Director General continues to urge Iran, as required in the binding resolutions of the Board of Governors and mandatory Security Council resolutions, to take steps towards the full implementation of its Safeguards Agreement and its other obligations, and to urge Iran to engage with the Agency to achieve concrete results on all outstanding substantive issues.

58. The Director General will continue to report as appropriate.



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Friday, July 1, 2005

Part V

The President

Executive Order 13382—Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters

Presidential Documents

Federal Register

Vol. 70, No. 126

Friday, July 1, 2005

Title 3—

The President

Executive Order 13382 of June 28, 2005

Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3, United States Code,

I, George W. Bush, President of the United States of America, in order to take additional steps with respect to the national emergency described and declared in Executive Order 12938 of November 14, 1994, regarding the proliferation of weapons of mass destruction and the means of delivering them, and the measures imposed by that order, as expanded by Executive Order 13094 of July 28, 1998, hereby order:

Section 1. (a) Except to the extent provided in section 203(b)(1), (3), and (4) of IEEPA (50 U.S.C. 1702(b)(1), (3), and (4)), or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwith-standing any contract entered into or any license or permit granted prior to the effective date of this order, all property and interests in property of the following persons, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in:

(i) the persons listed in the Annex to this order;

(ii) any foreign person determined by the Secretary of State, in consultation with the Secretary of the Treasury, the Attorney General, and other relevant agencies, to have engaged, or attempted to engage, in activities or transactions that have materially contributed to, or pose a risk of materially contributing to, the proliferation of weapons of mass destruction or their means of delivery (including missiles capable of delivering such weapons), including any efforts to manufacture, acquire, possess, develop, transport, transfer or use such items, by any person or foreign country of proliferation concern;

(iii) any person determined by the Secretary of the Treasury, in consultation with the Secretary of State, the Attorney General, and other relevant agencies, to have provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, any activity or transaction described in paragraph (a)(ii) of this section, or any person whose property and interests in property are blocked pursuant to this order; and

(iv) any person determined by the Secretary of the Treasury, in consultation with the Secretary of State, the Attorney General, and other relevant agencies, to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to this order.

(b) Any transaction or dealing by a United States person or within the United States in property or interests in property blocked pursuant to this order is prohibited, including, but not limited to, (i) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of, any person whose property and interests in property are blocked pursuant to this order, and (ii) the receipt of any contribution or provision of funds, goods, or services from any such person.

(c) Any transaction by a United States person or within the United States that evades or avoids, has the purpose of evading or avoiding, or attempts to violate any of the prohibitions set forth in this order is prohibited.

(d) Any conspiracy formed to violate the prohibitions set forth in this order is prohibited.

Sec. 2. For purposes of this order:

(a) the term "person" means an individual or entity;

(b) the term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization; and

(c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

Sec. 3. I hereby determine that the making of donations of the type of articles specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by, to, or for the benefit of, any person whose property and interests in property are blocked pursuant to this order would seriously impair my ability to deal with the national emergency declared in Executive Order 12938, and I hereby prohibit such donations as provided by section 1 of this order.

Sec. 4. Section 4(a) of Executive Order 12938, as amended, is further amended to read as follows:

"Sec. 4. Measures Against Foreign Persons.

(a) Determination by Secretary of State; Imposition of Measures. Except to the extent provided in section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)), where applicable, if the Secretary of State, in consultation with the Secretary of the Treasury, determines that a foreign person, on or after November 16, 1990, the effective date of Executive Order 12735, the predecessor order to Executive Order 12938, has engaged, or attempted to engage, in activities or transactions that have materially contributed to, or pose a risk of materially contributing to, the proliferation of weapons of mass destruction or their means of delivery (including missiles capable of delivering such weapons), including any efforts to manufacture, acquire, possess, develop, transport, transfer, or use such items, by any person or foreign country of proliferation concern, the measures set forth in subsections (b), (c), and (d) of this section shall be imposed on that foreign person to the extent determined by the Secretary of State, in consultation with the implementing agency and other relevant agencies. Nothing in this section is intended to preclude the imposition on that foreign person of other measures or sanctions available under this order or under other authorities."

Sec. 5. For those persons whose property and interests in property are blocked pursuant to section 1 of this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in Executive Order 12938, as amended, there need be no prior notice of a listing or determination made pursuant to section 1 of this order.

Sec. 6. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government, consistent with applicable law. All agencies of the United States Government are

hereby directed to take all appropriate measures within their authority to carry out the provisions of this order and, where appropriate, to advise the Secretary of the Treasury in a timely manner of the measures taken.

Sec. 7. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to determine, subsequent to the issuance of this order, that circumstances no longer warrant the inclusion of a person in the Annex to this order and that the property and interests in property of that person are therefore no longer blocked pursuant to section 1 of this order.

Sec. 8. This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, instrumentalities, or entities, its officers or employees, or any other person.

Sec. 9. (a) This order is effective at 12:01 a.m. eastern daylight time on June 29, 2005.

(b) This order shall be transmitted to the Congress and published in the **Federal Register**.

Ar Be

THE WHITE HOUSE, June 28, 2005.

Billing code 3195-01-P

ANNEX

Korea Mining Development Trading Corporation Tanchon Commercial Bank Korea Ryonbong General Corporation Aerospace Industries Organization Shahid Hemmat Industrial Group Shahid Bakeri Industrial Group Atomic Energy Organization of Iran Scientific Studies and Research Center

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U.S. Department of State Diplomacy in Action

Fact Sheet: Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA)

Fact Sheet BUREAU OF ECONOMIC, ENERGY AND BUSINESS AFFAIRS May 23, 2011

Energy Sanctions of CISADA

Summary

On July 1, 2010, President Obama signed into law the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA.) The Act amends the Iran Sanctions Act of 1996 (ISA) which requires sanctions be imposed or waived for companies that are determined to have made certain investments in Iran's energy sector. CISADA expands significantly the energy-related activities that are sanctionable and adds new types of sanctions that can be imposed. These new authorities address the potential connection between Iran's energy sector and its nuclear program that was highlighted in UNSCR 1929. They support an effort to increase pressure on Iran to return constructively to diplomatic negotiations to address the international community's concerns about Iran's non-compliance with its international obligations (including those under the relevant UNSCRs, the Nuclear Non-Proliferation Treaty, and the IAEA Safeguards Agreement.) The United States is resolved to make full use of ISA and the other authorities in CISADA as additional tools in our efforts to convince the Iranian Government to change its strategic calculus, comply with its full range of nuclear obligations, and engage in constructive negotiations on the future of its nuclear program.

Sanctionable Activities under the Iran Sanctions Act, as Amended by CISADA

ISA requires the President to impose sanctions on persons that are determined to have engaged in a wide variety of activities in Iran's energy sector. Activities that can trigger sanctions include:

Making an investment that directly and significantly contributes to the enhancement of Iran's ability to develop its petroleum resources, of

\$20 million or more; or

\$5 million per investment, totaling \$20 million or more in a 12-month period.

Selling, leasing, or providing goods or services¹ (//2009-2017.state.gov/e/eb/esc/iransanctions/docs/160710.htm#1) that could directly and significantly facilitate the maintenance or expansion of Iran's domestic production of refined petroleum products² (//2009-2017.state.gov/e/eb/esc/iransanctions/docs/160710.htm#2), with

Fair market value of \$1 million or more; or

Aggregate fair market value of \$5 million or more in a 12-month period.

Selling or providing Iran with refined petroleum products, with

Fair market value of \$1 million or more; or

Aggregate fair market value of \$5 million or more in a 12-month period.

Providing goods or services that could directly and significantly contribute to the enhancement of Iran's ability to import

refined petroleum products, including

Insurance or reinsurance services;

Financing or brokering services; or

Ships and shipping services, with

Fair market value of \$1 million or more; or

Aggregate fair market value of \$5 million or more in a 12-month period.

Sanction Provisions

Three or more out of nine possible sanctions shall be imposed on any person determined to have engaged in sanctionable activities. The nine sanctions would prohibit:

Export assistance from the Export-Import Bank of the United States³ (//2009-

2017.state.gov/e/eb/esc/iransanctions/docs/160710.htm#3);

Licenses for export of U.S. military, "dual use,"⁴ (//2009-2017.state.gov/e/eb/esc/iransanctions/docs/160710.htm#4) or nuclear-related goods or technology;

Private U.S. bank loans exceeding \$10 million in any 12-month period;

If the sanctioned person is a financial institution, designation as a primary dealer in USG debt instruments or service as a repository of USG funds;

Procurement contracts with the United States Government;

Foreign exchange transactions subject to U.S. jurisdiction;

Financial transactions subject to U.S. jurisdiction;

Transactions with respect to property subject to U.S. jurisdiction;

Imports to the United States from the sanctioned person.

Waivers

ISA does provide for certain waivers. These waivers may be applied on a case-by-case basis with respect to a sanctionable person depending on the facts and U.S. interests in each case. The President may waive sanctions for either energy or weapons-related activity if the President determines it is "necessary to the national interest." In addition, the President may waive the application of the energy-sanctions provisions with respect to a person for six months if "vital to the national security interests of the United States" or for twelve months if "vital to the national security interests" and the government with primary jurisdiction over the person is closely cooperating with the United States in multilateral efforts to prevent Iran from acquiring weapons of mass destruction or advanced conventional weapons.

Financial Provisions of CISADA

Summary

On Thursday, July 1, 2010, President Obama signed into law the Comprehensive Iran Sanctions, Accountability, and Divestment Act. The Act mandates the imposition of significant new sanctions with respect to foreign financial institutions. The Act builds upon and gives effect to the U.N. Security Council's resolutions on Iran, most notably UNSCR 1929.

Financial Sector Provisions

The law includes mandatory banking sanctions targeted at foreign banks that knowingly facilitate: Iranian WMD transactions; transactions related to Iran's support for terrorism; the activities of persons sanctioned under Iran-related UNSCRs; significant

transactions with the IRGC or its affiliates; or significant transactions with Iranian-linked banks designated by the United States.

Treasury must issue regulations within 90 days to prohibit or impose strict conditions upon U.S. banks' maintenance of correspondent accounts for foreign financial institutions that knowingly:

facilitate a significant transaction or transactions or provide significant financial services for:

the IRGC or any of its agents or affiliates (e.g., Khattam al Anbiya, Sepanir, and Ghorb Nooh) that are blocked under the International Emergency Economic Powers Act ("IEEPA"); or

any financial institution that is blocked under IEEPA in connection with Iran's proliferation of WMD or in connection with Iran's support for international terrorism (includes the following banks: Bank Sepah, Bank Melli, Arian Bank,

Kargoshaee Bank, Bank Mellat, Persia International Bank PLC, Future Bank (Bahrain), Export Development Bank of Iran, Banco Internacional de Desarollo (Venezuela), First East Export Bank, Post Bank, and Bank Saderat), Europäisch-Iranische Handelsbank (EIH);

facilitate the activities of an individual or entity designated under UNSCRs 1737, 1747, 1803, 1929, or successor resolutions;

facilitate Iran's pursuit of WMD or Iran's support for terrorism; or

facilitate the efforts of the Central Bank of Iran or any other Iranian bank to carry out the above.

Treasury must also issue regulations within 90 days to prohibit any entity owned or controlled by a U.S. financial institution (i.e., foreign subsidiaries of U.S. banks) from knowingly engaging in transactions with or benefitting the IRGC or any of its sanctioned agents or affiliates.

Waiver Provisions

The Secretary of the Treasury may waive the application of the financial sector provisions noted above on or following 30 days after the Secretary determines that such a waiver is necessary to the national interest of the United States and submits a report describing the reasons to the appropriate congressional committees.

Other sanctions-related measures in CISADA

Human Rights

The President must submit to Congress a list of Iranian officials or those acting on behalf of the Government of Iran who are responsible for, or complicit in, committing serious human rights abuses against Iranian citizens or their family members on or after June 12, 2009. Those persons are subject to a visa ban for travel to the United States and economic sanctions, including the blocking of their property subject to U.S. jurisdiction.

United States Government Procurement Contracts

CISADA requires that any firm or individual seeking a USG contract must certify that it, as well as subsidiaries, is not engaged in sanctionable energy or weapons-related activity. This provision will apply to USG contracts for which solicitations are issued after the effective date of new regulations (which must be issued within 90 days after July 1, 2010, or by September 29, 2010). The President may waive this requirement on a case-by-case basis.

Diversion Concerns

CISADA also requires the President to designate a country as a "Destination of Diversion Concern" if he determines that the government of the country allows substantial diversion to Iranian end users or intermediaries of certain goods, services, or technology. If a country is named a "Destination of Diversion Concern," a U.S. export license will be required to export to that country the types of items being diverted, with the presumption that the license application would be denied. The President may waive the licensing requirement if he determines that a waiver is in the national interest.

Procurement Ban for Exporters of Certain Sensitive Technology

Persons that export to Iran sensitive technology that the President determines is to be used specifically to restrict the free flow of unbiased information in Iran or disrupt, monitor, or otherwise restrict speech of the people of Iran are barred from USG procurement contracts. There is waiver authority, as well as an exemption authority with respect to certain countries or instrumentalities designated under the Trade Agreements Act of 1979.

¹ Goods or services include goods, services, technology, information, or support.

² Refined petroleum products include diesel, gasoline, jet fuel (naphtha and kerosene-types), and aviation gasoline.

³ Export-Import Bank assistance: guarantees, insurance, and extensions of credit.

⁴ Technologies that have both civilian and military uses.

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The White House

Office of the Press Secretary

For Immediate Release

November 23, 2013

Fact Sheet: First Step Understandings Regarding the Islamic Republic of Iran's Nuclear Program

The P5+1 (the United States, United Kingdom, Germany, France, Russia, and China, facilitated by the European Union) has been engaged in serious and substantive negotiations with Iran with the goal of reaching a verifiable diplomatic resolution that would prevent Iran from obtaining a nuclear weapon.

President Obama has been clear that achieving a peaceful resolution that prevents Iran from obtaining a nuclear weapon is in America's national security interest. Today, the P5+1 and Iran reached a set of initial understandings that halts the progress of Iran's nuclear program and rolls it back in key respects. These are the first meaningful limits that Iran has accepted on its nuclear program in close to a decade. The initial, six month step includes significant limits on Iran's nuclear program and begins to address our most urgent concerns including Iran's enrichment capabilities; its existing stockpiles of enriched uranium; the number and capabilities of its centrifuges; and its ability to produce weapons-grade plutonium using the Arak reactor. The concessions Iran has committed to make as part of this first step will also provide us with increased transparency and intrusive monitoring of its nuclear program. In the past, the concern has been expressed that Iran will use negotiations to buy time to advance their program. Taken together, these first step measures will help prevent Iran from using the cover of negotiations to continue advancing its nuclear program as we seek to negotiate a long-term, comprehensive solution that addresses all of the international community's concerns.

In return, as part of this initial step, the P5+1 will provide limited, temporary, targeted, and reversible relief to Iran. This relief is structured so that the overwhelming majority of the sanctions regime, including the key oil, banking, and financial sanctions architecture, remains in place. The P5+1 will continue to enforce these sanctions vigorously. If Iran fails to meet its commitments, we will revoke the limited relief and impose additional sanctions on Iran.

The P5+1 and Iran also discussed the general parameters of a comprehensive solution that would constrain Iran's nuclear program over the long term, provide verifiable assurances to the international community that Iran's nuclear activities will be exclusively peaceful, and ensure that any attempt by Iran to pursue a nuclear weapon would be promptly detected. The set of understandings also includes an acknowledgment by Iran that it must address all United Nations Security Council resolutions – which Iran has long claimed are illegal – as well as past and present issues with Iran's nuclear program that have been identified by the International Atomic Energy Agency (IAEA). This would include resolution of questions concerning the possible military dimension of Iran's nuclear program, including Iran's activities at Parchin. As part of a comprehensive solution, Iran must also come into full compliance with its obligations under the Non-Proliferation Treaty (NPT) and its obligations to the IAEA. With respect to the comprehensive solution, nothing is agreed until everything is agreed. Put simply, this first step expires in six months, and does not represent an acceptable end state to the United States or our P5+1 partners.

Halting the Progress of Iran's Program and Rolling Back Key Elements

Iran has committed to halt enrichment above 5%:

• Halt all enrichment above 5% and dismantle the technical connections required to enrich above 5%.

Iran has committed to neutralize its stockpile of near-20% uranium:

• Dilute below 5% or convert to a form not suitable for further enrichment its entire stockpile of near-20% enriched uranium before the end of the initial phase.

Iran has committed to halt progress on its enrichment capacity:

- Not install additional centrifuges of any type.
- Not install or use any next-generation centrifuges to enrich uranium.

• Leave inoperable roughly half of installed centrifuges at Natanz and three-quarters of installed centrifuges at Fordow, so they cannot be used to enrich uranium.

• Limit its centrifuge production to those needed to replace damaged machines, so Iran cannot use the six months to stockpile centrifuges.

· Not construct additional enrichment facilities.

Iran has committed to halt progress on the growth of its 3.5% stockpile:

• Not increase its stockpile of 3.5% low enriched uranium, so that the amount is not greater at the end of the six months than it is at the beginning, and any newly enriched 3.5% enriched uranium is converted into oxide.

Iran has committed to no further advances of its activities at Arak and to halt progress on its plutonium track. Iran has committed to:

- Not commission the Arak reactor.
- Not fuel the Arak reactor.
- · Halt the production of fuel for the Arak reactor.
- No additional testing of fuel for the Arak reactor.
- Not install any additional reactor components at Arak.
- Not transfer fuel and heavy water to the reactor site.

• Not construct a facility capable of reprocessing. Without reprocessing, Iran cannot separate plutonium from spent fuel.

Unprecedented transparency and intrusive monitoring of Iran's nuclear program

Iran has committed to:

• Provide daily access by IAEA inspectors at Natanz and Fordow. This daily access will permit inspectors to review surveillance camera footage to ensure comprehensive monitoring. This access will provide even greater transparency into enrichment at these sites and shorten detection time for any non-compliance.

• Provide IAEA access to centrifuge assembly facilities.

• Provide IAEA access to centrifuge rotor component production and storage facilities.

• Provide IAEA access to uranium mines and mills.

• Provide long-sought design information for the Arak reactor. This will provide critical insight into the reactor that has not previously been available.

• Provide more frequent inspector access to the Arak reactor.

• Provide certain key data and information called for in the Additional Protocol to Iran's IAEA Safeguards Agreement and Modified Code 3.1.

Verification Mechanism

The IAEA will be called upon to perform many of these verification steps, consistent with their ongoing inspection role in Iran. In addition, the P5+1 and Iran have committed to establishing a Joint Commission to work with the IAEA to monitor implementation and address issues that may arise. The Joint Commission will also work with the IAEA to facilitate resolution of past and present concerns with respect to Iran's nuclear program, including the possible military dimension of Iran's nuclear program and Iran's activities at Parchin.

Limited, Temporary, Reversible Relief

In return for these steps, the P5+1 is to provide limited, temporary, targeted, and reversible relief while maintaining the vast bulk of our sanctions, including the oil, finance, and banking sanctions architecture. If Iran fails to meet its commitments, we will revoke the relief. Specifically the P5+1 has committed to:

• Not impose new nuclear-related sanctions for six months, if Iran abides by its commitments under this deal, to the extent permissible within their political systems.

• Suspend certain sanctions on gold and precious metals, Iran's auto sector, and Iran's petrochemical exports, potentially providing Iran approximately \$1.5 billion in revenue.

· License safety-related repairs and inspections inside Iran for certain Iranian airlines.

• Allow purchases of Iranian oil to remain at their currently significantly reduced levels – levels that are 60% less than two years ago. \$4.2 billion from these sales will be allowed to be transferred in installments if, and as, Iran fulfills its commitments.

• Allow \$400 million in governmental tuition assistance to be transferred from restricted Iranian funds directly to recognized educational institutions in third countries to defray the tuition costs of Iranian students.

Humanitarian Transaction

Facilitate humanitarian transactions that are already allowed by U.S. law. Humanitarian transactions have been explicitly exempted from sanctions by Congress so this channel will not provide Iran access to any new source of funds. Humanitarian transactions are those related to Iran's purchase of food, agricultural commodities, medicine, medical devices; we would also facilitate transactions for medical expenses incurred abroad. We will establish this channel for the benefit of the Iranian people.

Putting Limited Relief in Perspective

In total, the approximately \$7 billion in relief is a fraction of the costs that Iran will continue to incur during this first phase under the sanctions that will remain in place. The vast majority of Iran's approximately \$100 billion in foreign exchange holdings are inaccessible or restricted by sanctions.

In the next six months, Iran's crude oil sales cannot increase. Oil sanctions alone will result in approximately \$30 billion in lost revenues to Iran – or roughly \$5 billion per month – compared to what Iran earned in a six month period in 2011, before these sanctions took effect. While Iran will be allowed access to \$4.2 billion of its oil sales, nearly \$15 billion of its revenues during this period will go into restricted overseas accounts. In summary, we expect the balance of Iran's money in restricted accounts overseas will actually increase, not decrease, under the terms of this deal.

Maintaining Economic Pressure on Iran and Preserving Our Sanctions Architecture

During the first phase, we will continue to vigorously enforce our sanctions against Iran, including by taking action against those who seek to evade or circumvent our sanctions.

• Sanctions affecting crude oil sales will continue to impose pressure on Iran's government. Working with our international partners, we have cut Iran's oil sales from 2.5

million barrels per day (bpd) in early 2012 to 1 million bpd today, denying Iran the ability to sell almost 1.5 million bpd. That's a loss of more than \$80 billion since the beginning of 2012 that Iran will never be able to recoup. Under this first step, the EU crude oil ban will remain in effect and Iran will be held to approximately 1 million bpd in sales, resulting in continuing lost sales worth an additional \$4 billion per month, every month, going forward.

• Sanctions affecting petroleum product exports to Iran, which result in billions of dollars of lost revenue, will remain in effect.

• The vast majority of Iran's approximately \$100 billion in foreign exchange holdings remain inaccessible or restricted by our sanctions.

· Other significant parts of our sanctions regime remain intact, including:

o Sanctions against the Central Bank of Iran and approximately two dozen other major Iranian banks and financial actors;

o Secondary sanctions, pursuant to the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) as amended and other laws, on banks that do business with U.S.-designated individuals and entities;

o Sanctions on those who provide a broad range of other financial services to Iran, such as many types of insurance; and,

o Restricted access to the U.S. financial system.

• All sanctions on over 600 individuals and entities targeted for supporting Iran's nuclear or ballistic missile program remain in effect.

• Sanctions on several sectors of Iran's economy, including shipping and shipbuilding, remain in effect.

• Sanctions on long-term investment in and provision of technical services to Iran's energy sector remain in effect.

• Sanctions on Iran's military program remain in effect.

• Broad U.S. restrictions on trade with Iran remain in effect, depriving Iran of access to virtually all dealings with the world's biggest economy

• All UN Security Council sanctions remain in effect.

• All of our targeted sanctions related to Iran's state sponsorship of terrorism, its destabilizing role in the Syrian conflict, and its abysmal human rights record, among other concerns, remain in effect.

A Comprehensive Solution

During the six-month initial phase, the P5+1 will negotiate the contours of a comprehensive solution. Thus far, the outline of the general parameters of the comprehensive solution envisions concrete steps to give the international community confidence that Iran's nuclear activities will be exclusively peaceful. With respect to this comprehensive resolution: nothing is agreed to with respect to a comprehensive solution until everything is agreed to. Over the next six months, we will determine whether there is a solution that gives us sufficient confidence that the Iranian program is peaceful. If Iran cannot address our concerns, we are prepared to increase sanctions and pressure.

Conclusion

In sum, this first step achieves a great deal in its own right. Without this phased agreement, Iran could start spinning thousands of additional centrifuges. It could install and spin next-generation centrifuges that will reduce its breakout times. It could fuel and commission the Arak heavy water reactor. It could grow its stockpile of 20% enriched uranium to beyond the threshold for a bomb's worth of uranium. Iran can do none of these things under the conditions of the first step understanding.

Furthermore, without this phased approach, the international sanctions coalition would begin to fray because Iran would make the case to the world that it was serious about a diplomatic solution and we were not. We would be unable to bring partners along to do the crucial work of enforcing our sanctions. With this first step, we stop and begin to roll back Iran's program and give Iran a sharp choice: fulfill its commitments and negotiate in good faith to a final deal, or the entire international community will respond with even more isolation and pressure.

The American people prefer a peaceful and enduring resolution that prevents Iran from obtaining a nuclear weapon and strengthens the global non-proliferation regime. This solution has the potential to achieve that. Through strong and principled diplomacy, the United States of America will do its part for greater peace, security, and cooperation among nations.



Joint Plan of Action

Preamble

The goal for these negotiations is to reach a mutually-agreed long-term comprehensive solution that would ensure Iran's nuclear programme will be exclusively peaceful. Iran reaffirms that under no circumstances will Iran ever seek or develop any nuclear weapons. This comprehensive solution would build on these initial measures and result in a final step for a period to be agreed upon and the resolution of concerns. This comprehensive solution would enable Iran to fully enjoy its right to nuclear energy for peaceful purposes under the relevant articles of the NPT in conformity with its obligations therein. This comprehensive solution would involve a mutually defined enrichment programme with practical limits and transparency measures to ensure the peaceful nature of the programme. This comprehensive solution would constitute an integrated whole where nothing is agreed until everything is agreed. This comprehensive solution would involve a reciprocal, step-by-step process, and would produce the comprehensive lifting of all UN Security Council sanctions, as well as multilateral and national sanctions related to Iran's nuclear programme.

There would be additional steps in between the initial measures and the final step, including, among other things, addressing the UN Security Council resolutions, with a view toward bringing to a satisfactory conclusion the UN Security Council's consideration of this matter. The E3+3 and Iran will be responsible for conclusion and implementation of mutual near-term measures and the comprehensive solution in good faith. A Joint Commission of E3/EU+3 and Iran will be established to monitor the implementation of the near-term measures and address issues that may arise, with the IAEA responsible for verification of nuclear-related measures. The Joint Commission will work with the IAEA to facilitate resolution of past and present issues of concern.

Elements of a first step

The first step would be time-bound, with a duration of 6 months, and renewable by mutual consent, during which all parties will work to maintain a constructive atmosphere for negotiations in good faith.

Iran would undertake the following voluntary measures:

- From the existing uranium enriched to 20%, retain half as working stock of 20% oxide for fabrication of fuel for the TRR. Dilute the remaining 20% UF6 to no more than 5%. No reconversion line.
- Iran announces that it will not enrich uranium over 5% for the duration of the 6 months.

- Iran announces that it will not make any further advances of its activities at the Natanz Fuel Enrichment Plant¹, Fordow², or the Arak reactor³, designated by the IAEA as IR-40.
- Beginning when the line for conversion of UF6 enriched up to 5% to UO2 is ready, Iran has decided to convert to oxide UF6 newly enriched up to 5% during the 6 month period, as provided in the operational schedule of the conversion plant declared to the IAEA.
- No new locations for the enrichment.
- Iran will continue its safeguarded R&D practices, including its current enrichment R&D practices, which are not designed for accumulation of the enriched uranium.
- No reprocessing or construction of a facility capable of reprocessing.
- Enhanced monitoring:
 - Provision of specified information to the IAEA, including information on Iran's plans for nuclear facilities, a description of each building on each nuclear site, a description of the scale of operations for each location engaged in specified nuclear activities, information on uranium mines and mills, and information on source material. This information would be provided within three months of the adoption of these measures.
 - Submission of an updated DIQ for the reactor at Arak, designated by the IAEA as the IR-40, to the IAEA.
 - Steps to agree with the IAEA on conclusion of the Safeguards Approach for the reactor at Arak, designated by the IAEA as the IR-40.
 - Daily IAEA inspector access when inspectors are not present for the purpose of Design Information Verification, Interim Inventory Verification, Physical Inventory Verification, and unannounced inspections, for the purpose of access to offline surveillance records, at Fordow and Natanz.
 - o IAEA inspector managed access to:
 - centrifuge assembly workshops⁴;
 - centrifuge rotor production workshops and storage facilities; and,
 - uranium mines and mills.

¹ Namely, during the 6 months, Iran will not feed UF6 into the centrifuges installed but not enriching uranium. Not install additional centrifuges. Iran announces that during the first 6 months, it will replace existing centrifuges with centrifuges of the same type.

² At Fordow, no further enrichment over 5% at 4 cascades now enriching uranium, and not increase enrichment capacity. Not feed UF6 into the other 12 cascades, which would remain in a non-operative state. No interconnections between cascades. Iran announces that during the first 6 months, it will replace existing centrifuges with centrifuges of the same type.

³ Iran announces on concerns related to the construction of the reactor at Arak that for 6 months it will not commission the reactor or transfer fuel or heavy water to the reactor site and will not test additional fuel or produce more fuel for the reactor or install remaining components.

⁴ Consistent with its plans, Iran's centrifuge production during the 6 months will be dedicated to replace damaged machines.

In return, the E3/EU+3 would undertake the following voluntary measures:

- Pause efforts to further reduce Iran's crude oil sales, enabling Iran's current customers to purchase their current average amounts of crude oil. Enable the repatriation of an agreed amount of revenue held abroad. For such oil sales, suspend the EU and U.S. sanctions on associated insurance and transportation services.
- Suspend U.S. and EU sanctions on:
 - Iran's petrochemical exports, as well as sanctions on associated services.⁵
 - o Gold and precious metals, as well as sanctions on associated services.
- Suspend U.S. sanctions on Iran's auto industry, as well as sanctions on associated services.
- License the supply and installation in Iran of spare parts for safety of flight for Iranian civil aviation and associated services. License safety related inspections and repairs in Iran as well as associated services.⁶
- No new nuclear-related UN Security Council sanctions.
- No new EU nuclear-related sanctions.
- The U.S. Administration, acting consistent with the respective roles of the President and the Congress, will refrain from imposing new nuclear-related sanctions.
- Establish a financial channel to facilitate humanitarian trade for Iran's domestic needs using Iranian oil revenues held abroad. Humanitarian trade would be defined as transactions involving food and agricultural products, medicine, medical devices, and medical expenses incurred abroad. This channel would involve specified foreign banks and non-designated Iranian banks to be defined when establishing the channel.
 - o This channel could also enable:
 - transactions required to pay Iran's UN obligations; and,
 - direct tuition payments to universities and colleges for Iranian students studying abroad, up to an agreed amount for the six month period.
- Increase the EU authorisation thresholds for transactions for non-sanctioned trade to an agreed amount.

⁵ "Sanctions on associated services" means any service, such as insurance, transportation, or financial, subject to the underlying U.S. or EU sanctions applicable, insofar as each service is related to the underlying sanction and required to facilitate the desired transactions. These services could involve any non-designated Iranian entities.

⁶ Sanctions relief could involve any non-designated Iranian airlines as well as Iran Air.

Elements of the final step of a comprehensive solution*

The final step of a comprehensive solution, which the parties aim to conclude negotiating and commence implementing no more than one year after the adoption of this document, would:

- Have a specified long-term duration to be agreed upon.
- Reflect the rights and obligations of parties to the NPT and IAEA Safeguards Agreements.
- Comprehensively lift UN Security Council, multilateral and national nuclear-related sanctions, including steps on access in areas of trade, technology, finance, and energy, on a schedule to be agreed upon.
- Involve a mutually defined enrichment programme with mutually agreed parameters consistent with practical-needs, with agreed limits on scope and level of enrichment activities, capacity, where it is carried out, and stocks of enriched uranium, for a period to be agreed upon.
- Fully resolve concerns related to the reactor at Arak, designated by the IAEA as the IR-40. No reprocessing or construction of a facility capable of reprocessing.
- Fully implement the agreed transparency measures and enhanced monitoring. Ratify and implement the Additional Protocol, consistent with the respective roles of the President and the Majlis (Iranian parliament).
- Include international civil nuclear cooperation, including among others, on acquiring modern light water power and research reactors and associated equipment, and the supply of modern nuclear fuel as well as agreed R&D practices.

Following successful implementation of the final step of the comprehensive solution for its full duration, the Iranian nuclear programme will be treated in the same manner as that of any non-nuclear weapon state party to the NPT.

* With respect to the final step and any steps in between, the standard principle that "nothing is agreed until everything is agreed" applies.

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Information Note on EU sanctions to be lifted under the

Joint Comprehensive Plan of Action (JCPOA)

Brussels, 16 January 2016

Last updated on 03 August 2017

1. Introduction

1.1. Background and outline

This Information Note¹ is published in accordance with the voluntary commitment contained in the Joint Comprehensive Plan of Action (JCPOA) between the E3/EU+3 and the Islamic Republic of Iran to issue relevant guidelines on the details of sanctions or restrictive measures which are to be lifted under the JCPOA.²

The purpose of this Information Note is to provide practical information to all interested parties on the commitments contained in the JCPOA concerning the lifting of the sanctions, the measures adopted at the EU level to meet those commitments and the various practical stages in this process.

The information provided for in this Information Note is based on the assumption that the commitments under the JCPOA will be complied with by all the Parties.

The United States (hereinafter: U.S.) have also issued equivalent U.S. Guidelines with respect to the lifting of U.S. sanctions under the JCPOA.

This Information Note is organised as follows:

- Section 1 introduces the structure of the JCPOA.
- Section 2 describes the timelines for the implementation of the sanctions-related commitments under the JCPOA (Implementation plan).
- Section 3 presents a detailed description of the sanctions lifted under the JCPOA on Implementation Day.
- Section 4 contains an overview of the relevant EU legislative framework.
- Section 5 details the EU sanctions or restrictive measures that remain in place after Implementation Day. This section also includes an outline of the procurement channel.

¹ It is noted that this Information Note is not legally binding and produced for illustrative purposes only.

 $^{^2}$ In the EU legal acts the term restrictive measures is used instead of sanctions. For the purpose of the present Information Note the terms "sanctions" and "restrictive measures" are used indistinctively.

- Section 6 presents EU non-nuclear related sanctions that remain in place as they are not concerned by the JCPOA.
- Section 7 is to address practical issues with regard to the JCPOA through questions and answers. Input for this section was provided by EU Member States, business community and other interested parties.
- Section 8 lists the main reference documents and provides relevant links.

1.2. Introduction to the JCPOA

On 14 July 2015, 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 reached an agreement on a Joint Comprehensive Plan of Action (JCPOA). The full implementation of this JCPOA will ensure the exclusively peaceful nature of Iran's nuclear programme.

The JCPOA will produce a comprehensive lifting of all UN Security Council sanctions as well as multilateral³ and national sanctions related to Iran's nuclear programme. The JCPOA reflects a step-by-step approach and includes the reciprocal commitments as laid down in the agreement and is endorsed by the UN Security Council.⁴

UN Security Council resolution 2231 (2015) endorses the JCPOA, and urges its full implementation on the timetable established in the JCPOA. It calls upon all Members States, regional organisations and international organisations 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 the resolution and by refraining from actions that undermine implementation of commitments under the JCPOA.

1.3. Structure of the JCPOA

The JCPOA contains a general section addressing the main content of the agreement: preamble and general provisions, nuclear, sanctions, implementation plan and dispute

³ For the purposes of the JCPOA and this Information Note, the term 'multilateral sanctions' is meant to cover EU restrictive measures.

⁴ UN Security Council resolution 2231 (2015), adopted by the Security Council on 20 July 2015.

resolution mechanism and is supplemented with five Annexes.⁵ For this Information Note Annex II (Sanctions) and Annex V (Implementation Plan) are essential: Annex II stipulates exactly which sanctions will be lifted and Annex V describes the timing of the implementation of the JCPOA and points out on which event/moment in time the lifting of sanctions will occur.

Annex IV is devoted to the role of the Joint Commission established to monitor the implementation of the JCPOA and to carry out the functions as provided for in the JCPOA. The Joint Commission will also address issues arising from the implementation of the JCPOA. On the basis of Annex IV a Procurement Working Group and a Working Group on the Implementation of Sanctions Lifting were established. The High Representative acts as the coordinator of the Joint Commission and of both working groups.

The International Atomic Energy Agency (IAEA) has an essential and independent role and is requested to monitor and verify the implementation of the voluntary nuclear-related measures as detailed in the JCPOA. The IAEA will provide regular updates to the Board of Governors and the UN Security Council.

⁵ Annex I: Nuclear-related measures, Annex II: Sanctions-related commitments, Annex III: Civil Nuclear Cooperation, Annex IV: Joint Commission and Annex V: Implementation Plan.

2. Timelines

Annex V of the JCPOA contains the Implementation plan describing the sequence and the steps to be carried out under the provisions of the JCPOA. There are five main events to distinguish in this process: Finalisation Day, Adoption Day, Implementation Day, Transition Day and UN Security Council resolution Termination Day.

2.1. Finalisation Day

This event took place on 14 July 2015 when the negotiations on the JCPOA were successfully concluded and endorsed by E3/EU+3 and Iran. Following this event the UN Security Council adopted Resolution 2231(2015) on 20 July 2015. The Council of the European Union expressed its full support for UN Security Council resolution 2231(2015) on the same day with the adoption of Conclusions.⁶

2.2. Adoption Day

On Adoption Day, which occurred on 18 October 2015, the JCPOA came into effect. Iran started the implementation of its nuclear-related commitments. The European Union and the United States began to make the necessary preparations for the lifting of nuclear-related sanctions as laid down in the JCPOA.

The European Union adopted the necessary legal acts to lift all EU economic and financial sanctions taken in connection with the Iranian nuclear programme⁷ as laid down in the JCPOA.⁸ The EU legislative package adopted on 18 October 2015 only came into effect on Implementation Day (16 January 2016).⁹

⁶ http://www.consilium.europa.eu/en/press/press-releases/2015/07/20-fac-iran/

⁷ More information on EU legal acts is to be found in Section 4 on the legislative framework.

⁸ As specified in section 16.1 of Annex V of the JCPOA.

⁹ More information on EU legal acts is to be found in Section 4 on the legislative framework.

2.3. Implementation Day

Implementation Day occurred on 16 January 2016, the day on which the IAEA verified the implementation by Iran of the nuclear-related measures¹⁰ and simultaneously, the E3/EU+3 took the actions¹¹ to which they have committed under the JCPOA.

On Implementation Day, the Director-General of the IAEA presented a report to the IAEA Board of Governors and to the United Nations Security Council which confirmed that Iran had taken the measures specified in paragraphs 15.1 to 15.11 of Annex V to the JCPOA, EU economic and financial sanctions taken in connection with the Iranian nuclear programme¹² were lifted. On that same day, the European Union published in the Official Journal of the European Union a legal act and related notice intended exclusively to confirm that the legislation adopted on Adoption Day should apply.¹³ The details of the sanctions lifted are described in section 4 of this Information Note.

On Implementation Day, the limited sanctions relief provided to Iran under the 2013-interim agreement (JPOA)¹⁴ was superseded by the lifting of all economic and financial sanctions taken in connection with the Iranian nuclear programme in accordance with the JCPOA.

2.4. Transition Day

Transition Day is in 8 years after Adoption Day (18 October 2023) or at an earlier moment based 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 concluded that all nuclear material in Iran remains in peaceful activities (Broader Conclusion). On this day, the EU will lift proliferation–related sanctions¹⁵, including arms and missile technology sanctions

¹⁰ As specified in paragraph 15 of Annex V of the JCPOA.

¹¹ As specified in paragraph 16 and 17 of Annex V of the JCPOA.

¹² As specified in Sections 16.1 -16.4 of Annex V of the JCPOA.

¹³ Official Journal of the European Union L 274, 18.10.2015, p.1, see Article 2 of Decision (EU) 1863/2015.

¹⁴ As part of the Joint Plan of Action the EU suspended on 20 January 2014 sanctions on petrochemicals, gold and precious metals, the prohibitions on the provision of insurance and transport in relation to Iranian crude oil sales as well as vessels. The thresholds for authorising financial transfers to and from Iran were increased.

¹⁵ As specified in sections 20.1-20.4 of Annex V of the JCPOA.

and related designations. All provisions in Council Decision 2010/413/CFSP suspended on Implementation Day will be terminated on Transition Day.

2.5. UN Security Council resolution Termination Day

UN Security Council resolution Termination Day will occur 10 years from Adoption Day. On Termination Day all the provisions of UN Security Council resolution 2231(2015) will terminate and the UN Security Council will conclude consideration of the Iranian nuclear issue; the EU will lift all remaining nuclear-related restrictions and terminate the legal acts.¹⁶

2.6. Dispute Resolution Mechanism

The JCPOA provides for a consultation process if one of the participants in the JCPOA believes that the agreed commitments have not been met. The participants in the JCPOA will try to resolve the issue according to the procedures set out in the JCPOA.¹⁷ If at the end of the process the issue still has not been resolved to the satisfaction of the complaining participant and that participant deems the issue to constitute significant non-performance of the obligations under the JCPOA, it can notify the UN Security Council thereof.

The UN Security Council will – in accordance with its procedures – vote on a resolution to continue the sanctions lifting. If this resolution is not adopted within 30 days of the notification, then the provisions of the relevant UN Security Council resolutions¹⁸ will be re-imposed ("snapback"), unless the UN Security Council decides otherwise.

In the event of a reintroduction of measures, paragraph 37 of the JCPOA and paragraph 14 of UN Security Council resolution 2231 (2015) stipulates that the application of UN Security Council provisions will "not apply with retroactive effect to contracts signed between any party and Iran or Iranian individuals and entities prior to the date of the application, provided that the activities contemplated under and execution of such contracts are consistent with the JCPOA and the previous and current UN Security Council resolutions."

¹⁶ These restrictions include the procurement channel as described in section 5.2 of this Note.

¹⁷ As specified in paragraph 36 and 37 of the JCPOA.

¹⁸ UN Security Council resolutions 1696(2006), 1737(2006), 1747(2007), 1803(2008), 1835(2008), 1929(2010) and 2224(2015).

Referring to the provisions of the JCPOA¹⁹, it should be noted that all parties to the JCPOA are determined to avoid any behaviour which could be qualified as non-performance and to avoid a re-imposition of sanctions by engaging in the Dispute Resolution Mechanism.

• Reintroduction of EU sanctions ("EU snapback")

In the event of a significant non-performance by Iran of its commitments under the JCPOA and after having exhausted all recourse possibilities under the Dispute Resolution Mechanism, the European Union will reintroduce the lifted EU sanctions ("EU snapback"). An "EU snapback" will take the form of a decision by the Council of the European Union, based on a recommendation by the High Representative of the European Union for Foreign Affairs and Security Policy, France, Germany and the United Kingdom. Such a decision will reintroduce all the EU sanctions taken in connection with the Iranian nuclear programme that have been suspended and/or terminated consistent with Council declaration of 18 October 2015²⁰ and in accordance with regular EU procedures for the adoption of restrictive measures.

Sanctions will not apply with retroactive effect. In the event of the reintroduction of EU sanctions, the execution of contracts concluded in accordance with the JCPOA while sanctions relief was in force will be permitted consistent with previous provisions when sanctions were originally imposed, in order to allow companies to wind down their activities.²¹ Details about the period of time allowed for the execution of prior contracts will be specified in the legal acts providing for the reintroduction of EU sanctions.

For example, the reintroduction of sanctions on investment activities would not retroactively penalise investment made before the date of snapback, and the execution of investment contracts concluded before the reintroduction of sanctions will be permitted consistent with previous provisions when sanctions were originally imposed.

Contracts that were permitted when the sanctions regime was still in place will not be targeted by the reintroduction of sanctions.

¹⁹ See paragraph 28 of the JCPOA.

²⁰ Official Journal of the European Union C 345/01, Pb C 345, 18.10.2015, p 1.

²¹ Activities allowed while sanctions relief was in force, as further detailed in Section 3 of this Information Note.

3. Description of sanctions lifted on Implementation Day

3.1. Sanctions lifted by the European Union on Implementation Day

On Implementation Day (16 January 2016), the EU lifted all its economic and financial sanctions²² taken in connection with the Iranian nuclear programme. As a consequence of the lifting of these sanctions, the following activities, including associated services, are allowed as of Implementation Day.²³

• Financial, banking and insurance measures

The prohibition of financial transfers to and from Iran (including the notification and authorisation regimes) is lifted. Consequently, transfers of funds between EU persons, entities or bodies, including EU financial and credit institutions, and non-listed Iranian persons, entities or bodies, including Iranian financial and credit institutions²⁴, are permitted as of Implementation Day and the requirements for authorisation or notification of transfers of funds are no longer applicable.

Banking activities, such as the establishment of new correspondent banking relationships and the opening of branches, subsidiaries or representative offices of non-listed Iranian banks in Member States are permitted. Non-listed Iranian financial and credit institutions are also allowed to acquire or extend participation, or to acquire any other ownership interest in EU financial and credit institutions. EU financial and credit institutions are allowed to open representative offices or to establish branch or subsidiaries in Iran; to establish joint ventures and open bank accounts with Iranian financial or credit institutions.

The supply of specialised financial messaging services, including SWIFT, is allowed for Iranian natural or legal persons, entities or bodies, including Iranian financial institutions and

²² As specified in Sections 16.1 -16.4 of Annex V of the JCPOA.

 $^{^{23}}$ For the exact details of the permitted activities reference is made to Annex II of the JCPOA. This section describes permitted activities following the lifting of sanctions on Implementation Day (*16 January 2016*). It does not cover other activities that were permissible while the sanctions regime was in place and thus continue to be permitted after Implementation Day.

²⁴ With the exception of Iranian natural or legal persons, entities of bodies, including financial and credit institutions still subject to restrictive measures after Implementation Day, as set out in Attachment 2 to Annex II of the JCPOA.

the Central Bank of Iran that are no longer subject to restrictive measures as of Implementation Day.²⁵

The provision of financial support for trade with Iran such as export credit, guarantees or insurance is permitted as of Implementation Day. The same applies for commitments for grants, financial assistance and concessional loans to the Government of Iran. Other allowed activities in this context are provision of insurance and reinsurance to Iran and transactions in public or public-guaranteed bonds with Iran.

• Oil, gas and petrochemical sectors

Import, purchase, swap and transport of crude oil and petroleum products, gas and petrochemical products from Iran is allowed as of Implementation Day. EU persons are able to export equipment or technology, and provide 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. Investing in the Iranian oil, gas and petrochemical sectors, by the 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 is permitted as of Implementation Day.

• Shipping, shipbuilding and transport sectors

Sanctions related to shipping and shipbuilding sectors and certain sanctions related to the transport sector, including the provision of associated services to these sectors, are lifted on Implementation Day.

Consequently, the following activities are allowed: 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

²⁵ Persons and entities as set out in Attachment 1 to Annex II of the JCPOA.

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.

All cargo flights operated by Iranian carriers or originating from Iran have access to the airports under the jurisdiction of EU Member States.

Inspection, seizure and disposal by EU Member States of cargoes to and from Iran in their territories no longer apply with regard to items which are no longer prohibited.

Provision of bunkering or ship supply services, or any other servicing of vessels, to Iranianowned or Iranian-contracted vessels not carrying prohibited items is allowed; and the provision of fuel, engineering and maintenance services to Iranian cargo aircraft not carrying prohibited items is permitted.

• Gold, other precious metals, banknotes and coinage

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 is allowed.

Delivery of newly printed or minted banknotes and coinage for the Central Bank of Iran is permitted.

• Metals

Sale, supply, transfer or export of certain graphite and raw or semi-finished metals to any Iranian person, entity or body or for use in Iran is no longer prohibited but subject to an authorisation regime as of Implementation Day.²⁶

• Software

Sale, supply, transfer or export of Enterprise Resource Planning software, including updates, to any Iranian person, entity or body, or for use in Iran, in connection with activities

 $^{^{26}}$ For details on the authorisation regime and the list of goods subject to it, see section 5.2 on the sanctions that remain in place after Implementation Day.

consistent with the JCPOA is no longer prohibited but subject to an authorisation regime as of Implementation Day if the software is designed specifically for use in nuclear and military industries.²⁷

• De-listing of persons, entities and bodies

As of Implementation Day, certain persons, entities and bodies are delisted and consequently no longer subject to the asset freeze, prohibition to make funds available and visa ban. This covers UN listings and EU autonomous listings. For more information on the persons and entities that are delisted it is advised to consult Council Implementing Regulation (EU) 2015/1862 of 18 October 2015 and Council Implementing Regulation (EU) 2016/74 of 22 January 2016, implementing Regulation (EU) 267/2012 concerning restrictive measures against Iran.²⁸

3.2. U.S. Sanctions

For the details and consequences of the lifting of sanctions in the U.S. it is recommended to consult the U.S. Guidelines with Respect to the Lifting of Sanctions on Implementation Day under the Joint Comprehensive Plan of Action (JCPOA) between the E3/EU+3 and the Islamic Republic of Iran and the FAQs.²⁹

²⁷ For details on the authorisation regime, see section 5.2 on the sanctions that remain in place after Implementation Day.

²⁸ See also section 4 on EU legislative framework.

²⁹ https://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx.

4. Legal framework

This section contains an overview of the relevant legal framework implementing the lifting³⁰ of sanctions as specified in the JCPOA.

4.1. UN Security Council resolution 2231(2015)

UN Security Council resolution 2231(2015) was adopted on 20 July 2015. It endorsed the JCPOA, urged its full implementation on the timetable established in the JCPOA³¹, and defined the schedule and commitments to be undertaken by all parties to lead to the termination of UN sanctions against Iran.

- On Implementation Day (16 January 2016), all provisions of previous UN Security Council resolutions³² on the Iranian nuclear issue were terminated, subject to reimposition in the event of significant non-performance by Iran of JCPOA commitments, and specific restrictions, including restrictions regarding the transfer of proliferation sensitive goods, apply.
- On UN Security Council resolution Termination Day, all the provisions of UN Security Council resolution 2231(2015) will terminate and the UN Security Council will conclude its consideration of the Iranian nuclear issue and the item will be removed from the list of matters of which the Council is seized.

4.2. EU legislative framework

It is through the adoption of legal acts providing the legislative framework for the lifting of EU sanctions that the European Union implements UN Security Council resolution 2231(2015) in accordance with the JCPOA. Although the lifting of the abovementioned sanctions took effect on Implementation Day (16 January 2016), the EU committed under the JCPOA to prepare and adopt the necessary legislation on Adoption Day (18 October 2015), but with delayed application.

³⁰ In the present Information Note the "lifting" of restrictive measures refers equally to the suspension and implementation of those measures, as appropriate.

³¹ Annex V of the JCPOA.

³² UN Security Council resolutions 1696(2006), 1737(2006), 1747(2007), 1803(2008), 1835(2008), 1929(2010) and 2224(2015).

The restrictive measures lifted in accordance with the JCPOA are those that have been imposed by the European Union in relation to Iran nuclear-related activities as set out in Council Decision 2010/413/CFSP³³ and Council Regulation (EU) 267/2012³⁴. The implementation of UN Security Council resolution 2231(2015) in accordance with the JCPOA is mainly³⁵ accomplished through the following EU legal acts:

Council Decision (CFSP) 2015/1863 of 18 October 2015 amending Council Decision 2010/413/CFSP concerning restrictive measures against Iran³⁶

This Decision provides for the suspension of the articles of Council Decision 2010/413/CFSP concerning all EU economic and financial sanctions as specified in the JCPOA simultaneously with the implementation by Iran, and verified by the IAEA, of the agreed nuclear measures. The Decision also suspends the application of asset freeze (including the prohibition to make funds and economic resources available) and visa ban measures for persons and entities as specified in the JCPOA. Furthermore, this Decision also introduces an authorisation regime for reviewing and deciding on certain nuclear-related transfers and transfers of certain metals and software. The Decision is implemented by two Regulations (see below), which are directly applicable in all Member States.

Council Regulation (EU) 2015/1861 of 18 October 2015 amending Regulation (EU) 267/2012 concerning restrictive measures against Iran³⁷

This Regulation provides for the deletion of the corresponding articles of Council Regulation (EU) 267/2012 concerning all EU economic and financial sanctions as specified in the JCPOA, simultaneously with the implementation by Iran, of the agreed nuclear measures and verified by the IAEA (16 January 2016). Furthermore, this Regulation also implements the prior authorisation regime for reviewing and deciding on certain nuclear-related transfers and

³³ Official Journal of the European Union L 195, 27.07.2010, p.39 (<u>http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L .2010.195.01.0039.01.ENG</u>)

³⁴ Official Journal of the European Union L 88, 24.03.2012, p.1.

³⁵ Referring to the sanctions to be lifted on Implementation Day (*16 January 2016*). The lifting of remaining sanctions on Transition Day will require separate EU legal acts, see paragraph 2.4.

³⁶ Official Journal of the European Union L 274, 18.10.2015, p.174.

³⁷ Official Journal of the European Union L 274, 18.10.2015, p.1.

transfers of certain metals and software. Council Regulation (EU) 2015/1861 also implements provisions on the proliferation-related prohibitions, like missile technology sanctions, that remain in force.

Council Regulation (EU) 2015/1861 is binding in its entirety and directly applicable in all EU Member States.³⁸

 Council Implementing Regulation (EU) 2015/1862 of 18 October 2015 implementing Regulation (EU) 267/2012 concerning restrictive measures against Iran³⁹

This Regulation implements Council Decision (CFSP) 2015/1863 in so far as it lifts the restrictive measures applying to individuals and entities set out in Annexes V (UN listings) and VI (autonomous listings) to Decision 2010/413/CFSP simultaneously with the IAEA-verified implementation by Iran of agreed nuclear-related measures. These individuals and entities are removed from the list of persons and entities subject to restrictive measures, set out in Annexes VIII (UN listings) and IX (autonomous listings) to Regulation (EU) 267/2012 simultaneously with the IAEA-verified implementation by Iran of agreed nuclear-related measures (16 January 2016).

- Council Decision (CFSP) 2016/37 of 16 January 2016 concerning the date of application of Decision (CFSP) 2015/1863 amending Decision 2010/413/CFSP concerning restrictive measures against Iran⁴⁰
- Notice: Information concerning the date of application of Council Regulation (EU) 2015/1861 of 18 October 2015 amending Regulation (EU) 267/2012 concerning restrictive measures against Iran and Council Implementing Regulation (EU) 2015/1862 of 18 October 2015 implementing Regulation (EU) 267/2012 concerning restrictive measures against Iran⁴¹

³⁸ See Article 2 of Regulation (EU) 2015/1861. Declaration No 17 attached to the EU Treaties provides that: "in accordance with well-settled case law of the Court of Justice of the EU, the treaties and the law adopted by the Union on the basis of the Treaties have primacy over the law of the Member States (...)".

³⁹ Official Journal of the European Union L 274, 18.10.2015, p.161.

⁴⁰ Official Journal of the European Union L 11I, 16.01.2016, p.1.

⁴¹ Official Journal of the European Union C 15I, 16.01.2016, p.1.

When the Council of the EU noted that the Director-General of the IAEA had presented a report to the IAEA Board of Governors and to the United Nations Security Council which confirmed that Iran had taken the measures specified in JCPOA, the Council Decision, Regulation and Implementing Regulation lifting all EU economic and financial sanctions came into effect on the same day. A legal act and related notice intended exclusively to confirm that the legislation adopted on Adoption Day⁴² shall apply were published in the Official Journal of the European Union⁴³.

Finally, the Council of the EU issued a Statement⁴⁴ noting that the commitment to lift all EU nuclear-related sanctions is without prejudice to the dispute resolution mechanism specified in the JCPOA and to the reintroduction of EU sanctions in the case of significant non-performance by Iran of its commitments under the JCPOA. However, all parties involved in the JCPOA process will engage in ensuring that the JCPOA is successfully implemented and sustained.

 Council Implementing Decision (CFSP) 2016/78 of 22 January 2016 implementing Decision 2010/413/CFSP concerning restrictive measures against Iran⁴⁵

This Decision suspended the application of the asset freeze (including the prohibition to make funds and economic resources available) for two entities which had been delisted by the UN Security Council on 17 January 2016.

 Council Implementing Regulation (EU) 2016/74 of 22 January 2016 implementing Regulation (EU) 267/2012 concerning restrictive measures against Iran⁴⁶

This Regulation implements Council Implementing Decision (CFSP) 2016/78 by lifting the asset freeze measures applying to two entities following a decision by the UN Security Council to delist them on 17 January 2016.

⁴² Official Journal of the European Union L 274, 18.10.2015, p.1.

⁴³ See Article 2 of Council Decision (CFSP) 2015/1863 of 18 October 2015.

 $^{^{\}rm 44}$ Official Journal of the European Union C 345/01, Pb C 345, 18.10.2015, p 1.

⁴⁵ Official Journal of the European Union L 16, 23.1.2016, p.25.

⁴⁶ Official Journal of the European Union L 16, 23.01.2016, p.6.

 Commission Implementing Regulation (EU) 2016/1375 of 29 July 2016 amending Council Regulation (EU) 267/2012 concerning restrictive measures against Iran⁴⁷

This Regulation facilitates the implementation of Regulation (EU) No 267/2012 by allowing a better identification of the items listed in Annexes I and III of Regulation (EU) 267/2012 by reference to existing identifying codes as applied under Annex I to Council Regulation (EC) No 428/2009. It also introduces certain technical amendments in Annex VIIB.

Council Decision (CFSP) 2017/974 of 8 June 2017 amending Decision 2010/413/CFSP concerning restrictive measures against Iran⁴⁸

This Decision addresses two practical difficulties encountered in the implementation of the JCPOA related to:

i.) End-use verification

In accordance with Council Decision 2017/974 it is no longer required to obtain from Iran the right to verify the end-use and end-use location for exports to Iran of items on Annex II of Regulation 267/2012, as amended. This Decision replaces the previous requirement⁴⁹, with an obligation that Member States should obtain information on the end-use and end-use location of any supplied item. The Regulation provides further details in that regard (see below).

ii.) Prior approval by the Joint Commission of certain imports from Iran into EU Member States

This amendment removes the requirement⁵⁰ that the procurement from Iran of, inter alia, items contained in Annex I to Regulation 267/2012, as amended, should be subject to prior approval by the Joint Commission. Instead the revised legislation now stipulates that such procurement must only be notified to the Joint Commission and therefore no prior approval is required. National competent authorities are still required to grant prior approval.

⁴⁷ Official Journal of the European Union L 221, 16.8.2016, p.1.

⁴⁸ Official Journal of the European Union L 146, 9.6.2017, p.143.

⁴⁹ See Article 26d, paragraphs (3) and (5)(f), together with Article 26d(1) of Decision 2010/413/CFSP.

⁵⁰ See Article 26c (7) in combination with Article 26c (1) (a) of Decision 2010/413/CFSP.

This amendment does not affect Iran's obligations to obtain prior approval by the Joint Commission for a period of 15 years for the "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 " as provided by the JCPOA⁵¹.

 Council Regulation (EU) 2017/964 of 8 June 2017 amending Regulation No 267/2012 concerning restrictive measures against Iran⁵².

Council Regulation (EU) 2017/964 further explains the amendments made by Council Decision (CFSP) 2017/974⁵³. In particular, with regard to the end-use verification of items listed in Annex II exported to Iran, the Regulation provides that it shall be made by means of an end-use certificate provided to the national competent authorities by the exporter, containing inter alia information on the end-use and, as a basic principle, end-use location of the exported items and the commitment by the importer that it will only use the goods in question for peaceful purposes. An EU template, based on the existing template used for dual-use goods exports under Regulation 428/2009, is contained in Annex IIa. However, competent authorities can also accept equivalent documents.

The amendments concerning notification to the Joint Commission of the procurement of items listed in Annex I are contained in Article 2a, paragraph 5.

⁵¹ As specified in paragraph 73 of Annex I of the JCPOA .

⁵² Official Journal of the European Union L 146, 9.6.2017, p.1.

⁵³ See Articles 3a, paragraphs 6 and 6a; 3c, paragraphs 2 and 2a; and 3d, paragraphs 2(b) and 2a, of Regulation (EU) 267/2012 for the end-use verification; and Article 2a, paragraph 5 for the notification to the Joint Commission.

5. Proliferation-related sanctions and restrictions remaining in place after

Implementation Day

This section describes the proliferation-related sanctions and restrictions that remain in place after Implementation Day (16 January 2016). These concern the arms embargo, sanctions related to missile technology, restrictions on certain nuclear-related transfers and activities, provisions concerning certain metals and software which are subject to an authorisation regime, as well as related listings which remain in force after Implementation Day.

Measures concerning inspection of cargoes to and from Iran and those related to the provision of bunkering or ship supply services continue to apply after Implementation Day in relation to items which continue to be prohibited.

5.1. Proliferation-related sanctions

• Arms embargo

A prohibition to sell, supply, or transfer, directly or indirectly, or procure arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, paramilitary equipment and spare parts for such arms and related materiel; and the provision of associated services continues to apply after Implementation Day. The EU arms embargo covers all goods included in the EU common military list.⁵⁴

The EU arms embargo stays in place until Transition Day.⁵⁵

• Missile technology sanctions

A prohibition to sell, supply, transfer, export or procure, directly or indirectly, the goods and technology listed in Annex III to Council Regulation (EU) 267/2012 concerning restrictive measures against Iran, as modified by subsequent regulations, including Council Regulation 2015/1861⁵⁶ (hereafter: Council Regulation 267/2012 (as amended)), and any other item that the Member State determines that could contribute to the development of nuclear weapon delivery systems, and the provision of associated services continues to apply. Annex III lists

⁵⁴ Link to the UE CML.

⁵⁵ As specified in Annex V, paragraph 20.1, of the JCPOA.

⁵⁶ Official Journal of the European Union L 274, 18.10.2015, p.15.

all goods and technology contained in the Missile Technology Control Regime list. For more information on the Missile Technology Control Regime lists, it is recommended to consult the Guidelines of the Missile Technology Control Regime.⁵⁷

It is to be noted that in case an item whose specific technical characteristics or specifications fall within the categories covered by both Annex I and Annex III to Council Regulation 267/2012 (as amended), the item is considered to fall within Annex III, meaning that a prohibition always applies in this situation.⁵⁸

EU missile technology sanctions stay in place until Transition Day.⁵⁹

• Remaining individuals and entities subject to restrictive measures

Certain persons and entities (UN and EU listings) remain subject to an asset freeze, visa ban and prohibition on the provision of specialised financial messaging services (SWIFT) until Transition Day.⁶⁰

5.2. Proliferation-related restrictions (authorisation regimes including the Procurement Channel)

• Nuclear transfers and activities

As of Implementation Day, proliferation-sensitive transfers and activities concerning certain goods and technology, including associated services, such as technical and financial assistance and related investments are subject to prior authorisation to be granted on a case-by-case basis by the competent authorities of the Member State.⁶¹

The lists of goods and technology subject to prior authorisation are to be found in Annexes I and II to Council Regulation 267/2012 (as amended).

⁵⁷ http://www.mtcr.info/english/guidelines.html

⁵⁸ According to the introductory note in Annex I to Council Regulation 2015/1861.

⁵⁹ As specified in Annex V, paragraph 20.1, of the JCPOA.

⁶⁰ Persons and entities as set out in Annexes VIII (UN listings) and IX (autonomous listings) to Regulation (EU) 267/2012.

⁶¹ Competent authorities of each Member Sate are identified in Annex X to Council Regulation 267/2012 concerning restrictive measures against Iran.

Annex I contains the goods and technology listed in the Nuclear Suppliers Group lists. For more information on the Nuclear Suppliers Group list, it is recommended to consult the Guidelines for Nuclear Transfers of the Nuclear Supplier Group.⁶²

In the case of goods and technology listed in Annex I, any transfer or related activity falls within the procurement channel as described in the JCPOA⁶³ and UN Security Council resolution $2231(2015)^{64}$. Consequently, the national competent authority will have to submit a request for authorisation to the UN Security Council. The Procurement Working Group of the Joint Commission will make a recommendation to the UN Security Council on every request for authorisation. Each E3+3 State and Iran participate in the Procurement Working Group and the High Representative serves as the Coordinator.

For more information on the functioning of the Procurement Working Group, it is recommended to consult the Procurement Working Group guidelines.⁶⁵

Another group of goods and technology subject to prior authorisation on a case-by-case basis by the competent authorities of Member States is listed in Annex II to Council Regulation 267/2012 (as amended). Annex II contains other dual-use goods and technology that could contribute to reprocessing, enrichment-related, heavy water-related or other activities inconsistent with the JCPOA. In this case the authorisation is granted by the national competent authority only in accordance with the EU legal framework.

• Metals and Software

The sale, supply transfer or export of Enterprise Resource Planning software, designed specifically for use in nuclear and military industries, as described in Annex VIIA to Council Regulation 267/2012 (as amended), and the provision of associated services is subject to prior

⁶² http://www.nuclearsuppliersgroup.org/en/guidelines

⁶³ Annex IV of the JCPOA.

⁶⁴ Exceptions may apply in relation to certain goods for light-water reactors or in respect of transactions necessary to implement Iran's nuclear-related commitments specified in the JCPOA or required for the preparation for the implementation of the JCPOA. For further details, consult Council Regulation 267/2012 (as amended).

⁶⁵ http://www.un.org/en/sc/2231/proliferation-nuclear-activities.shtml

authorisation to be granted on a case-by-case basis by the competent authorities of the Member State.⁶⁶

The sale, supply, transfer or export of certain graphite and raw or semi-finished metals and the provision of associated services is subject to prior authorisation to be granted on a case-by-case basis by the competent authorities of the Member State.⁶⁷ The list of goods covered by this restriction can be found in Annex VIIB to Council Regulation 267/2012 (as amended).

⁶⁶ Competent authorities of each Member Sate are identified in Annex X to Council Regulation 267/2012 concerning restrictive measures against Iran.

⁶⁷ Competent authorities of each Member Sate are identified in Annex X to Council Regulation 267/2012 concerning restrictive measures against Iran.

6. Non-nuclear proliferation-related sanctions and restrictive measures

Sanctions imposed by the EU in view of the human rights situation in Iran, support for terrorism and other grounds are not part of the JCPOA, and remain in place.

Measures adopted by the EU in relation to concerns on human rights violations include an asset freeze and visa ban on 82 persons and one entity responsible for grave human rights violations, as well as a ban on exports to Iran of equipment which might be used for internal repression and of equipment for monitoring telecommunications.⁶⁸

Iranian persons who are also listed under EU terrorism and Syria sanctions regimes (or any other EU sanctions regime)⁶⁹ continue to be subject to restrictive measures under these regimes which are outside the scope of the JCPOA.

⁶⁸ Please consult Annexes III and IV to Council Regulation (EU) 359/2011 of 12 April 2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Iran as subsequently amended..

⁶⁹ EU measures to combat terrorism: Common Position 2001/931 and Council Regulation (EC) 2580/2001.

Sanctions regime in view of the situation in Syria: Council Decision 2013/255/CFSP and Council Regulation (EU) 36/2012.

7. Questions and Answers

This section contains a description of practical issues raised by EU Member States or third States and the business community. The aim of this section is to serve as a practical tool on the implementation of the JCPOA and the uniform application of the aforementioned legal acts within the EU. Therefore, this section could be updated in light of experience on the implementation of the JCPOA and relevant legal acts. The questions are divided by main categories.

General questions

1. When is Implementation Day scheduled to occur according to the JCPOA?

Implementation Day occurred on 16 January 2016 when the IAEA verified the implementation by Iran of the nuclear-related measures as described in the relevant paragraphs of the JCPOA, and simultaneously the E3/EU+3 lifted sanctions as described in the relevant paragraphs of the JCPOA.

2. What sanctions were lifted on Implementation Day and is there a list of the sanctions that were lifted?

On Implementation Day (16 January 2016), the EU lifted all its economic and financial sanctions taken in connection with the Iranian nuclear programme. Details on sanctions which were lifted on Implementation Day are to be found in section 3 of this Information Note.

3. What sanctions remain in place on Implementation Day?

Proliferation-related sanctions which remain in place are described in section 5 of this Information Note. Restrictive measures not related to nuclear issues or proliferation, such as those related to human rights and support for terrorism, as described in section 6 of this Information Note, remain in place as they are not covered by the JCPOA.

4. What exports to Iran are permitted?

As of Implementation Day (16 January 2016), all exports to Iran are permitted, with the following exceptions:

- <u>Prior authorisation</u> to be granted on a case-by-case basis by the competent authority of the relevant Member State is needed for the export of goods and technology in Annexes I, II, VIIA and VIIB to Council Regulation 267/2012, as modified by subsequent regulations, including Council Regulation 2015/1861;
- A prohibition is maintained on the export of arms as detailed in the EU Common Military List and missiles-related goods and technology as detailed in Annex III (Missile Technology Control Regime list) to Council Regulation 267/2012 concerning restrictive measures against Iran, as modified by subsequent regulations, including Council Regulation 2015/1861;
- In addition, it remains prohibited under the Iran human rights sanctions regime to export equipment which might be used for internal repression and equipment for monitoring telecommunications since this is outside the scope of the JCPOA;
- Finally, any export to or for the benefit of any person or entity listed under any EU sanctions regime shall remain prohibited (prohibition to make economic resources available to listed persons or entities)
- 5. Are there any export control rules that apply to exports to third countries?

Any export control rules that apply independently from the sanctions taken in connection with the Iranian nuclear programme continue to apply. Any such controls apply to exports to any country outside the EU. In addition, goods and technology in Annexes I, II, VIIA and VIIB to Council Regulation 267/2012, as modified by subsequent regulations, including Council Regulation 2015/1861 are subject to specific authorisation regimes if they are for an Iranian person, entity or body in or outside Iran.

6. What does the term "associated services" mean when used in Annex II of the JCPOA?

For the purposes of Annex II of the JCPOA 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 the JCPOA.⁷⁰ It is noted that the EU legal acts provide further clarity regarding the scope of lifting of sanctions on associated services for each measure.

7. Does the lifting of sanctions also include the lifting of restrictions currently in place on Iranian students?

As of Implementation Day (16 January 2016), Member States are no longer under a UN or EU imposed obligation to prevent specialised teaching or training of Iranian nationals of disciplines which would contribute to Iran's proliferationsensitive nuclear activities and development of nuclear weapon delivery systems.⁷¹ However, other international obligations and commitments including UN Security Council resolution 1540 and commitments of Member States under the international export control regimes concerning intangible transfer of controlled technology related to Weapons of Mass Destruction proliferation as well as nonassistance obligations under the Chemical Weapons Convention and Biological Weapons Convention continue to apply. Member States may also have additional national approval schemes that remain in place.

8. What will happen if Iran does not comply with the provisions of the JCPOA?

If Iran or the E3/EU+3 believes that the commitments under the JCPOA are not met, the issue could be referred to the Joint Commission. The Joint Commission would try to solve the issue through the dispute resolution mechanism described in the JCPOA. If at the end of the process the complaining participant believes the issue still has not been resolved to its satisfaction, and if the complaining

⁷⁰ Footnote 3 in Annex II of the JCPOA.

⁷¹ Annex II, paragraph 1.5.1, of the JCPOA.

participant deems the issue to constitute significant non-performance, it can notify the UN Security Council that it believes the issue constitutes significant nonperformance of the obligations under the JCPOA. The UN Security Council will vote on a resolution to continue the sanctions lifting and if this resolution has not been adopted within 30 days of the notification, then the provisions of the old UN Security Council resolutions⁷² will be re-imposed, unless the UN Security Council decides otherwise.

In such an event, the European Union, following the necessary Council decision, will reintroduce ("snapback") EU sanctions taken in connection with the Iranian nuclear programme that have been suspended and/or terminated.

9. Is it possible that new sanctions on Iran will be introduced by the UN/EU/U.S.?

The EU and the U.S. will refrain from re-introducing or re-imposing sanctions that have been lifted under the JCPOA or from imposing new nuclear-related sanctions, without prejudice to the dispute resolution process provided for under the JCPOA. There will be no new nuclear-related UN Security Council sanctions, without prejudice to the dispute resolution process provided for under the JCPOA.

10. What kind of support is established for evaluating and determining if an activity is consistent with the JCPOA?

The Joint Commission consisting of the E3/EU+3 and Iran is established to monitor the implementation of the JCPOA and carries out the functions specified in Annex IV of the JCPOA.⁷³

For the review and recommendations on proposals for nuclear-related transfers to or activities with Iran the Joint Commission is assisted by the Procurement Working Group. As regards the lifting of sanctions the Joint Commission is assisted by a Working Group on Implementation of Sanctions Lifting. The High

⁷² UN Security Council resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010) and 2224 (2015).

⁷³ Annex IV, paragraph 2.1.1 to 2.1.16, of the JCPOA.

Representative serves as the coordinator of the Joint Commission and both working groups.

Financial, banking and insurance measures

11. Is it permissible to access financial and banking services in Iran?

The restrictions on accessing financial and banking services in Iran (as contained in EU Council Decision 2010/413/CFSP and Council Regulation 267/2012) are lifted as of Implementation Day (16 January 2016).

12. Does the lifting of measures on banking allow the reopening of correspondent banking accounts?

As of Implementation Day (16 January 2016), banking activities including the establishment of new correspondent banking relationships with Iranian banks are allowed, provided that the Iranian financial institution is not a listed entity.

13. Can an EU person or entity use any Iranian bank for its business and engage in banking transactions? Or are there still Iranian banks listed?

Certain Iranian banks remain listed (Ansar Bank and Mehr Bank). Hence, due diligence should be performed to ensure that the Iranian bank is not listed as activities and transactions with these banks remain prohibited. Banking transactions or relationships with non-listed Iranian banks are permissible.

14. Is there any limitation to opening a new bank account or entering into a correspondent banking relationship with non-listed financial institutions domiciled in Iran or their branches or subsidiaries?

All restrictive measures concerning financial, banking and insurance measures are lifted and, as of Implementation Day (16 January 2016), it is permissible to open a new bank account or to enter into correspondent banking relationships with credit or financial institutions domiciled in Iran (or their branches or subsidiaries), provided that they are not listed.

15. Is there any limitation to opening branches, subsidiaries or representative offices of Iranian banks in EU Member States or of European banks in Iran?

As of Implementation Day (16 January 2016), non-listed Iranian banks are allowed to open branches, subsidiaries or representative offices in EU Member States. EU financial institutions are then permitted to open branches, subsidiaries or representative offices in Iran.

16. What sanctions on the Central Bank of Iran (CBI) and other listed Iranian financial institutions will remain?

The CBI and certain other listed Iranian financial institutions were delisted and therefore sanctions related to these entities are no longer applicable.

17. Is there any limitation for the Central Bank of Iran (CBI) to access its funds and economic resources?

The CBI was delisted on Implementation Day (16 January 2016), hence sanctions related to this entity are no longer applicable as of that day and any funds or economic resources that have been frozen pursuant to its listing were released.

18. Is there any limitation for financial institutions supplying financial messaging services for the Central Bank of Iran (CBI) and other non-listed financial institutions?

The prohibition for financial institutions to supply specialised financial messaging services used to exchange financial data applies in relation to listed entities. The CBI and certain other listed Iranian financial institutions were delisted. Therefore, financial institutions can supply financial messaging services for the CBI and other non-listed financial institutions. 19. Will financial institutions be exposed to U.S. sanctions for transacting with Iranian financial institutions if those Iranian financial institutions have banking relationships with Iranian persons on the SDN list?

*This question addresses the U.S. sanction regime and for an accurate response reference is made to the U.S. Guidelines and FAQs on the OFAC website.*⁷⁴

20. Are Iranian banks allowed to reconnect to SWIFT?

As of Implementation Day (16 January 2016), Iranian banks which are no longer included in the list of persons and entities subject to EU restrictive measures are allowed to reconnect to SWIFT⁷⁵. Persons and entities delisted on Implementation Day are included in the Annex to Council Implementing Regulation (EU) 2015/1862 of 18 October 2015, implementing Regulation (EU) 267/2012 concerning restrictive measures against Iran. Additional entities delisted on 22 January 2016 are included in the Annex to Council Implementing Regulation (EU) 2016/74 of 22 January 2016, implementing Regulation (EU) 267/2012 concerning restrictive measures against Iran

Against this background reference is made to a statement published by SWIFT⁷⁶, that banks delisted by the Implementing Regulation will automatically be able to reconnect to SWIFT on Implementation Day, following the completion of SWIFT's normal connection process (i.e. administrative and systems checks, connectivity and technical arrangements).

21. Is it permissible for EU financial institutions to clear transactions involving nonlisted Iranian persons or entities after Implementation Day?

Yes, EU financial institutions are permitted to clear transactions with non-listed Iranian persons or entities. EU financial institutions will have to ensure, however,

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⁷⁴ https://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx

⁷⁵ The following Iranian banks remain listed: Ansar Bank and Mehr Bank. See annexes VIII (UN listings) and IX (autonomous listings) to Regulation (EU) 267/2012.

 $http://www.swift.com/about_swift/shownews?param_dcr=news.data/en/swift_com/2015/Iran_sanctions_agreement_update.xml$

that they do not clear transactions through other financial systems, or with other entities, where such activity is not allowed. ⁷⁷

22. Is it permissible to transfer funds to and from Iran?

As of Implementation Day (16 January 2016), the prohibition to transfer funds with non-listed Iranian banks is lifted. Consequently, all limitations to transfer funds to or from Iran applicable to non-listed Iranian banks, financial institutions and bureaux de change, as well as any subsidiary or branch, cease to apply.

23. Is it still necessary to file notifications and requests for authorisations relating to the transfer of funds pursuant to Articles 30, 30a of Council Regulation 267/2012 as currently applicable? Is there any limitation in relation to the amount of funds that can be transferred?

As of Implementation Day (16 January 2016), there is no requirement to file notifications and requests for authorisations relating to the transfer of funds to and from Iran as these articles are removed from Council Regulation 267/2012⁷⁸. Equally, restrictions linked to the amount of funds to be transferred no longer apply in accordance with the JCPOA.

24. Is it permissible to transfer funds to and from Iran for foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes?

According to the restrictions on transfer of funds to and from Iran in place before Implementation Day the transfer of funds regarding foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes were permitted under certain conditions. However, as of Implementation Day, the provisions regarding transfer of funds to and from Iran are lifted and the limitations to transfer funds cease to apply with the exception of transfer of funds or economic resources to listed persons or entities.

⁷⁷ <u>https://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx</u>

⁷⁸ Article 1 (15), Council Regulation (EU) 2015/1861 of 18 October 2015 amending Council Regulation 267/2012.

25. Is it permissible for listed person and entities to use frozen funds for extraordinary expenses?

Those persons and entities that are removed from the list have immediate access to their funds on that same day. The persons and entities remaining listed do not have access to their funds. However, exemptions to take account of in particular basic needs of targeted persons, legal fees, and extraordinary expenses remain in force and listed persons can request an authorisation from the competent authorities of Member States in order to use their funds where a valid derogation applies.

26. Is there any limitation for Iranian banks and financial institutions, bodies and entities to access their funds and economic resources?

Non-listed Iranian banks and financial institutions are not subject to any asset freeze measures by the European Union. Therefore, their funds in the EU are not frozen. On Implementation Day (16 January 2016), a number of listed Iranian banks and financial institutions were delisted followed by additional Iranian banks on 23 January 2016. Consequently, delisted Iranian banks and financial institutions had access to their frozen funds in the EU. However, a limited number of Iranian banks and financial institutions remain listed (Ansar Bank and Mehr Bank) and not able to access their funds in the EU, unless specifically provided for in Council Regulation 267/2012 as modified by subsequent regulations, including Council Regulation 2015/1861.

27. How does the lifting of sanctions provided under the EU legal acts in accordance with the JCPOA affect the provision of insurance and reinsurance for transactions involving Iran?

As of Implementation Day (16 January 2016), it is permitted to provide insurance and reinsurance to Iran or the Government of Iran or any non-listed Iranian person, entity or body acting on their behalf or at their direction.⁷⁹

⁷⁹ Annex II, paragraph 3.2.3 of the JCPOA.

28. Is the purchase or sale of Iranian issued sovereign debt allowed?

The sale or purchase of public or public-guaranteed bonds issued by, for example, the Government of Iran or the Central Bank of Iran, or Iranian banks and credit or financial institutions, and providing related services thereto, is permitted as of Implementation Day (16 January 2016). The same applies to any natural or legal person entity or body acting on behalf or owned and controlled by them.

29. Are there any limitations on the provision of financial support for trade with Iran, including export credits, guarantees or insurance?

As of Implementation Day (16 January 2016), EU Member States are no longer prohibited from entering into new commitments to provide financial support for trade with Iran, including the granting of export credits, guarantees or insurance, to EU nationals or entities.

30. Is there any limitation for persons to enter into new commitments for grants or concessional loans to the Government of Iran?

As of Implementation Day (16 January 2016), EU Member States are no longer prohibited from entering into new commitments for grants, financial assistance and concessional loans to the Government of Iran, including through their participation in international financial institutions.

31. Is there any limitation to financial institutions opening a new representative office or establishing a new branch or subsidiary in Iran?

As of Implementation Day (16 January 2016), EU financial institutions are able to open representative offices, subsidiaries or banking accounts in Iran. It is also permissible to establish new joint ventures with Iranian financial institutions. However, EU financial institutions cannot engage in banking activities with those Iranian banks that remain listed under EU sanctions.

Oil, gas and petrochemical sectors

32. Are petrochemicals covered by the lifting of sanctions?

Yes, activities related to Iranian petrochemicals are covered by the lifting of sanctions on Implementation Day (16 January 2016).⁸⁰

33. Is it permissible to purchase, acquire, sell or market petroleum products, petrochemical products and natural gas to or from Iran?

Yes, as of Implementation Day (16 January 2016), it is permissible to purchase, acquire, sell or market petroleum products, petrochemical products and natural gas to or from Iran and to provide associated services.⁸¹

34. Does the lifting of sanctions on Iranian crude oil, petroleum products, petrochemical products and liquefied natural gas also cover the provision of transport?

The transport of Iranian oil and petrochemical products, and the provision of insurance and re-insurance, including protection and indemnity (P&I) insurance, are permissible. As of Implementation Day (16 January 2016), the transport of Iranian petroleum products and liquefied natural gas, and the provision of insurance and re-insurance, including protection and indemnity (P&I) insurance, are also permissible. As of Implementation Day, other activities and transactions related to Iranian oil and natural gas such as the provision of financing are also allowed.⁸²

35. Are sanctions on entities such as the National Iranian Oil Company lifted?

All entities removed from the list are no longer subject to restrictive measures. As of Implementation Day (16 January 2016), the National Iranian Oil Company, as well as its listed subsidiaries and affiliated companies, are removed from the list

⁸⁰ Annex II, paragraph 3.3.1, of the JCPOA.

⁸¹ Annex II, paragraphs 1.2.2. and 1.2.5, of the JCPOA.

⁸² Annex II, paragraph 3.3.1, of the JCPOA.

of listed entities and as a consequence the sanctions on these entities are lifted and transactions are allowed.

36. Is it permissible to invest in Iran's oil, gas and petrochemical sectors?

Yes, as of Implementation Day (16 January 2016), it is permissible to invest in Iran's oil, gas and petrochemical sectors.⁸³

37. The JCPOA provides that on Implementation Day the application of efforts to reduce Iran's crude oil sales are ceased, including limitations on: the quantities of Iran crude oil sold; the countries that can purchase Iranian crude oil and the use of Iranian oil revenues. What will this entail?

*This question addresses the U.S. sanction regime and for an accurate response reference is made to the U.S. Guidelines and FAQ's on the OFAC website.*⁸⁴

38. Is it prohibited for an EU person to conduct business with an Iranian entity in which a natural person or entity listed by the EU retains a minority or non-controlling interest?

EU persons are prohibited from making available funds or economic resources to listed persons or entities directly or indirectly. The criteria to establish control or ownership and whether funds or economic resources are made indirectly available to designated persons and entities are to be found in the 'Guidelines on implementation and evaluation of restrictive measures (sanctions) in the framework of the EU Common Foreign and Security Policy'.⁸⁵

⁸³ Annex II, paragraph 1.2.4, of the JCPOA.

⁸⁴ https://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx

⁸⁵ See link to 'New elements on the notions of ownership and control and the making available of funds or economic resources' in section 8 on reference documents.

Shipping, shipbuilding and transport sectors

39. Is it permissible to provide vessels designed for the transport of Iranian oil and petrochemical products?

Yes, it is permissible to supply vessels designed for the transport or storage of oil and petrochemical products to non-listed Iranian persons or entities as well as to any person or entity for the transport of Iranian oil or petrochemical products.⁸⁶

40. Is it permissible to export naval equipment and technology for shipbuilding to Iran?

Yes, as of Implementation Day (16 January 2016), it is permissible to export naval equipment and technology for shipbuilding, maintenance or refit, to Iran or to non–listed Iranian or Iranian-owned enterprises engaged in this sector.⁸⁷

41. Is it permissible to construct and repair Iranian vessels?

Yes, as of Implementation Day (16 January 2016), it is allowed to sell, supply, transfer or export naval equipment and technology for ship building, maintenance or refit, to Iran or to any Iranian persons engaged in this sector such as NITC and IRISL. The participation in the design, construction and repair of cargo vessels and oil tankers for Iran or for non-listed Iranian persons or Iranian-owned enterprises engaged in this sector such as NITC and IRISL is also allowed as of Implementation Day.⁸⁸

42. Is it permissible to provide flagging and classification services to vessels owned or controlled by Iranian persons?

Yes, as of Implementation Day (16 January 2016), 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

⁸⁶ Annex II, paragraphs 1.3.1 and 1.3.2, of the JCPOA.

⁸⁷ Annex II, paragraph 3.4.1 of the JCPOA

⁸⁸ Annex II, paragraph 3.4.1. of the JCPOA.

cargo vessels owned or controlled by non-listed Iranian or Iranian-owned enterprises engaged in the shipping and shipbuilding sectors such as NITC and IRISL is allowed.

43. Is it permissible to provide bunkering or ship supply services to Iranian owned or Iranian contracted vessels?

Yes, as of Implementation Day (16 January 2016), it is permitted to provide bunkering or ship supply services to Iranian-owned or Iranian-contracted vessels, including chartered vessels, not carrying prohibited items.⁸⁹

Gold, other precious metals, banknotes and coinage

44. Is it permissible to mint coins for Iran or deliver newly printed or unissued Iranian dominated banknotes to the Central Bank of Iran?

As of Implementation Day (16 January 2016), the delivery of newly minted coinage and newly printed or unissued Iranian dominated banknotes to or for the benefit of Central Bank of Iran is allowed.⁹⁰

45. Is it permissible to export diamonds to Iran?

As of Implementation Day (16 January 2016), the sale, purchase, transportation or brokering of diamonds to Iran is allowed.⁹¹

46. Is it permissible to supply, sell, purchase, transfer, export or import gold and other precious metals to and from Iran, the Government of Iran, its public bodies, corporations and agencies, any person, entity or body owned or controlled by them?

Yes, it is permissible to sell, supply, purchase, export, or transfer gold and precious metals, to provide related brokering, financing and security services to, or from or for the Government of Iran, its public bodies, corporations and

⁸⁹ Annex II, paragraph 3.4.4 of the JCPOA

⁹⁰ Annex II, paragraph 1.4.1, of the JCPOA

⁹¹ Annex II, paragraph 1.4.1, of the JCPOA

agencies or the Central Bank of Iran its public bodies, corporations and agencies, any person, entity or body acting on their behalf or at their direction, or any entity or body owned or controlled by them.

Metals / Software

47. Are all restrictions on the export of software lifted?

As of Implementation Day (16 January 2016), the export of software to Iran is permitted, with the following exceptions:

- <u>Prior authorisation</u> to be granted on a case-by-case basis by the competent authority of the relevant Member State is needed for the sale, supply, transfer or export of Enterprise Resource Planning software, designed specifically for use in nuclear and military industries as set out in Annex VIIA to Council Regulation 267/2012, as modified by subsequent regulations, including Council Regulation 2015/1861, and the provision of associated services;
- Prior authorisation to be granted on a case-by-case basis by the competent authority of the relevant Member State is needed for the sale, supply, transfer or export of software related to nuclear equipment and technologies as set out in Annexes I and II to Council Regulation 267/2012, as modified by subsequent regulations, including Council Regulation 2015/1861;
- On the contrary, the sale, supply, transfer or export of software related to ballistic missiles as set out in Annex III to Council Regulation 267/2012, as modified by subsequent regulations, including Council Regulation 2015/1861, is still subject to a prohibition.
- 48. What metals are still subject to restriction on the sale, supply or export to Iran?

As of Implementation Day (16 January 2016), the export of metals to Iran is permitted with the following exception:

- <u>Prior authorisation</u> to be granted on a case-by-case basis by the competent authorities of the Member State is needed for the sale, supply, transfer or export of graphite and raw or semi-finished metals and the provision of technical assistance or training, financing or financial assistance. The list of items covered by this restriction can be found in Annex VIIB to Council Regulation 267/2012, as modified by subsequent regulations, including Council Regulation 2015/1861.
- 49. Is an entity allowed to invest in the production or in a production facility in Iran for the production of metals covered by an export authorisation regime?

Yes, the JCPOA does not preclude investment in Iran in sectors related to goods the sale, supply, transfer or export, of which remain subject to an authorisation regime.

50. Is the sale or export of aluminium oxide (alumina) to Iran subject to prior EU authorisation?

The list of graphite and raw or semi-finished metals subject to prior authorisation to be granted on a case-by-case basis by the competent authority of the relevant Member State⁹² can be found in Annex VIIB to Council Regulation 267/2012, as modified by subsequent regulations, including Council Regulation 2015/1861.

51. Is it permissible to sell, supply, transfer, export or to provide technical and financial assistance related to software to an Iranian person body or entity?

Sale, supply, transfer or export of Enterprise Resource Planning software⁹³, including updates and provision of associated services, to any Iranian person, entity or body, or for use in Iran is no longer prohibited as of Implementation Day (16 January 2016) but is subject to prior authorisation to be granted on a case-by-case basis by the competent authorities of the Member States.

⁹² Competent authorities of each Member Sate are identified in Annex X to Council Regulation 267/2012 concerning restrictive measures against Iran.

⁹³ Described in Annex VIIA to Council Regulation 267/2012 as modified by Council Regulation 2015/1861.

Nuclear proliferation-related measures

52. Where can the list of dual-use goods which can be exported to Iran be found?

The list of dual-use goods which can be exported to Iran – subject to prior authorisation – are to be found in Annexe I (Nuclear Suppliers Group (NSG) list, Parts I and II) of Council Regulation 267/2012, as modified by subsequent regulations, including Council Regulation 2015/1861. Annex II (EU autonomous list) contains goods of a comparable nature⁹⁴ to dual-use ones, which may also be exported subject to prior authorisation. In addition to this, export licenses for other dual-use goods listed in Annex I of Regulation (EC) 428/2009 can be applied for in line with the provisions of that regulation.

53. Is it permissible to apply for a license to export dual-use goods to Iran?

Yes, licenses to export dual-use goods should be requested from the competent authority in the relevant Member State. A list of the national competent authorities is to be found in Annex X of Council Regulation 267/2012, as modified by Council Regulation 2015/1861.

54. Is an authorisation for the export of dual-use goods granted by an EU Member State valid in other EU Member States?

Yes, authorisations for the export of dual-use goods granted by the competent authorities of the Member State where the exporter is established shall be valid throughout the Union.

55. How much time will it take to obtain a licence?

This is a matter for the relevant competent authority responsible for issuing licenses.

⁹⁴ Goods and technology, other than those included in Annexes I and III to Regulation 267/2012, that could contribute to reprocessing or enrichment-related or heavy-water related or other activities inconsistent with the JCPOA.

56. Article 2d(3)(b) Council Regulation 267/2012, as modified by Council Regulation 2015/1861, states that Member States shall notify the IAEA of supplied products included in the NSG list: Is a reference to both lists (NSG Part I and II) intended?

Notification obligation concerns both lists – Part I and II - of the Nuclear Suppliers Group (NSG) and is to be found in Annex I to Council Regulation 267/2012, as modified by subsequent regulations, including Council Regulation 2015/1861.

56a. What are the requirements concerning end-use statement when exporting items listed in Annex II of Regulation 267/2012 to Iran?

As per Articles 3a(6), 3c(2), 3d(2)(b), the exporter shall submit an end-use statement signed by the Iranian end-user or consignee (the 'end-use statement'), either by means of the template established in Annex IIa of Council Regulation 267/2012, as modified by Council Regulation 2015/1861, or through an equivalent document. This should be done at the time of the application for authorisation.

The end-use statement shall not be necessary for temporary exports of the relevant items, because there is no end-use of the items in the country of destination. In all other cases, an end-use statement signed by the Iranian end-user or consignee is mandatory.

56b. What is a temporary export of items listed in Annex II of Regulation 267/2012 to Iran?

The notion of "temporary exports" in Articles 3a(6), 3c(2), 3d(2)(b) refers to the situation whereby the items exit the customs territory of the Union and/or territory of a Member State on a temporary basis and return in their original state within a relatively short, pre-defined period of time. This mainly covers situations where the items are displayed in a fair, exhibition or congress.

As per the specifications of the Union General Export Authorisation EU004 referred to in Article 9(1) of Regulation (EC) 428/2009, "exhibition or fair" means commercial events of a specific duration at which several exhibitors make

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demonstrations of their products to trade visitors or to the general public. "Congress" refers to a scientific event involving similar demonstrations or presentations. Applicants for a temporary export must guarantee the return of the relevant items into the customs territory of the European Union in their original state, without the removal, copying or dissemination of any component or software, within 120 days of the temporary export.

56c. Is it permissible to export items listed in Annex II of Regulation 267/2012 when the end-use location of those in Iran is not known? Under which circumstances?

Articles 3a(6), 3c(2), 3d(2)(b) of Council Regulation 267/2012, as modified by Council Regulation 2015/1861, provide that details on the end-use location of the items shall be supplied as a basic principle. The template for an end-use statement in Annex IIa of that Regulation clarifies that this information may be omitted in the specific situations in which the consignee of the items is a trader, retailer, whole- or re-seller, and thus the end-user and its location are not yet known at the time of the application for a prior authorisation.

In such specific situations, taking into consideration all relevant circumstances, the competent authority retains the possibility to either (i) authorise the transaction in the absence of information on the end-use location of the supplied items, if it deems that the rest of the information provided is sufficient to ascertain that the items will be used in accordance with the Regulation, or (ii) deny the authorisation, if that is not the case.

56d. Can a national competent authority request information on the end-use location of the exported items listed in Annex II of Regulation 267/2012 after the license was granted?

If a competent authority authorises a transaction in the absence of information on the end-use location of the supplied items (that is, for the specific situations in which the consignee of the items is a trader, retailer, whole- or re-seller, and thus the end-user and its location are not yet known at the time of the application for a prior authorisation), Council Regulation 267/2012, as modified by Council Regulation 2015/1861, provides in Articles 3a(6a), 3c(2a) and3d(2)(b) that such

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information needs to be provided later on, when it becomes known, if the competent authority so requests. Failure to provide this information if requested by the competent authority should be taken into account by the latter when assessing subsequent applications for an authorisation by the same exporter or to the same consignee, in particular as regards the existence of reasonable grounds to determine that the items would contribute to reprocessing- or enrichment-related, heavy water-related or other nuclear related activities inconsistent with the JCPOA, in the sense of Article 3a(4).

Arms & ballistic missiles

57. Are arms exports also subject to prior authorisation in the procurement channel?

The EU arms embargo was not lifted on Implementation Day (16 January 2016). Sanctions related to arms, including the provision of associated services, remain in place until Transition Day.

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

58. Is it permissible to do business with anybody in Iran? Or are there still persons and entities listed?

Yes, in general terms, as of Implementation Day (16 January 2016), it is permissible to do business with Iranian persons or entities, with the exception of those that remain listed until Transition Day or are listed under a different sanctions regime and thus remain subject to the asset freeze measures, including the prohibition to make funds or economic resources available. It is advised to consult these lists before engaging in a business relationship. A central register of persons and entities that are subject to EU sanctions is available online.⁹⁵

59. How to verify if an entity or individual is on the sanctions list?

⁹⁵ http://eeas.europa.eu/cfsp/sanctions/consol-list/index_en.htm

It is the responsibility of every person or entity within the European Union, and EU nationals anywhere in the world to conduct due diligence checks to ensure that they are not making funds or economic resources available to a listed person.

A central register of persons and entities that are subject to EU sanctions is available online.⁹⁶

60. Does the JCPOA allow new sanctions to be imposed against Iranian persons or entities for providing support to the Government of Iran after Implementation Day?

In accordance with the JCPOA, the EU will refrain from imposing new sanctions against Iranian persons or entities exclusively on the grounds of providing support, such as material, logistical or financial support, to the Government of Iran.

Reintroduction of sanctions

61. What would trigger the reintroduction of EU economic and financial sanctions?

In the event of a significant non-performance by Iran of its commitments under the JCPOA and having exhausted all the steps under the dispute resolution mechanism, the European Union shall reintroduce EU sanctions ("snapback") that have been lifted. It should be noted that all parties to the JCPOA are determined to avoid any behaviour which could be qualified as non-performance and to avoid a re-imposition of sanctions by engaging in the Dispute Resolution Mechanism.

62. How will EU sanctions be reintroduced in case of snapback?

A decision by the Council of the European Union, based on a recommendation by the High Representative of the European Union for Foreign Affairs and Security Policy, France, Germany and the United Kingdom, will reintroduce all EU sanctions taken in connection with the Iranian nuclear programme that have been suspended and/or terminated. Reintroduction of EU sanctions in case of

⁹⁶ http://eeas.europa.eu/cfsp/sanctions/consol-list/index_en.htm

significant non-performance by Iran of its commitments under the JCPOA will be done consistent with previous provisions when sanctions were originally imposed.

63. What happens with existing contracts in the event of the reintroduction of EU sanctions?

In the event of the reintroduction of EU sanctions, sanctions will not apply with retroactive effect. The execution of contracts concluded while the JCPOA sanctions relief was in force and in accordance with the EU legal framework will be permitted consistent with previous provisions when sanctions were originally imposed, in order to allow companies to wind down their activities. Details about the period of time allowed for the execution of prior contracts will be specified in the legal acts providing for the reintroduction of EU sanctions. For example, the reintroduction of sanctions on investment activities would not retroactively penalise investment made before the date of snapback, and the execution of investment contracts concluded before the reintroduction of sanctions will be permitted consistent with previous provisions when sanctions were originally imposed. Contracts that were permitted when the sanctions regime was still in place will not be targeted by the reintroduction of sanctions.

64. Is the moment of a snapback publicly announced?

The reintroduction of EU sanctions will imply the adoption of legal acts terminating the suspension of articles in Council Decision 2010/413CFSP, as amended by Council Decision 2015/1863, and reintroducing the corresponding articles in Council Regulation 267/2012, as modified by Council Regulation 2015/1861. These legal acts will be published in the Official Journal of the European Union and therefore publicly available.⁹⁷

Procurement channel

65. How does the procurement channel function?

⁹⁷ See Article 2 of Council Decision (CFSP) 2015/1863 of 18 October 2015.

The UN Security Council will respond to requests by States to export certain goods to and perform certain activities in Iran (NSG list/Annex I to Council Regulation 267/2012, as modified by subsequent regulations, including Council Regulation 2015/1861) after the recommendation of the Procurement Working Group/Joint Commission.

66. What is the role of the Procurement Working Group?

The role of the Procurement Working Group is to review and make recommendations on behalf of the Joint Commission on proposals for nuclearrelated transfers to or activities with Iran through a Procurement Working Group.⁹⁸

67. Who is the "Coordinator" in point 6.4.1 of JCPOA Annex IV?

*The High Representative serves as the Coordinator of the Procurement Working Group.*⁹⁹

68. How is confidentiality of information when sending an authorisation application ensured? For example, on sensitive business-related information.

The operation of the Procurement Working Group is subject to the confidentiality rules of the UN.¹⁰⁰

69. How will the Procurement Working Group communicate its authorisation decisions to domestic authorities?

The Procurement Working Group will review applications and make a recommendation to the UN Security Council, which will then communicate its decision to national competent authorities.

⁹⁸ Annex IV, paragraph 6.2, of the JCPOA.

⁹⁹ Annex IV, paragraph 6.3, of the JCPOA

¹⁰⁰ Annex IV, paragraph 3.4, of the JCPOA

<u>8. Reference documents</u>

Joint Comprehensive Plan of Action (JCPOA)

• JCPOA

http://eeas.europa.eu/statements-eeas/docs/iran_agreement/iran_joint-comprehensive-planof-action_en.pdf

• JCPOA – Annex I – Nuclear-related measures

http://eeas.europa.eu/statements-

eeas/docs/iran_agreement/annex_1_nuclear_related_commitments_en.pdf

• JCPOA – Annex II – Sanctions-related commitments

http://eeas.europa.eu/statements-

eeas/docs/iran_agreement/annex_2_sanctions_related_commitments_en.pdf

Attachments Annex II

http://eeas.europa.eu/statements-eeas/docs/iran_agreement/annex_1_attachements_en.pdf

• JCPOA – Annex III – Civil Nuclear Cooperation

http://eeas.europa.eu/statements-

eeas/docs/iran_agreement/annex_3_civil_nuclear_cooperation_en.pdf

• JCPOA – Annex IV – Joint Commission

http://eeas.europa.eu/statements-

eeas/docs/iran_agreement/annex_4_joint_commission_en.pdf

• JCPOA – Annex V – Implementation Plan

http://eeas.europa.eu/statementseeas/docs/iran_agreement/annex_5_implementation_plan_en.pdf

United Nations

• UN Security Council resolution 2231(2015)

http://daccess-dds-

ny.un.org/doc/UNDOC/GEN/N15/225/27/PDF/N1522527.pdf?OpenElement

• UN Security Council

http://www.un.org/en/sc/

EU legal acts

• Council Decision 2010/413/CFSP of 26 July 2010 concerning restrictive measures against Iran and repealing Common Position 2007/140/CFSP

http://eur-lex.europa.eu/legalcontent/EN/TXT/?qid=1452107576951&uri=CELEX:32010D0413

 Council Decision (CFSP) 2015/1863 of 18 October 2015 amending Decision 2010/413/CFSP concerning restrictive measures against Iran

http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D1863&from=EN

• Council Regulation 267/2012 of 23 March 2012 concerning restrictive measures against Iran and repealing Regulation (EU) 961/2010

http://eur-lex.europa.eu/legal-

content/EN/TXT/?qid=1452107630568&uri=CELEX:32012R0267

• Council Regulation (EU) 2015/1861 of 18 October 2015 amending Regulation (EU) 267/2012 concerning restrictive measures against Iran. (including annexes)

http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R1861&from=EN

 Council Implementing Regulation (EU) 2015/1862 of 18 October 2015 implementing Regulation (EU) 267/2012 concerning restrictive measures against Iran

http://eur-lex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:32015R1862&qid=1452102679407&from=EN

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 Council Decision (CFSP) 2016/37 of 16 January 2016 concerning the date of application of Decision (CFSP) 2015/1863 amending Decision 2010/413/CFSP concerning restrictive measures against Iran

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2016:011I:TOC

Notice: Information concerning the date of application of Council Regulation (EU) 2015/1861 of 18 October 2015 amending Regulation (EU) 267/2012 concerning restrictive measures against Iran (OJ L 274, 18.10.2015, p. 1) and Council Implementing Regulation (EU) 2015/1862 of 18 October 2015 implementing Regulation (EU) 267/2012 concerning restrictive measures against Iran (OJ L 274, 18.10.2015, p. 161)

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C:2016:015I:TOC

• Council Implementing Decision (CFSP) 2016/78 of 22 January 2016 Implementing Decision 2010/413/CFSP concerning restrictive measures against Iran

http://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=uriserv:OJ.L_.2016.016.01.0025.01.ENG&toc=OJ:L:2016:016:TOC

 Council Implementing Regulation (EU) 2016/74 of 22 January 2016 implementing Regulation (EU) 267/2012 concerning restrictive measures against Iran

http://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=uriserv:OJ.L_.2016.016.01.0006.01.ENG&toc=OJ:L:2016:016:TOC

• Commission Implementing Regulation (EU) 2016/1375 of 29 July 2016 amending Council Regulation (EU) 267/2012 concerning restrictive measures against Iran

http://eur-lex.europa.eu/legalcontent/EN/TXT/?qid=1477054608679&uri=CELEX:32016R1375

• Council Decision (CFSP) 2017/974 of 8 June 2017 amending Decision 2010/413/CFSP concerning restrictive measures against Iran

http://eur-lex.europa.eu/legal-

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content/AUTO/?uri=CELEX:32017D0974&qid=1497335965624&rid=1
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 Council Regulation (EU) 2017/964 of 8 June 2017 amending Regulation No 267/2012 concerning restrictive measures against Iran

http://eur-lex.europa.eu/legal-

content/AUTO/?uri=CELEX:32017R0964&qid=1497336026549&rid=1

Other relevant EU documents

• Frequently Asked Questions on EU restrictive measures

http://eeas.europa.eu/cfsp/sanctions/docs/frequently_asked_questions_en.pdf

• Guidelines on implementation and evaluation of restrictive measures in the framework of the EU Common Foreign and Security Policy

http://register.consilium.europa.eu/doc/srv?l=EN&f=ST%2011205%202012%20INIT

• New elements on the notions of ownership and control and the making available of funds or economic resources

http://register.consilium.europa.eu/pdf/en/13/st09/st09068.en13.pdf

• EU Best Practices for the effective implementation of restrictive measures

http://data.consilium.europa.eu/doc/document/ST-10254-2015-INIT/en/pdf

U.S. OFAC website

https://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx

U.S. DEPARTMENT OF THE TREASURY

Press Center

Treasury Sanctions Those Involved in Ballistic Missile Procurement for Iran

1/17/2016

Action Targets 11 Individuals and Entities Responsible for Supporting Iran's Ballistic Missile Program

WASHINGTON – The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today designated 11 entities and individuals involved in procurement on behalf of Iran's ballistic missile program. OFAC sanctioned Mabrooka Trading Oc LLC (Mabrooka Trading) – based in the United Arab Emirates (UAE) – and its China- and UAE-based network that have been involved in procuring goods for Iran's ballistic missile program. This network obfuscated the end user of sensitive goods for missile profiferation by using front companies in third countries to deceive foreign suppliers. Also designated today are five Iranian individuals who have worked to procure ballistic missile components for Iran. This action is consistent with the U.S. government's commitment to continue targeting those who assist in Iran's efforts to procure items for its ballistic missile program.

"Iran's ballistic missile program poses a significant threat to regional and global security, and it will continue to be subject to international sanctions," said Adam J. Szubin, acting Under Secretary for Terrorism and Financial Intelligence. "We have consistently made clear that the United States will vigorously press sanctions against tranian activities outside of the Joint Comprehensive Plan of Action – including those related to Iran's support for terrorism, regional destabilization, human rights abuses, and ballistic missile program."

Hossein Pournaghshband and his company. Mabrooka Trading, are being designated pursuant to Executive Order (E.O.) 13382 for having provided, or attempting to provide, financial, material, technological, or other support to Navid Composite Material Company (Navid Composite), an entity sanctioned in connection with Iran's ballistic missile program. Navid Composite was designated in December 2013 pursuant to E.O. 13382 as an Iran-based subsidiary of U.S.- and UN-designated Sanam Industrial Group, an entity sanctioned for its involvement in Iran's ballistic missile program. At the time of its designation, Navid Composite was contracting with Asia-based entities to procure a carbon fiber production line in order to produce carbon fiber probably suitable for use in ballistic missile at least early 2015, Pournaghshband used his company, Mabrooka Trading, to procure materials and other equipment for Navid Composite's carbon fiber production plan. Pournaghshband is also being designated today pursuant to E.O. 13382 for having provided, or attempting to provide, financial, material, technological, or other support to Mabrooka Trading.

Chen Mingfu is being designated pursuant to E.O. 13382 for having provided, or attempting to provide, financial, material, technological, or other support to Navid Composite and Mabrooka Trading. Anhui Land Group Co., Limited is also being designated pursuant to E.O. 13382 because it is owned or controlled by Mingfu and for having provided, or attempting to provide, financial, material, technological, or other support to Navid Composite and Mabrooka Trading and Pournaghshband. Mingfu brokered deals in support of Mabrooka Trading and Pournaghshband's efforts to procure materials and equipment for Navid Composite's carbon fiber production line. Mingfu using Hong Kong based-Anhui Land Group Co., Limited, provided logistical support to Mabrooka Trading and Navid Composite.

Candid General Trading is being designated pursuant to E.O. 13382 for having provided, or attempting to provide, financial, material, technological, or other support to Mabrooka Trading and Pournaghshband. Rahim Reza Farghadani, the Managing Director of Candid General Trading, is also being designated pursuant to E.O. 13382 for acting for or on behalf of Candid General Trading. Candid General Trading has conducted financial transactions for Mabrooka Trading and Pournaghshband for goods intended for Navid Composite.

Sayyed Javad Musavi is being designated today pursuant to E.O. 13382 because he provided or attempted to provide financial, material, technological, or other support for, or goods or services in support of, the Shahid Hemmat Industrial Group (SHIG). SHIG was identified in the Annex to E.O. 13382 in June 2005 as a subsidiary of Iran's Aerospace Industries Organization (AIO). AIO, which is subordinate to Iran's Ministry of Defense for Armed Forces Logistics (MODAFL), manages and coordinates tran's ballistic missile program. Musavi is the SHIG commercial director and has worked directly with North Korean officials in Iran from UN- and U.S.-designated Korea Mining Development Trading Corporation (KOMID). SHIG also coordinates KOMID shipments to Iran. The shipments have included valves, electronics, and measuring equipment suitable for use in ground testing of liquid propellant ballistic missiles and space launch vehicles. Within the past several years, Iranian missile technicians from SHIG traveled to North Korea to work on an 80-ton rocket booster being developed by the North Korean government.

Seyed Mirahmad Nooshin, Sayyed Medhi Farahi, and Seyed Mohammad Hashemi are also being designated today. Nooshin, the Director of SHIG, is being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of SHIG, and because he provided, or attempted to provide, financial, material, technological, or other support for, or goods or services in support of, SHIG. Farahi, the current Deputy of MODAFL, and Hashemi, an official in MODAFL, are also being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of MODAFL, are also being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of MODAFL, are also being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of MODAFL, and because the provided, or attempted to provide, financial, material, technological, or other support of, or goods or services in support of, and because the provided, or attempted to provide, financial, material, technological, or other support of, MODAFL and because the provide, or attempted to provide, financial, material, technological, or other support of, MODAFL and because the provide, or attempted to provide, financial, material, technological, or other support of, MODAFL and because the provide de to provide, financial, material, technological, or other support of, MODAFL and because the provide de to provide, financial, material, technological, or other support of, models or services in support of, MODAFL and because the provide de to provide, financial, material, technological, or other support of, and because the provide de to provide, financial, material, technological, or other support of, MODAFL and because the provide de to provide, financial, material, technological, or other support of, models or services in support of, models of the development of the 80-ton rocket booster, and both traveled to Pyong support of provide to provide, financial, material, technological, or other support of, and because the provide develop

Mehrdada Akhlaghi Ketabachi is being designated today for acting or purporting to act for or on behalf of AIO. Ketabachi is currently the Director of AIO. He was previously designated in 2008 pursuant to E.O. 13382 for acting or purporting to act for or on behalf of AIO. Ketabachi is noved in Iran's missile program.

For identifying information regarding today's action, click here.

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U.S. DEPARTMENT OF THE TREASURY

Press Center

Treasury Takes Action to Target Serious Human Rights Abuses in Iran

4/13/2017

Washington – Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned the Tehran Prisons Organization and Sohrab Soleimani, a senior official within Iran's State Prison Organization, in connection with serious human rights abuses in Iran. This action reflects the United States' deep concern regarding the human rights situation in Iran.

"Today's designations highlight our continued support for the Iranian people and demonstrate our commitment to hold the Government of Iran responsible for its continued repression of its own citizens," said OFAC Director John E. Smith. "We will continue to identify, call out, and sanction those who are responsible for serious human rights abuses in Iran."

The United States maintains and will continue to vigorously exercise its sanctions authorities outside the scope of the Joint Comprehensive Plan of Action (JCPOA) to counter the Iranian government's support for terrorism, ballistic missile program, regional destabilization, and human rights abuses. The sanctions imposed today are fully consistent with U.S. commitments under the JCPOA.

Tehran Prisons Organization and Sohrab Soleimani are designated pursuant to Executive Order 13553, which targets serious human rights abuses by officials of, and persons acting on behalf of, the Government of Iran since the June 2009 Iranian election.

Tehran Prisons Organization is responsible for or complicit in the commission of serious human rights abuses against political prisoners housed in Evin Prison, which falls under the authority of the Tehran Prisons Organization. Evin Prison is one of Iran's most notorious facilities, due to the detention of many prisoners of conscience and well-documented accounts of their mistreatment and abuse. Former prisoners of Evin Prison have reported harsh interrogations, forced confessions, psychological and physical torture, and denial of access to medical care.

In an April 2014 incident at Evin Prison, dozens of security guards and senior prison officials attacked and severely beat political prisoners being held in Ward 350. The attack lasted several hours and over 30 prisoners were wounded or injured. Some of the prisoners were placed in solitary confinement afterward and did not receive medical treatment, despite their injuries.

Sohrab Soleimani was the head of the Tehran Prisons Organization during this violent event, and is being designated for having acted for or on behalf of, directly or indirectly, Tehran Prisons Organization. After the Ward 350 prisoner attack, Soleimani denied that anything had taken place, despite the numerous well-documented accounts of the incident. Soleimani currently holds a leadership position within the State Prisons Organization, which oversees Tehran Prisons Organization. Since April 2014, attacks on prisoners and other human rights abuses at Evin Prison have continued, including the denial of access to medical care.

For identifying information on the entity and individual designated today, click here.

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GPO

EXECUTIVE ORDERS

Executive Order 13716 of January 16, 2016

Revocation of Executive Orders 13574, 13590, 13622, and 13645 With Respect to Iran, Amendment of Executive Order 13628 With Respect to Iran, and Provision of Implementation Authorities for Aspects of Certain Statutory Sanctions Outside the Scope of U.S. Commitments Under the Joint Comprehensive Plan of Action of July 14, 2015

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*) (NEA), 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 (Public Law 111–195) (22 U.S.C. 8501 *et seq.*), the Iran Threat Reduction and Syria Human Rights Act of 2012 (Public Law 112–158), the Iran Freedom and Counter-Proliferation Act of 2012 (subtitle D of title XII of Public Law 112–239) (22 U.S.C. 8801 *et seq.*) (IFCA), section 212(f) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1182(f)), and section 301 of title 3, United States Code,

I, BARACK OBAMA, President of the United States of America, have determined that Iran's implementation of the nuclear-related measures specified in sections 15.1-15.11 of Annex V of the Joint Comprehensive Plan of Action of July 14, 2015 (JCPOA) between the P5+1 (China, France, Germany, the Russian Federation, the United Kingdom, and the United States), the European Union, and Iran, as verified by the International Atomic Energy Agency, marks a fundamental shift in circumstances with respect to Iran's nuclear program. In order to give effect to the United States commitments with respect to sanctions described in section 4 of Annex II and section 17.4 of Annex V of the JCPOA, I am revoking Executive Orders 13574 of May 23, 2011, 13590 of November 20, 2011, 13622 of July 30, 2012, and 13645 of June 3, 2013, and amending Executive Order 13628 of October 9, 2012, by revoking sections 5 through 7 and section 15. In addition, in section 3 of this order, I am taking steps with respect to the national emergency declared in Executive Order 12957 of March 15, 1995, to provide implementation authorities for aspects of certain statutory sanctions that are

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outside the scope of the U.S. commitment to lift nuclear-related sanctions under the JCPOA.

This action is not intended to, and does not, limit the applicability of waiver determinations or any renewals thereof issued by the Secretary of State, or licenses issued by the Secretary of the Treasury, to give effect to sanctions commitments described in sections 17.1–17.3 and 17.5 of Annex V of the JCPOA, or otherwise affect the national emergency declared in Executive Order 12957, which shall remain in place, or any Executive Order issued in furtherance of that national emergency other than Executive Orders 13574, 13590, 13622, 13628, and 13645.

I hereby order:

Section 1. Revocation of Executive Orders. The following Executive Orders are revoked:

(a) Executive Order 13574 of May 23, 2011 (Authorizing the Implementation of Certain Sanctions Set Forth in the Iran Sanctions Act of 1996, as Amended);

(b) Executive Order 13590 of November 20, 2011 (Authorizing the Imposition of Certain Sanctions With Respect to the Provision of Goods, Services, Technology, or Support for Iran's Energy and Petrochemical Sectors);

(c) Executive Order 13622 of July 30, 2012 (Authorizing Additional Sanctions With Respect to Iran); and

(d) Executive Order 13645 of June 3, 2013 (Authorizing the Implementation of Certain Sanctions Set Forth in the Iran Freedom and Counter-Proliferation Act of 2012 and Additional Sanctions With Respect To Iran).

Sec. 2. Amendment of Executive Order. Executive Order 13628 of October 9, 2012 (Authorizing the Implementation of Certain Sanctions Set Forth in the Iran Threat Reduction and Syria Human Rights Act of 2012 and Additional Sanctions with Respect to Iran), is amended by:

(a) Revoking current sections 5 through 7 and 15;

(b) Revising current section 4 by removing "section 5 of Executive Order 13622 of July 30, 2012," in subsection (a), replacing "section 12" with "section 9" in subsection (a), and replacing "section 12" with "section 9" in subsection (b);

(c) Revising current section 8 by inserting "and" between "2(a)," and "3(a)" and removing ", and 7(a)(iv)";

(d) Revising current section 9 by inserting "and" between "2(a)," and "3(a)" and removing ", and 7(a)(iv)";

(e) Revising current section 14 by inserting "and" between "2(a)," and "3(a)" and removing ", and 7(a)(iv)";

(f) Renumbering current sections 8 through 14 as sections 5 through 11, respectively; and

(g) Renumbering current sections 16 through 19 as sections 12 through 15, respectively.

Sec. 3. Provision of Implementation Authorities for Sanctions Outside the Scope of the JCPOA.

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(a)(i) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to impose on a person the measures described in subsection (a)(ii) of this section upon determining, pursuant to authority delegated by the President and in accordance with the terms of such delegation, that sanctions shall be imposed on such person pursuant to section 1244(c)(1)(A) of IFCA for knowingly providing 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 persons described in section 1244(c)(2)(C)(iii) of IFCA.

(ii) With respect to any person determined by the Secretary of the Treasury in accordance with this subsection to meet the criteria set forth in subsection (a)(i) of this section, all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person (including any foreign branch) of such person are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(iii) The prohibitions in subsection (a)(ii) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order.

(b)(i) When the Secretary of State or the Secretary of the Treasury, pursuant to authority delegated by the President and in accordance with the terms of such delegation, has determined that sanctions shall be imposed on a person pursuant to sections 1244(d)(1)(A), 1245(a)(1), or 1246(a)(1)of IFCA (including in each case as informed by section 1253(c)(2) of IFCA) for engaging in transactions or activities outside the scope of the waiver determinations as to IFCA issued by the Secretary of State to give effect to sanctions commitments described in sections 17.1-17.3 and 17.5of Annex V of the JCPOA, and any renewals thereof, such Secretary may select one or more of the sanctions set forth below to impose on that person, and the Secretary of the Treasury, in consultation with the Secretary of State, shall take the following actions where necessary to implement the sanctions selected and maintained by the Secretary of State or the Secretary of the Treasury:

(A) prohibit any United States financial institution from making loans or providing credits to the 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;

(B) 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;

(C) 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;

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(D) block all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person (including any foreign branch) of the sanctioned person, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in;

(E) prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person;

(F) restrict or prohibit imports of goods, technology, or services, directly or indirectly, into the United States from the sanctioned person; or

(G) impose on the principal executive officer or officers, or persons performing similar functions and with similar authorities, of a sanctioned person the sanctions described in subsections (b)(i)(A)–(F) of this section, as selected by the Secretary of State or the Secretary of the Treasury, as appropriate.

(ii) The prohibitions in subsection (b)(i) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order.

(c)(i) All property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person (including any foreign branch) of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in: any person determined by the Secretary of the Treasury, in consultation with or at the recommendation of the Secretary of State:

(A) to have engaged, on or after January 2, 2013, in corruption or other activities relating to the diversion of goods, including agricultural commodities, food, medicine, and medical devices, intended for the people of Iran;

(B) to have engaged, on or after January 2, 2013, in corruption or other activities relating to the misappropriation of proceeds from the sale or resale of goods described in subsection (c)(i)(A) of this section;

(C) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the activities described in subsection (c)(i)(A) or (c)(i)(B) of this section or any person whose property and interests in property are blocked pursuant to subsection (c)(i) of this section; or

(D) to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to subsection (c)(i) of this section.

(ii) The prohibitions in subsection (c)(i) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order.

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Sec. 4. Donations. I hereby determine that, to the extent section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) may apply, the making of donations of the types of articles specified in such section by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order would seriously impair my ability to deal with the national emergency declared in Executive Order 12957, and I hereby prohibit such donations as provided by subsections 3(a)(ii), 3(b)(i)(D), and 3(c)(i) of this order.

Sec. 5. *Prohibitions.* The prohibitions in subsections 3(a)(ii), 3(b)(i)(D), and 3(c)(i) of this order include but are not limited to:

(a) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order; and

(b) the receipt of any contribution or provision of funds, goods, or services from any such person.

Sec. 6. Entry into the United States. I hereby find that the unrestricted immigrant and nonimmigrant entry into the United States of aliens who are determined to meet one or more of the criteria in subsections 3(a)(i) and 3(c)(i) of this order would be detrimental to the interests of the United States, and I hereby suspend the entry into the United States, as immigrants or nonimmigrants, of such persons as of the date of this order. Such persons shall be treated as persons covered by section 1 of Proclamation 8693 of July 24, 2011 (Suspension of Entry of Aliens Subject to United Nations Security Council Travel Bans and International Emergency Economic Powers Act Sanctions).

Sec. 7. *General Authorities.* The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to carry out the purposes of this order, other than the purposes described in section 6 of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government consistent with applicable law.

Sec. 8. Evasion and Conspiracy. (a) Any transaction that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in this order is prohibited.

(b) Any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 9. Definitions. For the purposes of this order:

(a) the term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(b) the term "financial institution," as used in subsection 3(b) of this order, includes:

(i) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act) (12 U.S.C. 1813(c)(1)), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978) (12 U.S.C. 3101(7));

(ii) a credit union;

(iii) a securities firm, including a broker or dealer;

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(iv) an insurance company, including an agency or underwriter; and

(v) any other company that provides financial services;

(c) the term "Government of Iran" includes the Government of Iran, any political subdivision, agency, or instrumentality thereof, including the Central Bank of Iran, and any person owned or controlled by, or acting for or on behalf of, the Government of Iran;

(d) the term "Iran" means the Government of Iran and the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the Government of Iran claims sovereignty, sovereign rights, or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to international arrangements;

(e) the term "person" means an individual or entity;

(f) the term "sanctioned person" means a person that the Secretary of State or the Secretary of the Treasury, pursuant to authority delegated by the President and in accordance with the terms of such delegation, has determined is a person on whom sanctions shall be imposed pursuant to section 1244(d)(1)(A), 1245(a)(1), or 1246(a)(1) of IFCA (including in each case as informed by section 1253(c)(2) of IFCA) for engaging in transactions or activities outside the scope of the waiver determinations as to IFCA issued by the Secretary of State to give effect to sanctions commitments described in sections 17.1-17.3 and 17.5 of Annex V of the JCPOA, and any renewals thereof, and on whom the Secretary of State or the Secretary of the Treasury has imposed any of the sanctions in subsection 3(b) of this order;

(g) the term "United States financial institution" means a financial institution as defined in subsection (b) of this section (including its foreign branches) organized under the laws of the United States or any jurisdiction within the United States or located in the United States; and

(h) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

Sec. 10. Notice. For those persons whose property and interests in property are blocked pursuant to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render those measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in Executive Order 12957, there need be no prior notice of an action taken pursuant to subsection 3(a)(ii), 3(b)(i)(D), or 3(c)(i) of this order.

Sec. 11. Direction to Agencies. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

Sec. 12. *Rights.* This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

Annex 32

Executive Orders

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Sec. 13. Effect on Actions or Proceedings. Pursuant to section 202 of the NEA (50 U.S.C. 1622), the revocation of Executive Orders 13574, 13590, 13622, and 13645 and the amendments to Executive Order 13628 as set forth in sections 1 and 2 of this order, shall not affect any action taken or proceeding pending not finally concluded or determined as of the date of this order, or any action or proceeding based on any act committed prior to the date of this order, or any rights or duties that matured or penalties that were incurred prior to the date of this order.

Sec. 14. Relationship to Algiers Accords. The measures taken pursuant to this order are in response to actions of the Government of Iran occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those later actions.

BARACK OBAMA

The White House, January 16, 2016.

Executive Order 13717 of February 2, 2016

Establishing a Federal Earthquake Risk Management _ Standard

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Earthquake Hazards Reduction Act of 1977, as amended, and section 121(a) of title 40, United States Code, and to improve the Nation's resilience to earthquakes, I hereby direct the following:

Section 1. Policy. It is the policy of the United States to strengthen the security and resilience of the Nation against earthquakes, to promote public safety, economic strength, and national security. To that end, the Federal Government must continue to take proactive steps to enhance the resilience of buildings that are owned, leased, financed, or regulated by the Federal Government. When making investment decisions related to Federal buildings, each executive department and agency (agency) responsible for implementing this order shall seek to enhance resilience by reducing risk to the lives of building occupants and improving continued performance of essential functions following future earthquakes. The Federal Government recognizes that building codes and standards primarily focus on ensuring minimum acceptable levels of earthquake safety for preserving the lives of building occupants. To achieve true resilience against earthquakes, however, new and existing buildings may need to exceed those codes and standards to ensure, for example, that the buildings can continue to per-form their essential functions following future earthquakes. Agencies are thus encouraged to consider going beyond the codes and standards set out in this order to ensure that buildings are fully earthquake resilient.

Sec. 2. Requirements for Earthquake Safety of New Federal Buildings, Improvements to Existing Federal Buildings, and Federally Leased, Financed, or Regulated Buildings.

(a) New Buildings and Alterations to Existing Buildings. Each agency responsible for the design and construction of a new building or an alteration





Administration of Barack Obama, 2011

Executive Order 13574—Authorizing the Implementation of Certain Sanctions Set Forth in the Iran Sanctions Act of 1996, as Amended *May 23, 2011*

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), the Iran Sanctions Act of 1996 (Public Law 104–172) (50 U.S.C. 1701 note) (ISA), as amended by, *inter alia*, the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195), and section 301 of title 3, United States Code, and in order to take additional steps with respect to the national emergency declared in Executive Order 12957 of March 15, 1995,

I, Barack Obama, President of the United States of America, hereby order:

Section 1. (a) When the President, or the Secretary of State pursuant to authority delegated by the President and in accordance with the terms of such delegation, which includes consultation with the Secretary of the Treasury, has determined that sanctions shall be imposed on a person pursuant to section 5 of ISA and has selected the sanctions set forth in section 6 of ISA to impose on that person, the Secretary of the Treasury, in consultation with the Secretary of State, shall take the following actions with respect to the sanctions imposed and maintained by the President or by the Secretary of State pursuant to and in accordance with the terms of such delegation:

(i) with respect to section 6(a)(3) of ISA, prohibit any United States financial institution from making loans or providing credits to the ISA-sanctioned person consistent with section 6(a)(3) of ISA;

(ii) with respect to section 6(a)(6) of ISA, prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the ISA-sanctioned person has any interest;

(iii) with respect to section 6(a)(7) of ISA, 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 ISA-sanctioned person;

(iv) with respect to section 6(a)(8) of ISA, block all property and interests in property that are in the United States, that come within the United States, or that are or come within the possession or control of any United States person, including any overseas branch, of the ISA-sanctioned person, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in; or

(v) with respect to section 6(a)(9) of ISA, restrict or prohibit imports of goods, technology, or services, directly or indirectly, into the United States from the ISA-sanctioned person.

(b) I hereby determine that, to the extent section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) may apply, the making of donations of the types of articles specified in such section by, to, or for the benefit of any ISA-sanctioned person whose property and interests in

property are blocked pursuant to subsection (a)(iv) of this section would seriously impair my ability to deal with the national emergency declared in Executive Order 12957, and I hereby prohibit such donations as provided by subsection (a)(iv) of this section.

(c) The prohibitions in subsection (a)(iv) of this section include but are not limited to:

(i) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any ISA-sanctioned person whose property and interests in property are blocked pursuant to this order; and

(ii) the receipt of any contribution or provision of funds, goods, or services from any such ISA-sanctioned person.

(d) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order.

Sec. 2. (a) Any transaction by a United States person or within the United States that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in this order is prohibited.

(b) Any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 3. For the purposes of this order:

(a) the term "person" means an individual or entity;

(b) the term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States;

(d) the term "financial institution" includes (i) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act) (12 U.S.C. 1813(c)(1)), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978) (12 U.S.C. 3101(7)); (ii) a credit union; (iii) a securities firm, including a broker or dealer; (iv) an insurance company, including an agency or underwriter; and (v) any other company that provides financial services;

(e) the term "United States financial institution" means a financial institution (including its foreign branches) organized under the laws of the United States or of any jurisdiction within the United States; and

(f) the term "ISA-sanctioned person" means a person that the President, or the Secretary of State pursuant to authority delegated by the President and in accordance with the terms of such delegation, including consultation with the Secretary of the Treasury, has determined is a person on whom sanctions shall be imposed pursuant to section 5 of ISA and on whom the President or the Secretary of State has imposed any of the sanctions in section 6 of ISA.

Sec. 4. For those persons whose property and interests in property are blocked pursuant to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of

measures to be taken pursuant to section 1(a)(iv) of this order would render those measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in Executive Order 12957, there need be no prior notice of an action taken pursuant to section 1(a)(iv) of this order.

Sec. 5. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and sections 6(a)(6), 6(a)(7), 6(a)(8), and 6(a)(9) of ISA, and to employ all powers granted to the United States Government by section 6(a)(3) of ISA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government consistent with applicable law. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

Sec. 6. This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

Sec. 7. The measures taken pursuant to this order are in response to actions of the Government of Iran occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those later actions.

BARACK OBAMA

The White House, May 23, 2011.

[Filed with the Office of the Federal Register, 11:15 a.m., May 24, 2011]

NOTE: This Executive order was published in the Federal Register on May 25.

Categories: Executive Orders : Iran Sanctions Act of 1996, as amended, authorization of certain sanctions.

Subjects: Iran : U.S. sanctions.

DCPD Number: DCPD201100382.





Administration of Barack Obama, 2011

Executive Order 13590—Authorizing the Imposition of Certain Sanctions With Respect to the Provision of Goods, Services, Technology, or Support for Iran's Energy and Petrochemical Sectors November 20, 2011

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3, United States Code, and in order to take additional steps with respect to the national emergency declared in Executive Order 12957 of March 15, 1995,

I, Barack Obama, President of the United States of America, hereby order:

Section 1. The Secretary of State, in consultation with the Secretary of the Treasury, the Secretary of Commerce, and the United States Trade Representative, and with the President of the Export-Import Bank, the Chairman of the Board of Governors of the Federal Reserve System, and other agencies and officials as appropriate, is hereby authorized to impose on a person any of the sanctions described in section 2 or 3 of this order upon determining that the person:

(a) knowingly, on or after the effective date of this order, sells, leases, or provides to Iran goods, services, technology, or support that has a fair market value of \$1,000,000 or more or that, during a 12-month period, has an aggregate fair market value of \$5,000,000 or more, and that could directly and significantly contribute to the maintenance or enhancement of Iran's ability to develop petroleum resources located in Iran;

(b) knowingly, on or after the effective date of this order, sells, leases, or provides to Iran goods, services, technology, or support that has a fair market value of \$250,000 or more or that, during a 12-month period, has an aggregate fair market value of \$1,000,000 or more, and that could directly and significantly contribute to the maintenance or expansion of Iran's domestic production of petrochemical products;

(c) is a successor entity to a person referred to in subsection (a) or (b) of this section;

(d) owns or controls a person referred to in subsection (a) or (b) of this section, and had actual knowledge or should have known that the person engaged in the activities referred to in that subsection; or

(e) is owned or controlled by, or under common ownership or control with, a person referred to in subsection (a) or (b) of this section, and knowingly participated in the activities referred to in that subsection.

Sec. 2. When the Secretary of State, in accordance with the terms of section 1 of this order, has determined that a person meets any of the criteria described in section 1 and has selected any of the sanctions set forth below to impose on that person, the heads of relevant agencies, in consultation with the Secretary of State, shall take the following actions where necessary to implement the sanctions imposed by the Secretary of State:

(a) the Board of Directors of the Export-Import Bank shall deny approval of the issuance of any guarantee, insurance, extension of credit, or participation in an extension of credit in connection with the export of any goods or services to the sanctioned person; (b) agencies shall not issue any specific license or grant any other specific permission or authority under any statute that requires the prior review and approval of the United States Government as a condition for the export or reexport of goods or technology to the sanctioned person;

(c) with respect to a sanctioned person that is a financial institution:

(i) the Chairman of the Board of Governors of the Federal Reserve System and the President of the Federal Reserve Bank of New York shall take such actions as they deem appropriate, including denying designation, or terminating the continuation of any prior designation of, the sanctioned person as a primary dealer in United States Government debt instruments; or

(ii) agencies shall prevent the sanctioned person from serving as an agent of the United States Government or serving as a repository for United States Government funds; or

(d) agencies shall not procure, or enter into a contract for the procurement of, any goods or services from the sanctioned person.

(e) The prohibitions in subsections (a)-(d) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 3. (a) When the Secretary of State, in accordance with the terms of section 1 of this order, has determined that a person has engaged in the activities described in section 1 and has selected any of the sanctions set forth below to impose on that person, the Secretary of the Treasury, in consultation with the Secretary of State, shall take the following actions where necessary to implement the sanctions imposed by the Secretary of State:

(i) prohibit any United States financial institution from making loans or providing credits to the 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;

(ii) 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;

(iii) 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;

(iv) block all property and interests in property that are in the United States, that come within the United States, or that are or come within the possession or control of any United States person, including any foreign branch, of the sanctioned person, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in; or (v) restrict or prohibit imports of goods, technology, or services, directly or indirectly, into the United States from the sanctioned person.

(b) I hereby determine that, to the extent section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) may apply, the making of donations of the type of articles specified in such section

by, to, or for the benefit of any sanctioned person whose property and interests in property are blocked pursuant to subsection (a)(iv) of this section would seriously impair my ability to deal with the national emergency declared in Executive Order 12957, and I hereby prohibit such donations as provided by subsection (a)(iv) of this section.

(c) The prohibitions in subsection (a)(iv) of this section include, but are not limited to:

(i) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any sanctioned person whose property and interests in property are blocked pursuant to this order; and

(ii) the receipt of any contribution or provision of funds, goods, or services from any such sanctioned person.

(d) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 4. (a) Any transaction by a United States person or within the United States that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in this order is prohibited.

(b) Any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 5. For the purposes of this order:

(a) the term "person" means an individual or entity;

(b) the term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States;

(d) the term "financial institution" includes (i) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act) (12 U.S.C. 1813(c)(1)), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978) (12 U.S.C. 3101(7)); (ii) a credit union; (iii) a securities firm, including a broker or dealer; (iv) an insurance company, including an agency or underwriter; and (v) any other company that provides financial services;

(e) the term "United States financial institution" means a financial institution (including its foreign branches) organized under the laws of the United States or any jurisdiction within the United States or located in the United States;

(f) the term "sanctioned person" means a person on whom the Secretary of State, in accordance with the terms of section 1 of this order, has determined to impose sanctions pursuant to section 1;

(g) the term "to develop" petroleum resources means to explore for, or to extract, refine, or transport by pipeline, petroleum resources;

(h) the term "Iran" means the Government of Iran and the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over

which the Government of Iran claims sovereignty, sovereign rights, or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to international arrangements;

(i) the term "Government of Iran" includes the Government of Iran, any political subdivision, agency, or instrumentality thereof, and any person owned or controlled by, or acting for or on behalf of, the Government of Iran;

(j) the term "knowingly," with respect to a conduct, a circumstance, or a result, means that the person has actual knowledge, or should have known, of the conduct, the circumstance, or the result;

(k) the term "petroleum resources" includes petroleum, oil, natural gas, liquefied natural gas, and refined petroleum products;

(1) the term "refined petroleum products" means diesel, gasoline, jet fuel (including naptha-type and kerosene-type jet fuel), and aviation gasoline; and

(m) the term "petrochemical products" includes any aromatic, olefin, and synthesis gas, and any of their derivatives, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea.

Sec. 6. For those persons whose property and interests in property are blocked pursuant to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of measures to be taken pursuant to section 3(a)(iv) of this order would render those measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in Executive Order 12957, there need be no prior notice of an action taken pursuant to section 3(a)(iv) of this order.

Sec. 7. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to carry out the purposes of section 3 of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government consistent with applicable law. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

Sec. 8. This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

Sec. 9. The measures taken pursuant to this order are in response to actions of the Government of Iran occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those later actions.

Sec. 10. This order is effective at 12:01 a.m. eastern standard time on November 21, 2011.

BARACK OBAMA

The White House, November 20, 2011.

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[Filed with the Office of the Federal Register, 11:15 a.m., November 22, 2011]

NOTE: This Executive order was released by the Office of the Press Secretary on November 21, and it was published in the *Federal Register* on November 23.

Categories: Executive Orders : Iran's energy and petrochemical sectors, sanctions on goods, services, technology, or support for.

Subjects: Iran : U.S. sanctions.

DCPD Number: DCPD201100890.



Presidential Documents

Executive Order 13622 of July 30, 2012

Authorizing Additional Sanctions With Respect to Iran

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3, United States Code,

I, BARACK OBAMA, President of the United States of America, in order to take additional steps with respect to the national emergency declared in Executive Order 12957 of March 15, 1995, as relied upon for additional steps in subsequent Executive Orders, particularly in light of the Government of Iran's use of revenues from petroleum, petroleum products, and petrochemicals for illicit purposes, Iran's continued attempts to evade international sanctions through deceptive practices, and the unacceptable risk posed to the international financial system by Iran's activities, hereby order:

Section 1. (a) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to impose on a foreign financial institution the sanctions described in subsection (b) of this section upon determining that the foreign financial institution has knowingly conducted or facilitated any significant financial transaction:

(i) with the National Iranian Oil Company (NIOC) or Naftiran Intertrade Company (NICO), except for a sale or provision to NIOC or NICO of the products described in section 5(a)(3)(A)(i) of the Iran Sanctions Act of 1996 (Public Law 104–172), as amended, provided that the fair market value of such products is lower than the applicable dollar threshold specified in that provision;

(ii) for the purchase or acquisition of petroleum or petroleum products from Iran; or

(iii) for the purchase or acquisition of petrochemical products from Iran. (b) With respect to any foreign financial institution determined by the Secretary of the Treasury in accordance with this section to meet the criteria set forth in subsection (a)(i), (a)(ii), or (a)(iii) of this section, the Secretary of the Treasury may 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 such foreign financial institution.

(c) Subsections (a)(i) and (ii) of this section shall apply with respect to a significant financial transaction conducted or facilitated by a foreign financial institution only if:

(i) the President determines under subparagraphs (4)(B) and (C) of subsection 1245(d) of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112-81) (NDAA) 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; and

(ii) an exception under subparagraph 4(D) of subsection 1245(d) of the NDAA from the imposition of sanctions under paragraph (1) of that subsection does not apply with respect to the country with primary jurisdiction over the foreign financial institution.

(d) Subsection (a) of this section shall not apply with respect to any person for conducting or facilitating a transaction for the sale of food,

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medicine, or medical devices to Iran or when the underlying transaction has been authorized by the Secretary of the Treasury.

(e) The prohibitions in subsection (b) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 2. (a) The Secretary of State, in consultation with the Secretary of the Treasury, the Secretary of Commerce, and the United States Trade Representative, and with the President of the Export-Import Bank, the Chairman of the Board of Governors of the Federal Reserve System, and other agencies and officials as appropriate, is hereby authorized to impose on a person any of the sanctions described in section 3 or 4 of this order upon determining that the person:

(i) knowingly, on or after the effective date of this order, engaged in a significant transaction for the purchase or acquisition of petroleum or petroleum products from Iran;

(ii) knowingly, on or after the effective date of this order, engaged in a significant transaction for the purchase or acquisition of petrochemical products from Iran;

(iii) is a successor entity to a person determined by the Secretary of State in accordance with this subsection to meet the criteria in subsection (a)(i) or (a)(i) of this section;

(iv) owns or controls a person determined by the Secretary of State in accordance with this subsection to meet the criteria in subsection (a)(i) or (a)(i) of this section, and had knowledge that the person engaged in the activities referred to in that subsection; or

(v) is owned or controlled by, or under common ownership or control with, a person determined by the Secretary of State in accordance with this subsection to meet the criteria in subsection (a)(i) or (a)(ii) of this section, and knowingly participated in the activities referred to in that subsection.

(b) Subsection (a)(i) of this section shall apply with respect to a person only if:

(i) the President determines under subparagraphs (4)(B) and (C) of subsection 1245(d) of the NDAA 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; and

(ii) an exception under subparagraph 4(D) of subsection 1245(d) of the NDAA from the imposition of sanctions under paragraph (1) of that subsection does not apply with respect to the country with primary jurisdiction over the person.

Sec. 3. When the Secretary of State, in accordance with the terms of section 2 of this order, has determined that a person meets any of the criteria described in section 2 and has selected any of the sanctions set forth below to impose on that person, the heads of relevant agencies, in consultation with the Secretary of State, shall take the following actions where necessary to implement the sanctions imposed by the Secretary of State:

(a) the Board of Directors of the Export-Import Bank shall deny approval of the issuance of any guarantee, insurance, extension of credit, or participation in an extension of credit in connection with the export of any goods or services to the sanctioned person;

(b) agencies shall not issue any specific license or grant any other specific permission or authority under any statute that requires the prior review and approval of the United States Government as a condition for the export or reexport of goods or technology to the sanctioned person;

(c) with respect to a sanctioned person that is a financial institution:

(i) the Chairman of the Board of Governors of the Federal Reserve System and the President of the Federal Reserve Bank of New York shall take such actions as they deem appropriate, including denying designation, or terminating the continuation of any prior designation of, the sanctioned person as a primary dealer in United States Government debt instruments; or

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(ii) agencies shall prevent the sanctioned person from serving as an agent of the United States Government or serving as a repository for United States Government funds; or

(d) agencies shall not procure, or enter into a contract for the procurement of, any goods or services from the sanctioned person.

(e) The prohibitions in subsections (a)-(d) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 4. (a) When the Secretary of State, in accordance with the terms of section 2 of this order, has determined that a person meets any of the criteria described in section 2 and has selected any of the sanctions set forth below to impose on that person, the Secretary of the Treasury, in consultation with the Secretary of State, shall take the following actions where necessary to implement the sanctions imposed by the Secretary of State:

(i) prohibit any United States financial institution from making loans or providing credits to the 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;

(ii) 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;

(iii) 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;

(iv) block all property and interests in property that are in the United States, that come within the United States, or that are or come within the possession or control of any United States person, including any foreign branch, of the sanctioned person, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in; or

(v) restrict or prohibit imports of goods, technology, or services, directly or indirectly, into the United States from the sanctioned person.

(b) The prohibitions in subsections (a)(i)-(a)(v) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 5. (a) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to impose on a person the measures described in subsection (b) of this section upon determining that the person has materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, NIOC, NICO, or the Central Bank of Iran, or the purchase or acquisition of U.S. bank notes or precious metals by the Government of Iran.

(b) With respect to any person determined by the Secretary of the Treasury in accordance with subsection (a) to meet the criteria set forth in subsection (a) of this section, all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person, including any foreign branch, of such person are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(c) The prohibitions in subsection (b) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 6. Subsection 1(a), section 2, and subsection 5(a) of this order shall not apply with respect to any person for conducting or facilitating a transaction involving a natural gas development and pipeline project initiated prior to the effective date of this order to bring gas from Azerbaijan to Europe and Turkey in furtherance of a production sharing agreement or license awarded by a sovereign government other than the Government of Iran before the effective date of this order.

Sec. 7. I hereby determine that, to the extent section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) may apply, the making of donations of the type of articles specified in such section by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to subsection (a)(iv) of section 4 or subsection (b) of section 5 of this order would seriously impair my ability to deal with the national emergency declared in Executive Order 12957, and I hereby prohibit such donations as provided by subsection (a)(iv) of section 4 and subsection (b) of section 5 of this order.

Sec. 8. The prohibitions in subsection (a)(iv) of section 4 and subsection (b) of section 5 of this order include, but are not limited to:

(i) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order; and

(ii) the receipt of any contribution or provision of funds, goods, or services from any such person.

Sec. 9. (a) Any transaction that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in this order is prohibited.

(b) Any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 10. For the purposes of this order:

(a) the term "person" means an individual or entity;

(b) the term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States;

(d) the term "financial institution," as used in sections 3 and 4 of this order, includes (i) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act) (12 U.S.C. 1813(c)(1)), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978) (12 U.S.C. 3101(7)); (ii) a credit union; (iii) a securities firm, including a broker or dealer; (iv) an insurance company, including an agency or underwriter; and (v) any other company that provides financial services;

(e) the term "foreign financial institution," as used in section 1 of this order, means any foreign entity that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, or purchasing or selling foreign exchange, securities, commodity futures or options, or procuring purchasers and sellers thereof, as principal or agent. It includes, but is not limited to, depository institutions, banks, savings banks, money service businesses, trust companies, securities brokers and dealers, commodity futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, and holding companies, affiliates, or subsidiaries of any of the foregoing. The term does not include the international financial institutions identified in 22 U.S.C. 262r(c)(2), the International Fund for Agricultural Development, the North American Development Bank, or any other international financial institution so notified by the Secretary of the Treasury;

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(f) the term "United States financial institution" means a financial institution as defined in subsection (d) of this section (including its foreign branches) organized under the laws of the United States or any jurisdiction within the United States or located in the United States;

(g) the term "Iran" means the Government of Iran and the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the Government of Iran claims sovereignty, sovereign rights, or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to international arrangements;

(h) the term "Government of Iran" includes the Government of Iran, any political subdivision, agency, or instrumentality thereof, including the Central Bank of Iran, and any person owned or controlled by, or acting for or on behalf of, the Government of Iran;

(i) the terms "knowledge" and "knowingly," with respect to conduct, a circumstance, or a result, mean that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result;

(j) the term "sanctioned person" means a person on whom the Secretary of State, in accordance with the terms of section 2 of this order, has determined to impose sanctions pursuant to section 2;

(k) the term "petroleum" (also known as crude oil) means a mixture of hydrocarbons that exists in liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities;

(l) the term "petroleum products" includes unfinished oils, liquefied petroleum gases, pentanes plus, aviation gasoline, motor gasoline, naphtha-type jet fuel, kerosene-type jet fuel, kerosene, distillate fuel oil, residual fuel oil, petrochemical feedstocks, special naphthas, lubricants, waxes, petroleum coke, asphalt, road oil, still gas, and miscellaneous products obtained from the processing of: crude oil (including lease condensate), natural gas, and other hydrocarbon compounds. The term does not include natural gas, liquefied natural gas, biofuels, methanol, and other non-petroleum fuels;

(m) the term "petrochemical products" includes any aromatic, olefin, and synthesis gas, and any of their derivatives, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea;

(n) the terms "National Iranian Oil Company" and "NIOC" mean the National Iranian Oil Company and any entity owned or controlled by, or operating for or on behalf of, the National Iranian Oil Company; and

(o) the terms "Naftiran Intertrade Company" and "NICO" mean the Naftiran Intertrade Company and any entity owned or controlled by, or operating for or on behalf of, the Naftiran Intertrade Company.

Sec. 11. For those persons whose property and interests in property are blocked pursuant to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of measures to be taken pursuant to subsection (a)(iv) of section 4 or subsection (b) of section 5 of this order would render those measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in Executive Order 12957, there need be no prior notice of an action taken pursuant to subsection (a)(iv) of section 4 or subsection (b) of section 5 of this order.

Sec. 12. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to carry out the purposes of sections 1, 4, and 5 of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government consistent with applicable law. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

Sec. 13. This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

Sec. 14. The measures taken pursuant to this order are in response to actions of the Government of Iran occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those later actions.

Sec. 15. This order is effective at 12:01 a.m. eastern daylight time on July 31, 2012.

THE WHITE HOUSE, Washington, July 30, 2012.

[FR Doc. 2012-19055 Filed 8-1-12; 8:45 am] Billing code 3295-F2-P

33945

Presidential Documents

Executive Order 13645 of June 3, 2013

Authorizing the Implementation of Certain Sanctions Set Forth in the Iran Freedom and Counter-Proliferation Act of 2012 and Additional Sanctions With Respect To Iran

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195) (22 U.S.C. 8501 *et seq.*) (CISADA), the Iran Freedom and Counter-Proliferation Act of 2012 (subtitle D of title XII of Public Law 112–239) (22 U.S.C. 8801 *et seq.*) (IFCA), section 212(f) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1182(f)), and section 301 of title 3, United States Code, and in order to take additional steps with respect to the national emergency declared in Executive Order 12957 of March 15, 1995,

I, BARACK OBAMA, President of the United States of America, hereby order:

Section 1. (a) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to impose on a foreign financial institution the sanctions described in subsection (b) of this section upon determining that the foreign financial institution has, on or after the effective date of this order:

(i) knowingly conducted or facilitated any significant transaction related to the purchase or sale of Iranian rials or a derivative, swap, future, forward, or other similar contract whose value is based on the exchange rate of the Iranian rial; or

(ii) maintained significant funds or accounts outside the territory of Iran denominated in the Iranian rial.

(b) With respect to any foreign financial institution determined by the Secretary of the Treasury in accordance with this section to meet the criteria set forth in subsection (a)(i) or (a)(ii) of this section, the Secretary of the Treasury may:

(i) 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 such foreign financial institution; or

(ii) block all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person (including any foreign branch) of such foreign financial institution, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(c) The prohibitions in subsection (b) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 2. (a) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to impose on a person the measures described in subsection (b) of this section upon determining:

(i) that the person has materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any Iranian person included on the list of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control (SDN List) (other than an Iranian depository institution whose property and interests in property are blocked solely pursuant to Executive Order 13599 of February 5, 2012) or any other person included on the SDN List whose property and interests in property are blocked pursuant to this paragraph or Executive Order 13599 (other than an Iranian depository institution whose property and interests in property are blocked solely pursuant to Executive Order 13599); or

(ii) pursuant to authority delegated by the President and in accordance with the terms of such delegation, that sanctions shall be imposed on such person pursuant to section 1244(c)(1)(A) of IFCA.

(b) With respect to any person determined by the Secretary of the Treasury in accordance with this section to meet the criteria set forth in subsection (a)(i) or (a)(ii) of this section, all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person (including any foreign branch) of such person are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(c) The prohibitions in subsection (b) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 3. (a) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to impose on a foreign financial institution the sanctions described in subsection (b) of this section upon determining that the foreign financial institution has knowingly conducted or facilitated any significant financial transaction:

(i) on behalf of any Iranian person included on the SDN List (other than an Iranian depository institution whose property and interests in property are blocked solely pursuant to Executive Order 13599) or any other person included on the SDN List whose property and interests in property are blocked pursuant to subsection 2(a)(i) of this order or Executive Order 13599 (other than an Iranian depository institution whose property and interests in property are blocked solely pursuant to Executive Order 13599); or

(ii) on or after the effective date of this order, for the sale, supply, or transfer to Iran of significant goods or services used in connection with the automotive sector of Iran.

(b) With respect to any foreign financial institution determined by the Secretary of the Treasury in accordance with this section to meet the criteria set forth in subsection (a)(i) or (a)(ii) of this section, the Secretary of the Treasury may 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 such foreign financial institution.

(c) Subsection (a)(i) of this section shall apply with respect to a significant financial transaction conducted or facilitated by a foreign financial institution for the purchase of petroleum or petroleum products from Iran only if:

(i) the President determines under subparagraphs (4)(B) and (C) of subsection 1245(d) of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112-81) (2012 NDAA) (22 U.S.C. 8513a) 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; and (ii) an exception under subparagraph 4(D) of subsection 1245(d) of the 2012 NDAA from the imposition of sanctions under paragraph (1) of that subsection does not apply.

(d) Subsection (a)(i) of this section shall not apply with respect to a significant financial transaction conducted or facilitated by a foreign financial institution for the sale, supply, or transfer to or from Iran of natural gas only if the financial transaction is solely for trade between the country with primary jurisdiction over the foreign financial institution and Iran, and 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) Subsection (a)(i) of this section shall not apply to any person for conducting or facilitating a transaction for the provision of agricultural commodities, food, medicine, or medical devices to Iran.

(f) The prohibitions in subsection (b) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 4. Subsections 2(a) and 3(a)(i) of this order shall not apply with respect to any person for conducting or facilitating a transaction involving a project described in subsection (a) of section 603 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (Public Law 112–158) (22 U.S.C. 8701 *et seq.*) to which the exception under that section applies.

Sec. 5. The Secretary of State, in consultation with the Secretary of the Treasury, the Secretary of Commerce, the Secretary of Homeland Security, and the United States Trade Representative, and with the President of the Export-Import Bank, the Chairman of the Board of Governors of the Federal Reserve System, and other agencies and officials as appropriate, is hereby authorized to impose on a person any of the sanctions described in section 6 or 7 of this order upon determining that the person:

(a) on or after the effective date of this order, knowingly engaged in a significant transaction for the sale, supply, or transfer to Iran of significant goods or services used in connection with the automotive sector of Iran;

(b) is a successor entity to a person determined by the Secretary of State in accordance with this section to meet the criteria in subsection (a) of this section;

(c) owns or controls a person determined by the Secretary of State in accordance with this section to meet the criteria in subsection (a) of this section, and had knowledge that the person engaged in the activities referred to in that subsection; or

(d) is owned or controlled by, or under common ownership or control with, a person determined by the Secretary of State in accordance with this section to meet the criteria in subsection (a) of this section, and knowingly participated in the activities referred to in that subsection.

Sec. 6. When the Secretary of State, in accordance with the terms of section 5 of this order, has determined that a person meets any of the criteria described in subsections (a)–(d) of that section and has selected any of the sanctions set forth below to impose on that person, the heads of relevant agencies, in consultation with the Secretary of State, as appropriate, shall take the following actions where necessary to implement the sanctions imposed by the Secretary of State:

(a) the Board of Directors of the Export-Import Bank shall deny approval of the issuance of any guarantee, insurance, extension of credit, or participation in an extension of credit in connection with the export of any goods or services to the sanctioned person;

(b) agencies shall not issue any specific license or grant any other specific permission or authority under any statute that requires the prior review

and approval of the United States Government as a condition for the export or reexport of goods or technology to the sanctioned person;

(c) with respect to a sanctioned person that is a financial institution: (i) the Chairman of the Board of Governors of the Federal Reserve System and the President of the Federal Reserve Bank of New York shall take such actions as they deem appropriate, including denying designation, or terminating the continuation of any prior designation of, the sanctioned person as a primary dealer in United States Government debt instruments; or

(ii) agencies shall prevent the sanctioned person from serving as an agent of the United States Government or serving as a repository for United States Government funds;

(d) agencies shall not procure, or enter into a contract for the procurement of, any goods or services from the sanctioned person;

(e) the Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any alien that the Secretary of State determines is a corporate officer or principal of, or a shareholder with a controlling interest in, a sanctioned person; or

(f) the heads of the relevant agencies, as appropriate, shall impose on the principal executive officer or officers, or persons performing similar functions and with similar authorities, of a sanctioned person the sanctions described in subsections (a)-(e) of this section, as selected by the Secretary of State.

(g) The prohibitions in subsections (a)-(f) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 7. (a) When the Secretary of State or the Secretary of the Treasury, pursuant to authority delegated by the President and in accordance with the terms of such delegation, has determined that sanctions shall be imposed on a person pursuant to section 1244(d)(1)(A), 1245(a)(1), or 1246(a)(1) of IFCA (including in each case as informed by section 1253(c)(2) of IFCA) or when the Secretary of State, in accordance with the terms of section 5 of this order, has determined that a person meets any of the criteria described in subsections (a)–(d) of that section, such Secretary may select one or more of the sanctions set forth below to impose on that person, and the Secretary of the Treasury, in consultation with the Secretary of State, shall take the following actions where necessary to implement the sanctions selected and maintained by the Secretary of State or the Secretary of the Treasury:

(i) prohibit any United States financial institution from making loans or providing credits to the 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;

(ii) 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;

(iii) 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;

(iv) block all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person (including any foreign branch) of the sanctioned person, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in;

(v) prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person;

(vi) restrict or prohibit imports of goods, technology, or services, directly or indirectly, into the United States from the sanctioned person; or

(vii) impose on the principal executive officer or officers, or persons performing similar functions and with similar authorities, of a sanctioned person the sanctions described in subsections (a)(i)-(a)(vi) of this section, as selected by the Secretary of State or the Secretary of the Treasury, as appropriate.

(b) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 8. (a) All property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person (including any foreign branch) of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in: any person determined by the Secretary of the Treasury, in consultation with or at the recommendation of the Secretary of State:

(i) to have engaged, on or after January 2, 2013, in corruption or other activities relating to the diversion of goods, including agricultural commodities, food, medicine, and medical devices, intended for the people of Iran;

(ii) to have engaged, on or after January 2, 2013, in corruption or other activities relating to the misappropriation of proceeds from the sale or resale of goods described in subsection (a)(i) of this section;

(iii) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the activities described in subsection (a)(i) or (a)(ii) of this section or any person whose property and interests in property are blocked pursuant to this section; or

(iv) to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to this section.

(b) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order.

Sec. 9. I hereby determine that, to the extent section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) may apply, the making of donations of the types of articles specified in such section by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order would seriously impair my ability to deal with the national emergency declared in Executive Order 12957, and I hereby prohibit such donations as provided by subsections 1(b)(ii), 2(b), 7(a)(iv), and 8(a) of this order.

Sec. 10. The prohibitions in subsections 1(b)(ii), 2(b), 7(a)(iv), and 8(a) of this order include but are not limited to:

(a) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order; and

(b) the receipt of any contribution or provision of funds, goods, or services from any such person.

Sec. 11. I hereby find that the unrestricted immigrant and nonimmigrant entry into the United States of aliens who meet one or more of the criteria in subsection 2(a), section 5, and subsection 8(a) of this order would be detrimental to the interests of the United States, and I hereby suspend the entry into the United States, as immigrants or nonimmigrants, of such persons. Such persons shall be treated as persons covered by section 1 of Proclamation 8693 of July 24, 2011 (Suspension of Entry of Aliens Subject to United Nations Security Council Travel Bans and International Emergency Economic Powers Act Sanctions).

Sec. 12. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to carry out the purposes of this order, other than the purposes described in sections 5, 6, and 11 of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government consistent with applicable law.

Sec. 13. (a) Any transaction that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in this order is prohibited.

(b) Any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 14. For the purposes of this order:

(a) the term "automotive sector of Iran" means the manufacturing or assembling in Iran of light and heavy vehicles including passenger cars, trucks, buses, minibuses, pick-up trucks, and motorcycles, as well as original equipment manufacturing and after-market parts manufacturing relating to such vehicles.

(b) the term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(c) the term "financial institution," as used in sections 6 and 7 of this order, includes:

(i) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act) (12 U.S.C. 1813(c)(1)), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978) (12 U.S.C. 3101(7));

(ii) a credit union;

(iii) a securities firm, including a broker or dealer;

(iv) an insurance company, including an agency or underwriter; and

(v) any other company that provides financial services;

(d) the term "foreign financial institution," as used in sections 1 and 3 of this order, means any foreign entity that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, or purchasing or selling foreign exchange, securities, commodity futures or options, or procuring purchasers and sellers thereof, as principal or agent. It includes but is not limited to depository institutions, banks, savings banks, money service businesses, trust companies, securities brokers and dealers, commodity futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, dealers in precious metals, stones, or jewels, and holding companies, affiliates, or subsidiaries of any of the foregoing. The term does not include the international financial institutions identified in 22 U.S.C. 262r(c)(2), the International Fund for Agricultural Development, the North American Development Bank, or any other international financial institution so notified by the Secretary of the Treasury;

(e) the term "Government of Iran" includes the Government of Iran, any political subdivision, agency, or instrumentality thereof, including the Central

Bank of Iran, and any person owned or controlled by, or acting for or on behalf of, the Government of Iran;

(f) the term "Iran" means the Government of Iran and the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the Government of Iran claims sovereignty, sovereign rights, or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to international arrangements;

(g) the term "Iranian depository institution" means any entity (including foreign branches), wherever located, organized under the laws of Iran or any jurisdiction within Iran, or owned or controlled by the Government of Iran, or in Iran, or owned or controlled by any of the foregoing, that is engaged primarily in the business of banking (for example, banks, savings banks, savings associations, credit unions, trust companies, and bank holding companies);

(h) the term "Iranian person," as used in sections 2 and 3 of this order, means an individual who is a citizen or national of Iran or an entity organized under the laws of Iran or otherwise subject to the jurisdiction of the Government of Iran;

(i) the terms "knowledge" and "knowingly," with respect to conduct, a circumstance, or a result, mean that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result;

(j) the term "person" means an individual or entity;

(k) the term "petroleum" (also known as crude oil) means a mixture of hydrocarbons that exists in liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities;

(l) the term "petroleum products" includes unfinished oils, liquefied petroleum gases, pentanes plus, aviation gasoline, motor gasoline, naphtha-type jet fuel, kerosene-type jet fuel, kerosene, distillate fuel oil, residual fuel oil, petrochemical feedstocks, special naphthas, lubricants, waxes, petroleum coke, asphalt, road oil, still gas, and miscellaneous products obtained from the processing of: crude oil (including lease condensate), natural gas, and other hydrocarbon compounds. The term does not include natural gas, liquefied natural gas, biofuels, methanol, and other non-petroleum fuels;

(m) the term "sanctioned person" means a person that the Secretary of State or the Secretary of the Treasury, pursuant to authority delegated by the President and in accordance with the terms of such delegation, has determined is a person on whom sanctions shall be imposed pursuant to section 1244(d)(1)(A), 1245(a)(1), or 1246(a)(1) of IFCA (including in each case as informed by section 1253(c)(2) of IFCA), and on whom the Secretary of State or the Secretary of the Treasury has imposed any of the sanctions in section 6 or 7 of this order or a person on whom the Secretary of State, in accordance with the terms of section 5 of this order, has determined to impose sanctions pursuant to section 5;

(n) for the purposes of this order, the term "subject to the jurisdiction of the Government of Iran" means a person organized under the laws of Iran or any jurisdiction within Iran, ordinarily resident in Iran, or in Iran, or owned or controlled by any of the foregoing;

(o) the term "United States financial institution" means a financial institution as defined in subsection (c) of this section (including its foreign branches) organized under the laws of the United States or any jurisdiction within the United States or located in the United States; and

(p) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

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Sec. 15. For those persons whose property and interests in property are blocked pursuant to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render those measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in Executive Order 12957, there need be no prior notice of an action taken pursuant to subsection 1(b)(ii), 2(b), 7(a)(iv), or 8(a) of this order.

Sec. 16. Executive Order 13622 of July 30, 2012, is hereby amended as follows:

(a) Subsection (a)(ii) of section 1 is amended by replacing "for the purchase or acquisition of petroleum or petroleum products from Iran" with "for the purchase, acquisition, sale, transport, or marketing of petroleum or petroleum products from Iran".

(b) Subsection (a)(iii) of section 1 is amended by replacing "for the purchase or acquisition of petrochemical products from Iran" with "for the purchase, acquisition, sale, transport, or marketing of petrochemical products from Iran".

(c) Subsection (a)(i) of section 2 is amended by replacing "knowingly, on or after the effective date of this order, engaged in a significant transaction for the purchase or acquisition of petroleum or petroleum products from Iran" with "knowingly, on or after the effective date of this order, engaged in a significant transaction for the purchase, acquisition, sale, transport, or marketing of petroleum or petroleum products from Iran".

(d) Subsection (a)(ii) of section 2 is amended by replacing "knowingly, on or after the effective date of this order, engaged in a significant transaction for the purchase or acquisition of petrochemical products from Iran" with "knowingly, on or after the effective date of this order, engaged in a significant transaction for the purchase, acquisition, sale, transport, or marketing of petrochemical products from Iran".

(e) Subsection (e) of section 10 is amended by inserting the words "dealers in precious metals, stones, or jewels," after the words "employee benefit plans,".

Sec. 17. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

Sec. 18. This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

Sec. 19. The measures taken pursuant to this order are in response to actions of the Government of Iran occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those later actions.

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Sec. 20. This order is effective at 12:01 a.m. eastern daylight time on July 1, 2013.

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THE WHITE HOUSE, June 3, 2013.

[FR Doc. 2013-13523
Filed 6-4-13; 11:15 am]
Billing code 3295-F3



62139

Presidential Documents

Executive Order 13628 of October 9, 2012

Authorizing the Implementation of Certain Sanctions Set Forth in the Iran Threat Reduction and Syria Human Rights Act of 2012 and Additional Sanctions With Respect to Iran

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), the Iran Sanctions Act of 1996 (Public Law 104–172) (50 U.S.C. 1701 note), as amended (ISA), the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195) (22 U.S.C. 8501 *et seq.*), as amended (CISADA), the Iran Threat Reduction and Syria Human Rights Act of 2012 (Public Law 112–158) (ITRSHRA), section 212(f) of the Immigration and Nationality Act of 1952, as amended (8 U.S.C. 1182(f)), and section 301 of title 3, United States Code, and in order to take additional steps with respect to the national emergency declared in Executive Order 12957 of March 15, 1995,

I, BARACK OBAMA, President of the United States of America, hereby order:

Section 1. (a) When the President, or the Secretary of State or the Secretary of the Treasury pursuant to authority delegated by the President and in accordance with the terms of such delegation, has determined that sanctions shall be imposed on a person pursuant to ISA, CISADA, or ITRSHRA and has, in accordance with those authorities, selected one or more of the sanctions set forth in section 6 of ISA to impose on that person, the Secretary of the Treasury, in consultation with the Secretary of State, shall take the following actions with respect to the sanctions selected and maintained by the President, the Secretary of State, or the Secretary of the Treasury:

(i) with respect to section 6(a)(3) of ISA, prohibit any United States financial institution from making loans or providing credits to the sanctioned person consistent with that section;

(ii) with respect to section 6(a)(6) of ISA, 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;

(iii) with respect to section 6(a)(7) of ISA, 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;

(iv) with respect to section 6(a)(8) of ISA, block all property and interests in property that are in the United States, that come within the United States, or that are or come within the possession or control of any United States person, including any foreign branch, of the sanctioned person, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in;

(v) with respect to section 6(a)(9) of ISA, prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person;

(vi) with respect to section 6(a)(11) of ISA, impose on the principal executive officer or officers, or persons performing similar functions and with

similar authorities, of a sanctioned person the sanctions described in sections 6(a)(3), 6(a)(6), (6)(a)(7), 6(a)(8), 6(a)(9), or 6(a)(12) of ISA, as selected by the President, Secretary of State, or Secretary of the Treasury, as appropriate; or

(vii) with respect to section 6(a)(12) of ISA, restrict or prohibit imports of goods, technology, or services, directly or indirectly, into the United States from the sanctioned person.

(b) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order.

Sec. 2. (a) All property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person, including any foreign branch, of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in: any person determined by the Secretary of the Treasury, in consultation with or at the recommendation of the Secretary of State:

(i) to have knowingly, on or after August 10, 2012, transferred, or facilitated the transfer of, goods or technologies 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, that 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;

(ii) to have knowingly, on or after August 10, 2012, provided services, including services relating to hardware, software, or specialized information or professional consulting, engineering, or support services, with respect to goods or technologies that have been transferred to Iran and that 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;

(iii) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the activities described in subsection (a)(i) or (a)(ii) of this section or any person whose property and interests in property are blocked pursuant to this section; or

(iv) to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to this section.

(b) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order.

Sec. 3. (a) All property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person, including any foreign branch, of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in: any person determined by the Secretary of the Treasury, in consultation with or at the recommendation of the Secretary of State:

(i) to have engaged in censorship or other activities with respect to Iran on or after June 12, 2009, that prohibit, limit, or penalize the exercise of freedom of expression or assembly by citizens of Iran, or that 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 the Government of Iran that would jam or restrict an international signal;

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(ii) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the activities described in subsection (a)(i) of this section or any person whose property and interests in property are blocked pursuant to this section; or

(iii) to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to this section.

(b) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order.

Sec. 4. (a) No entity owned or controlled by a United States person and established or maintained outside the United States may knowingly engage in any transaction, directly or indirectly, with the Government of Iran or any person subject to the jurisdiction of the Government of Iran, if that transaction would be prohibited by Executive Order 12957, Executive Order 12959 of May 6, 1995, Executive Order 13059 of August 19, 1997, Executive Order 13599 of February 5, 2012, section 5 of Executive Order 13622 of July 30, 2012, or section 12 of this order, or any regulation issued pursuant to the foregoing, if the transaction were engaged in by a United States person or in the United States.

(b) Penalties assessed for violations of the prohibition in subsection (a) of this section, and any related violations of section 12 of this order, may be assessed against the United States person that owns or controls the entity that engaged in the prohibited transaction.

(c) Penalties for violations of the prohibition in subsection (a) of this section shall not apply if the United States person that owns or controls the entity divests or terminates its business with the entity not later than February 6, 2013.

(d) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order.

Sec. 5. The Secretary of State, in consultation with the Secretary of the Treasury, the Secretary of Commerce, and the United States Trade Representative, and with the President of the Export-Import Bank of the United States, the Chairman of the Board of Governors of the Federal Reserve System, and other agencies and officials as appropriate, is hereby authorized to impose on a person any of the sanctions described in section 6 or 7 of this order upon determining that the person:

(a) knowingly, between July 1, 2010, and August 10, 2012, sold, leased, or provided to Iran goods, services, technology, information, or support with a fair market value of \$1,000,000 or more, or with an aggregate fair market value of \$5,000,000 or more during a 12-month period, and 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;

(b) knowingly, between July 1, 2010, and August 10, 2012, sold or provided to Iran refined petroleum products with a fair market value of \$1,000,000 or more, or with an aggregate fair market value of \$5,000,000 or more during a 12-month period;

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(c) knowingly, between July 1, 2010, and August 10, 2012, sold, leased, or provided to Iran goods, services, technology, information, or support with a fair market value of \$1,000,000 or more, or with an aggregate fair market value of \$5,000,000 or more during a 12-month period, and that could directly and significantly contribute to the enhancement of Iran's ability to import refined petroleum products;

(d) is a successor entity to a person determined by the Secretary of State in accordance with this section to meet the criteria in subsection (a), (b), or (c) of this section;

(e) owns or controls a person determined by the Secretary of State in accordance with this section to meet the criteria in subsection (a), (b), or (c) of this section, and had knowledge that the person engaged in the activities referred to in that subsection; or

(f) is owned or controlled by, or under common ownership or control with, a person determined by the Secretary of State in accordance with this section to meet the criteria in subsection (a), (b), or (c) of this section, and knowingly participated in the activities referred to in that subsection.

Sec. 6. (a) When the Secretary of State, in accordance with the terms of section 5 of this order, has determined that a person meets any of the criteria described in section 5 and has selected any of the sanctions set forth below to impose on that person, the heads of relevant agencies, in consultation with the Secretary of State, shall take the following actions where necessary to implement the sanctions imposed by the Secretary of State:

(i) the Board of Directors of the Export-Import Bank shall deny approval of the issuance of any guarantee, insurance, extension of credit, or participation in an extension of credit in connection with the export of any goods or services to the sanctioned person;

(ii) agencies shall not issue any specific license or grant any other specific permission or authority under any statute that requires the prior review and approval of the United States Government as a condition for the export or reexport of goods or technology to the sanctioned person;

(iii) with respect to a sanctioned person that is a financial institution:

(1) the Chairman of the Board of Governors of the Federal Reserve System and the President of the Federal Reserve Bank of New York shall take such actions as they deem appropriate, including denying designation, or terminating the continuation of any prior designation of, the sanctioned person as a primary dealer in United States Government debt instruments; or

(2) agencies shall prevent the sanctioned person from serving as an agent of the United States Government or serving as a repository for United States Government funds; or

(iv) agencies shall not procure, or enter into a contract for the procurement of, any goods or services from the sanctioned person.

(b) The prohibitions in subsections (a)(i)-(a)(iv) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order.

Sec. 7. (a) When the Secretary of State, in accordance with the terms of section 5 of this order, has determined that a person meets any of the criteria described in section 5 and has selected any of the sanctions set forth below to impose on that person, the Secretary of the Treasury, in consultation with the Secretary of State, shall take the following actions where necessary to implement the sanctions imposed by the Secretary of State:

(i) prohibit any United States financial institution from making loans or providing credits to the sanctioned person totaling more than

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\$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;

(ii) 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;

(iii) 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;

(iv) block all property and interests in property that are in the United States, that come within the United States, or that are or come within the possession or control of any United States person, including any foreign branch, of the sanctioned person, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in; or

(v) restrict or prohibit imports of goods, technology, or services, directly or indirectly, into the United States from the sanctioned person.

(b) The prohibitions in subsections (a)(i)-(a)(v) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order.

Sec. 8. I hereby determine that, to the extent that section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) may apply, the making of donations of the types of articles specified in such section by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order would seriously impair my ability to deal with the national emergency declared in Executive Order 12957, and I hereby prohibit such donations as provided by subsections 1(a)(iv), 2(a), 3(a), and 7(a)(iv) of this order.

Sec. 9. The prohibitions in subsections 1(a)(iv), 2(a), 3(a), and 7(a)(iv) of this order include but are not limited to:

(a) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order; and

(b) the receipt of any contribution or provision of funds, goods, or services from any such person.

Sec. 10. I hereby find that the unrestricted immigrant and nonimmigrant entry into the United States of aliens who meet one or more of the criteria in subsections 2(a) and 3(a) of this order would be detrimental to the interests of the United States, and I hereby suspend the entry into the United States, as immigrants or nonimmigrants, of such persons. Such persons shall be treated as persons covered by section 1 of Proclamation 8693 of July 24, 2011 (Suspension of Entry of Aliens Subject to United Nations Security Council Travel Bans and International Emergency Economic Powers Act Sanctions).

Sec. 11. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and sections 6(a)(6), 6(a)(7), 6(a)(8), 6(a)(9), 6(a)(11), and 6(a)(12) of ISA, and to employ all powers granted to the United States Government by section 6(a)(3) of ISA, as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government consistent with applicable law.

Sec. 12. (a) Any transaction that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of

the prohibitions set forth in this order or in Executive Order 12957, Executive Order 12959, Executive Order 13059, or Executive Order 13599 is prohibited.

(b) Any conspiracy formed to violate any of the prohibitions set forth in this order or in Executive Order 12957, Executive Order 12959, Executive Order 13059, or Executive Order 13599 is prohibited.

Sec. 13. For the purposes of this order:

(a) the term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(b) the term "Government of Iran" includes the Government of Iran, any political subdivision, agency, or instrumentality thereof, including the Central Bank of Iran, and any person owned or controlled by, or acting for or on behalf of, the Government of Iran;

(c) the term "Iran" means the Government of Iran and the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the Government of Iran claims sovereignty, sovereign rights, or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to international arrangements;

(d) the terms "knowledge" and "knowingly," with respect to conduct, a circumstance, or a result, mean that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result;

(e) the term "person" means an individual or entity;

(f) the term "sanctioned person" means a person that the President, or the Secretary of State or the Secretary of the Treasury pursuant to authority delegated by the President and in accordance with the terms of such delegation, has determined is a person on whom sanctions shall be imposed pursuant to IEEPA, ISA, CISADA, or ITRSHRA, and on whom the President, the Secretary of State, or the Secretary of the Treasury has imposed any of the sanctions in section 6 of ISA;

(g) for the purposes of section 4 of this order, the term "subject to the jurisdiction of the Government of Iran" means a person organized under the laws of Iran or any jurisdiction within Iran, ordinarily resident in Iran, or in Iran, or owned or controlled by any of the foregoing;

(h) the term "United States financial institution" means a financial institution (including its foreign branches) organized under the laws of the United States or any jurisdiction within the United States or located in the United States; and

(i) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

Sec. 14. For those persons whose property and interests in property are blocked pursuant to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render those measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in Executive Order 12957, there need be no prior notice of an action taken pursuant to subsections 1(a)(iv), 2(a), 3(a), and 7(a)(iv) of this order.

Sec. 15. Executive Order 13622 is hereby amended as follows:

(a) Subsection (1)(c)(ii) is amended by deleting the words "with respect to the country with primary jurisdiction over the foreign financial institution."

(b) Subsection (2)(b)(ii) is amended by deleting the words "with respect to the country with primary jurisdiction over the person."

(c) Subsection 1(d) is amended by inserting the words "agricultural commodities," after the words "sale of."

Sec. 16. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA, as may be necessary to carry out section 104A of CISADA (22 U.S.C. 8514). The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government consistent with applicable law.

Sec. 17. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

Sec. 18. This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

Sec. 19. The measures taken pursuant to this order are in response to actions of the Government of Iran occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those later actions.

THE WHITE HOUSE, Washington, October 9, 2012.

[FR Doc. 2012-25236 Filed 10-11-12; 8:45 am] Billing code 3295-F3





Executive Orders

Executive Order 12613--Prohibiting imports from Iran

Source: The provisions of Executive Order 12613 of Oct. 29, 1987, appear at 52 FR 41940, 3 CFR, 1987 Comp., p. 256, unless otherwise noted.

By the authority vested in me as President by the Constitution and laws of the United States of America, including section 505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-9), and section 301 of Title 3 of the United States Code,

I, RONALD REAGAN, President of the United States of America, find that the Government of Iran is actively supporting terrorism as an instrument of state policy. In addition, Iran has conducted aggressive and unlawful military action against U.S.-flag vessels and merchant vessels of other non-belligerent nations engaged in lawful and peaceful commerce in international waters of the Persian Gulf and territorial waters of non-belligerent nations of that region. To ensure that United States imports of Iranian goods and services will not contribute financial support to terrorism or to further aggressive actions against non-belligerent shipping, I hereby order that:

Section 1. Except as otherwise provided in regulations issued pursuant to this Order, no goods or services of Iranian origin may be imported into the United States, including its territories and possessions, after the effective date of this Order.

Sec. 2. The prohibition contained in Section 1 shall not apply to:

(a) Iranian-origin publications and materials imported for news publications or news broadcast dissemination;

(b) petroleum products refined from Iranian crude oil in a third country;

(c) articles imported directly from Iran into the United States that were exported from Iran prior to the effective date of this Order.

Sec. 3. This Order shall take effect at 12:01 p.m. Eastern Standard Time on October 29, 1987, except as otherwise provided in regulations issued pursuant to this Order.

Sec. 4. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of this Order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the Federal Government. All agencies of the United States Government are directed to take all appropriate measures within their authority to carry out the provisions of this Order, including the suspension or termination of licenses or other authorizations in effect as of the date of this Order.

Sec. 5. The measures taken pursuant to this Order are in response to the actions of the Government of Iran referred to above, occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those actions.

This Order shall be transmitted to the Congress and published in the **Federal Register.**

The U.S. National Archives and Records Administration

1-86-NARA-NARA or 1-866-272-6272

ELECTRONIC CODE OF FEDERAL REGULATIONS

e-CFR data is current as of August 8, 2019

Title 31 \rightarrow Subtitle B \rightarrow Chapter V \rightarrow Part 560 \rightarrow Subpart C \rightarrow §560.314

Title 31: Money and Finance: Treasury PART 560—IRANIAN TRANSACTIONS AND SANCTIONS REGULATIONS Subpart C—General Definitions

§560.314 United States person; U.S. person.

The term United States person or U.S. person means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

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ELECTRONIC CODE OF FEDERAL REGULATIONS

e-CFR data is current as of August 8, 2019

Title 31 \rightarrow Subtitle B \rightarrow Chapter V \rightarrow Part 560 \rightarrow Subpart E \rightarrow §560.530

Title 31: Money and Finance: Treasury

PART 560—IRANIAN TRANSACTIONS AND SANCTIONS REGULATIONS Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

§560.530 Commercial sales, exportation, and reexportation of agricultural commodities, medicine, medical devices, and certain related software and services.

(a)(1) One-year license requirement. (i) The exportation or reexportation of agricultural commodities, medicine, and medical devices that are not covered by the general licenses in paragraphs (a)(2) through (4) of this section (as set forth in paragraph (a)(1)(ii) of this section) to the Government of Iran, to any individual or entity in Iran, or to persons in third countries purchasing specifically for resale to any of the foregoing, shall only be made pursuant to a one-year specific license issued by the Office of Foreign Assets Control ("OFAC") for contracts entered into during the one year period of the license and shipped within the 12-month period beginning on the date of the signing of the contract. No specific license will be granted for the exportation or reexportation of the items set forth in paragraph (a)(1)(ii) of this section to any entity or individual in Iran promoting international terrorism, to any individual or entity designated pursuant to Executive Order 12947 (60 FR 5079, 3 CFR, 1995 Comp., p. 356), Executive Order 13224 (66 FR 49079, 3 CFR, 2001 Comp., p. 786), or Public Law 104-132, to any narcotics trafficking entity designated pursuant to Executive Order 12978 of October 21, 1995 (60 FR 54579, 3 CFR, 1995 Comp., p. 415) or the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908), or to any foreign organization, group, or persons subject to any restriction for its or their involvement in weapons of mass destruction or missile proliferation. Executory contracts entered into pursuant to paragraph (b)(2) of this section prior to the issuance of a one-year license described in this paragraph shall be deemed to have been signed on the date of issuance of that one-year license (and, therefore, the exporter is authorized to make shipments under that contract within the 12-month period beginning on the date of issuance of the one-year license).

(ii) For the purposes of this part, "agricultural commodities, medicine, and medical devices that are not covered by the general licenses in paragraphs (a)(2) through (4) of this section" are:

(A) The excluded agricultural commodities specified in paragraph (a)(2)(ii) of this section;

(B) The excluded medicines specified in paragraph (a)(3)(iii) of this section;

(C) The excluded medical devices specified in paragraph (a)(3)(ii) of this section; and

(D) Agricultural commodities (as defined in paragraph (e)(1) of this section), medicine (as defined in paragraph (e)(2) of this section), and medical devices (as defined in paragraph (e)(3) of this section) to military, intelligence, or law enforcement purchasers or importers.

(2)(i) General license for the exportation or reexportation of agricultural commodities. Except as provided in paragraphs (a) (2)(ii) and (iii) of this section, the exportation or reexportation by a covered person (as defined in paragraph (e)(4) of this section) of agricultural commodities (as defined in paragraph (e)(1) of this section) (including bulk agricultural commodities listed in appendix B to this part) to the Government of Iran, to any individual or entity in Iran, or to persons in third countries purchasing specifically for resale to any of the foregoing, and the conduct of related transactions, including, but not limited to, the making of shipping and cargo inspection arrangements, the obtaining of insurance, the arrangement of financing and payment, shipping of the goods, receipt of payment, and the entry into contracts (including executory contracts), are hereby authorized, provided that, unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by §560.532 of this part; and further provided that all such exports and reexports are shipped within the 12-month period beginning on the date of the signing of the contract for export.

(ii) Excluded agricultural commodities. Paragraph (a)(2)(i) of this section does not authorize the exportation or reexportation of the following items: Castor beans, castor bean seeds, certified pathogen-free eggs (unfertilized or fertilized), dried egg albumin, live animals (excluding live cattle, shrimp, and shrimp eggs), embryos (excluding cattle embryos), Rosary/Jeq peas, non-food-grade gelatin powder, peptones and their derivatives, super absorbent polymers, western red cedar, or fertilizers.

https://gov.ecfr.io/cgi-bin/text-idx?SID=946ea5775ba6a3da461ab1aefd76aadd&mc=true&node=se31.3.560_1530&rgn=div8

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(iii) *Excluded persons.* Paragraph (a)(2)(i) of this section does not authorize the exportation or reexportation of agricultural commodities to military, intelligence, or law enforcement purchasers or importers.

(iv) General license for related training. The provision by a covered person (as defined in paragraph (e)(4) of this section) of training necessary and ordinarily incident to the safe and effective use of agricultural commodities exported or reexported pursuant to paragraph (a)(2) of this section to the Government of Iran, to any individual or entity in Iran, or to persons in a third country purchasing such goods specifically for resale to any of the foregoing is authorized, provided that:

(A) Unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by §560.532;

(B) Any technology released pursuant to this authorization is designated as EAR99; and

(C) Such training is not provided to any military, intelligence, or law enforcement entity, or any official or agent thereof.

NOTE TO PARAGRAPH (a)(2) OF §560.530: Consistent with section 906(a)(1) of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7205), each year OFAC will determine whether to revoke this general license. Unless revoked, the general license will remain in effect.

(3)(i) General license for the exportation or reexportation of medicine and medical devices. Except as provided in paragraphs (a)(3)(ii) through (iv) of this section, the exportation or reexportation by a covered person (as defined in paragraph (e)(4) of this section) of medicine (as defined in paragraph (e)(2) of this section) and medical devices (as defined in paragraph (e)(3) of this section) to the Government of Iran, to any individual or entity in Iran, or to persons in third countries purchasing specifically for resale to any of the foregoing, and the conduct of related transactions, including the making of shipping and cargo inspection arrangements, obtaining of insurance, arrangement of financing and payment, shipping of the goods, receipt of payment, and entry into contracts (including executory contracts), are hereby authorized, provided that, unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by §560.532; and further provided that all such exports or reexports are shipped within the 12-month period beginning on the date of the signing of the contract for export or reexport.

(ii) *Excluded medical devices*. Paragraph (a)(3)(i) of this section does not authorize the exportation or reexportation of medical devices on the List of Medical Devices Requiring Specific Authorization, which is maintained on OFAC's Web site (*www.treasury.gov/ofac*) on the Iran Sanctions page.

(iii) *Excluded medicines.* Paragraph (a)(3)(i) of this section does not authorize the exportation or reexportation of the following medicines: non-NSAID analgesics, cholinergics, anticholinergics, opioids, narcotics, benzodiazapenes, and bioactive peptides.

(iv) Excluded persons. Paragraph (a)(3)(i) of this section does not authorize the exportation or reexportation of medicine or medical devices to military, intelligence, or law enforcement purchasers or importers.

(v) General license for related training. The provision by a covered person (as defined in paragraph (e)(4) of this section) of training necessary and ordinarily incident to the safe and effective use of medicine and medical devices exported or reexported pursuant to paragraph (a)(3) of this section to the Government of Iran, to any individual or entity in Iran, or to persons in a third country purchasing such goods specifically for resale to any of the foregoing is authorized, provided that:

(A) Unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by §560.532;

(B) Any technology released pursuant to this authorization is designated as EAR99; and

(C) Such training is not provided to any military, intelligence, or law enforcement entity, or any official or agent thereof.

NOTE TO PARAGRAPH (a)(3) OF §560.530: Consistent with section 906(a)(1) of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7205), each year, OFAC will determine whether to revoke this general license. Unless revoked, the general license will remain in effect.

(4) General license for the exportation or reexportation of replacement parts for certain medical devices. (i) Except as provided in paragraph (a)(4)(ii) of this section, the exportation or reexportation by a covered person (as defined in paragraph (e) (4) of this section) of replacement parts to the Government of Iran, to any individual or entity in Iran, or to persons in third countries purchasing specifically for resale to any of the foregoing, for medical devices (as defined in paragraph (e)(3) of this section) exported or reexported pursuant to paragraph (a)(1) or (a)(3)(i) of this section, and the conduct of related transactions, including the making of shipping and cargo inspection arrangements, obtaining of insurance, arrangement of financing and payment, shipping of the goods, receipt of payment, and entry into contracts (including executory contracts), are hereb authorized, provided that, unless otherwise authorized by specific license, payment terms and financing for sales pursu this general license are limited to, and consistent with, those authorized by §560.532; and further provided that:

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(A) Such replacement parts are designated as EAR99, or, in the case of replacement parts that are not subject to the Export Administration Regulations, 15 CFR parts 730 *through* 774 (EAR), would be designated as EAR99 if they were located in the United States;

(B) Such replacement parts are exported or reexported to replace a broken or nonoperational component of a medical device that previously was exported or reexported pursuant to paragraph (a)(3)(i) of this section, or the exportation or reexportation of such replacements parts is necessary and ordinarily incident to the proper preventative maintenance of such a medical device;

(C) The number of replacement parts that are exported or reexported and stored in Iran does not exceed the number of corresponding operational parts currently in use in relevant medical devices in Iran; and

(D) The broken or non-operational replacement parts that are being replaced are promptly exported, reexported, or otherwise provided to a non-Iranian entity located outside of Iran selected by the supplier of the replacement parts.

(ii) Excluded persons. Paragraph (a)(4)(i) of this section does not authorize the exportation or reexportation of replacement parts for medical devices to military, intelligence, or law enforcement purchasers or importers.

NOTE TO PARAGRAPH (a)(4) OF §560.530: Consistent with section 906(a)(1) of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7205), each year, OFAC will determine whether to revoke this general license. Unless revoked, the general license will remain in effect.

(5) General license for services and software necessary for the operation, maintenance, and repair of medical devices—(i) Operational software. Except as provided in paragraph (a)(5)(iv) of this section, the exportation or reexportation by a covered person (as defined in paragraph (e)(4) of this section) to the Government of Iran, to any individual or entity in Iran, or to persons in a third country purchasing specifically for resale to any of the foregoing, of software necessary for the installation and operation of medical devices or replacement parts exported or reexported pursuant to this section, and the conduct of related transactions, are hereby authorized, provided that such software is designated as EAR99, or in the case of software that is not subject to the EAR, would be designated as EAR99 if it were located in the United States, and further provided that, unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by §560.532.

(ii) Software updates. Except as provided in paragraph (a)(5)(iv) of this section, the exportation or reexportation by a covered person (as defined in paragraph (e)(4) of this section) to the Government of Iran, to any individual or entity in Iran, or to persons in a third country purchasing specifically for resale to any of the foregoing, of software intended for and limited to the provision of safety and service updates and the correction of system or operational errors in medical devices, replacement parts, and associated software that previously were exported, reexported, or provided pursuant to this part, and the conduct of related transactions, are hereby authorized, provided that such software is designated as EAR99, or in the case of software that is not subject to the EAR, would be designated as EAR99 if it were located in the United States, and further provided that, unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by §560.532. Such software updates may be exported or reexported only to the same end user to whom the original software was exported or reexported.

(iii) Maintenance and Repair Services. Except as provided in paragraph (a)(5)(iv) of this section, the exportation or reexportation by a covered person (as defined in paragraph (e)(4) of this section) to the Government of Iran, to any individual or entity in Iran, or to persons in a third country purchasing specifically for resale to any of the foregoing, of services necessary to maintain and repair medical devices that previously were exported or reexported pursuant to this section, including inspection, testing, calibration, or repair services to ensure patient safety or effective operation, and the conduct of related transactions, are hereby authorized, provided that such services do not substantively alter the functional capacities of the medical device as originally authorized for export or reexport, and further provided that, unless otherwise authorized by specific license, payment terms and financing for sales pursuant to this general license are limited to, and consistent with, those authorized by §560.532.

(iv) *Excluded persons*. Paragraphs (a)(5)(i) through (iii) of this section do not authorize the exportation or reexportation of software, software updates, or maintenance and repair services for medical devices to military, intelligence, or law enforcement purchasers or importers.

(6)(i) General license for the importation of certain U.S.-origin agricultural commodities, medicine, and medical devices. Except as provided in paragraph (a)(6)(ii) of this section, the importation into the United States of U.S.-origin agricultural commodities, medicine, and medical devices, including parts, components, or accessories thereof, that previously were exported or reexported pursuant to the authorizations in this section and that are broken, defective, or non-operational, or are connected to product recalls, adverse events, or other safety concerns, and the conduct of related transactions, are hereby authorized.

(ii) Excluded persons. Paragraph (a)(6)(i) of this section does not authorize the importation into the United States c origin agricultural commodities, medicine, and medical devices that previously were exported or reexported pursuant to the https://gov.ecfr.io/cgl-bin/text-idx?SID=946ea5775ba6a3da461ab1aefd76aadd&mc=true&node=se31.3.560_1530&rgn=div8

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authorizations in this section as broken, defective, or non-operational, or in connection with product recalls, adverse events, or other safety concerns, from military, intelligence, or law enforcement purchasers or importers.

(b) General license for arrangement of exportation and reexportation of covered products that require a specific license. (1) With respect to sales authorized pursuant to paragraph (a)(1)(i) of this section, the making of shipping arrangements, cargo inspections, obtaining of insurance, and arrangement of financing (consistent with §560.532) for the exportation or reexportation of agricultural commodities, medicine, and medical devices that are not covered by the general licenses in paragraphs (a)(2) through (4) of this section (as set forth in paragraph (a)(1)(ii) of this section) to the Government of Iran, to any individual or entity in Iran, or to persons in third countries purchasing specifically for resale to any of the foregoing, are authorized.

(2) Entry into executory contracts (including executory pro forma invoices, agreements in principle, or executory offers capable of acceptance such as bids in response to public tenders) for the exportation or reexportation of agricultural commodities, medicine, and medical devices that are not covered by the general licenses in paragraphs (a)(2) through (4) of this section (as set forth in paragraph (a)(1)(ii) of this section) to the Government of Iran, to any individual or entity in Iran, or to persons in third countries purchasing specifically for resale to any of the foregoing, is authorized, provided that the performance of an executory contract is expressly made contingent upon the prior issuance of a one-year specific license described in paragraph (a)(1)(i) of this section.

(c) *Instructions for obtaining one-year licenses*. In order to obtain the one-year specific license described in paragraph (a) (1)(i) of this section, the exporter must provide to OFAC:

(1) The applicant's full legal name (and, if the applicant is a business entity, the state or jurisdiction of incorporation and principal place of business);

(2) The applicant's mailing and street address (and, so that OFAC may reach a responsible point of contact, the applicant should also include the name of the individual(s) responsible for the application and related commercial transactions, along with their telephone and fax numbers and, if available, email addresses);

(3) The names, mailing addresses, and, if available, fax and telephone numbers and email addresses of all parties with an interest in the transaction. If the goods are being exported or reexported to a purchasing agent in Iran, the exporter must identify the agent's principals at the wholesale level for whom the purchase is being made. If the goods are being exported or reexported to an individual, the exporter must identify any organizations or entities with which the individual is affiliated that have an interest in the transaction;

(4) A description of all items to be exported or reexported pursuant to the requested one-year license, including a statement that the items are designated as EAR99, or would be designated as EAR99 if they were located in the United States, and, if necessary, documentation sufficient to verify that the items to be exported or reexported are designated as EAR99, or would be designated as EAR99 if they were located in the United States, and do not fall within any of the limitations contained in paragraph (d) of this section; and

(5) For items subject to the EAR, an Official Commodity Classification of EAR99 issued by the Department of Commerce's Bureau of Industry and Security (BIS), certifying that the product is designated as EAR99, is required to be submitted to OFAC with the request for a license authorizing the exportation or reexportation of all fertilizers, live horses, western red cedar, or the excluded medical devices specified in paragraph (a)(3)(ii) of this section. See 15 CFR 748.3 for instructions for obtaining an Official Commodity Classification of EAR99 from BIS.

(d) *Limitations*. (1) Nothing in this section or in any general or specific license set forth in or issued pursuant to paragraph (a) of this section relieves the exporter from compliance with the export license application requirements of another Federal agency.

(2) Nothing in this section or in any general or specific license set forth in or issued pursuant to paragraph (a) of this section authorizes the exportation or reexportation of any agricultural commodity, medicine, or medical device controlled on the United States Munitions List established under section 38 of the Arms Export Control Act (22 U.S.C. 2778); controlled on any control list established under the Export Administration Act of 1979 or any successor statute (50 U.S.C. App. 2401 *et seq.*); or used to facilitate the development or production of a chemical or biological weapon or weapon of mass destruction.

(3) Nothing in this section or in any general or specific license set forth in or issued pursuant to paragraph (a) of this section affects prohibitions on the sale or supply of U.S. technology or software used to manufacture agricultural commodities, medicine, or medical devices, such as technology to design or produce biotechnological items or medical devices.

(4) Nothing in this section or in any general or specific license set forth in or issued pursuant to paragraph (a) of this section affects U.S. nonproliferation export controls, including the end-user and end-use controls maintained under part 744 of Export Administration Regulations, 15 CFR part 744.

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(5) Nothing in this section authorizes any transaction or dealing with a person whose property and interests in property are blocked under, or who is designated or otherwise subject to any sanctions under, the terrorism, proliferation of weapons of mass destruction, or narcotics trafficking programs administered by OFAC, 31 CFR parts 536, 544, 594, 595, 597, and 598, or with any foreign organization, group, or person subject to any restriction for its involvement in weapons of mass destruction or missile proliferation, or involving property blocked pursuant to this chapter or any other activity prohibited by this chapter not otherwise authorized in or pursuant to this part.

(6) Nothing in this section or in any general or specific license set forth in or issued pursuant to paragraph (a) of this section authorizes the exportation or reexportation of any agricultural commodity, medicine, or medical device that is not designated as EAR99 or, in the case of any agricultural commodity, medicine, or medical device not subject to the EAR, would not be designated as EAR99 if it were located in the United States.

(e) Covered items. For the purposes of this part, agricultural commodities, medicine, and medical devices are defined below.

(1) Agricultural commodities. For the purposes of this part, agricultural commodities are:

(i) In the case of products subject to the EAR, 15 CFR part 774, products that are designated as EAR99, and, in the case of products not subject to the EAR, products that would be designated as EAR99 under the EAR if they were located in the United States, in each case that fall within the term "agricultural commodity" as defined in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602); and

(ii) In the case of products subject to the EAR, products that are designated as EAR99, and in the case of products not subject to the EAR, products that would be designated as EAR99 if they were located in the United States, in each case that are intended for ultimate use in Iran as:

(A) Food for humans (including raw, processed, and packaged foods; live animals; vitamins and minerals; food additives or supplements; and bottled drinking water) or animals (including animal feeds);

- (B) Seeds for food crops;
- (C) Fertilizers or organic fertilizers; or

(D) Reproductive materials (such as live animals, fertilized eggs, embryos, and semen) for the production of food animals.

(2) *Medicine.* For the purposes of this part, *medicine* is an item that falls within the definition of the term "drug" in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) and that, in the case of an item subject to the EAR, is designated as EAR99 or, in the case of an item not subject to the EAR, that would be designated as EAR99, if it were located in the United States.

NOTE TO §560.530(e)(2): The Department of Commerce's Bureau of Industry and Security provides a list on its Web site of medicines that are not designated as EAR99 and therefore not eligible for any general or specific license under this section.

(3) Medical device. For the purposes of this part, a medical device is an item that falls within the definition of "device" in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) and that, in the case of an item subject to the EAR, is designated as EAR99, or in the case of an item not subject to the EAR, that would be designated as EAR99 if it were located in the United States.

(4) Covered person. For purposes of this part, a covered person is, with respect to the exportation or reexportation of items subject to the EAR, a U.S. person or a non-U.S. person, and for purposes of items not subject to the EAR, a U.S. person, wherever located, or an entity owned or controlled by a U.S. person and established or maintained outside the United States.

(f) *Excluded items.* (1) For the purposes of this part, agricultural commodities do not include furniture made from wood; clothing manufactured from plant or animal materials; agricultural equipment (whether hand tools or motorized equipment); pesticides, insecticides, or herbicides; or cosmetics (unless derived entirely from plant materials).

(2) For the purposes of this part, the term medicine does not include cosmetics.

(g) Excluded transactions by U.S.-owned or -controlled foreign entities. Nothing in this section or in any general license set forth in or issued pursuant to this section authorizes any transaction by an entity owned or controlled by a United States person and established or maintained outside the United States otherwise prohibited by §560.215 if the transaction would be prohibited by any other part of this chapter V if engaged in by a U.S. person or in the United States.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75849, Dec. 26, 2012; 79 FR 18993, Apr. 7, 2014; 81 FR 94257, Dec. 23, 20 🛉

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Annex 35

ELECTRONIC CODE OF FEDERAL REGULATIONS

e-CFR data is current as of August 8, 2019

Title 31 \rightarrow Subtitle B \rightarrow Chapter V \rightarrow Part 560 \rightarrow Subpart E \rightarrow §560.532

Title 31: Money and Finance: Treasury

PART 560—IRANIAN TRANSACTIONS AND SANCTIONS REGULATIONS Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

§560.532 Payment for and financing of exports and reexports of agricultural commodities, medicine, and medical devices, and certain related software and services.

(a) General license for payment terms. The following payment terms are authorized for sales pursuant to §560.530(a):

(1) Payment of cash in advance;

(2) Sales on open account, provided that the account receivable may not be transferred by the person extending the credit;

(3) Financing by third-country financial institutions that are not United States persons, entities owned or controlled by United States persons and established or maintained outside the United States, Iranian financial institutions, or the Government of Iran. Such financing may be confirmed or advised by U.S. financial institutions and by financial institutions that are entities owned or controlled by United States persons and established or maintained outside the United States, Iranian financial institutions that are entities owned or controlled by United States persons and established or maintained outside the United States; or

(4) Letter of credit issued by an Iranian financial institution whose property and interests in property are blocked solely pursuant to this part. Such letter of credit must be initially advised, confirmed, or otherwise dealt in by a third-country financial institution that is not a United States person, an entity owned or controlled by a United States person and established or maintained outside the United States, an Iranian financial institution, or the Government of Iran before it is advised, confirmed, or dealt in by a U.S. financial institution or a financial institution that is an entity owned or controlled by a United States person and established or and established or maintained outside the United States.

(b) Specific licenses for alternate payment terms. Specific licenses may be issued on a case-by-case basis for payment terms and trade financing not authorized by the general license in paragraph (a) of this section for sales pursuant to §560.530(a).

(c)(1) No debits to blocked accounts. Nothing in this section authorizes payment terms or trade financing involving a debit to an account blocked pursuant to this part.

(2) No debits or credits to Iranian accounts on the books of U.S. depository institutions. Nothing in this section authorizes payment terms or trade financing involving debits or credits to Iranian accounts, as defined in §560.320.

(d) Notwithstanding any other provision of this part, no commercial exportation to Iran may be made with United States Government assistance, including United States foreign assistance, United States export assistance, and any United States credit or guarantees absent a Presidential waiver.

(e) Nothing in this section authorizes any transaction by an entity owned or controlled by a United States person and established or maintained outside the United States otherwise prohibited by §560.215 if the transaction would be prohibited by any other part of this chapter V if engaged in by a U.S. person or in the United States.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75849, Dec. 26, 2012; 81 FR 94259, Dec. 23, 2016]

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ELECTRONIC CODE OF FEDERAL REGULATIONS

e-CFR data is current as of August 8, 2019

Title 31 \rightarrow Subtitle B \rightarrow Chapter V \rightarrow Part 560 \rightarrow Subpart E \rightarrow §560.533

Title 31: Money and Finance: Treasury

PART 560—IRANIAN TRANSACTIONS AND SANCTIONS REGULATIONS Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

§560.533 Brokering sales of agricultural commodities, medicine, and medical devices.

(a) General license for brokering sales by U.S. persons. United States persons are authorized to provide brokerage services on behalf of U.S. persons for the sale and exportation or reexportation by U.S. persons of agricultural commodities, medicine, and medical devices, provided that the sale and exportation or reexportation is authorized, as applicable, by a one-year specific license issued pursuant to paragraph (a)(1)(i) of §560.530 or by one of the general licenses set forth in paragraphs (a)(2), (a)(3), and (a)(4) of §560.530.

(b) Specific licensing for brokering sales by non-U.S. persons of agricultural commodities. Specific licenses may be issued on a case-by-case basis to permit U.S. persons to provide brokerage services on behalf of non-U.S., non-Iranian persons for the sale and exportation or reexportation of agricultural commodities to the Government of Iran, entities in Iran, or individuals in Iran. Specific licenses issued pursuant to this section will authorize the brokering only of sales that are to purchasers permitted pursuant to §560.530.

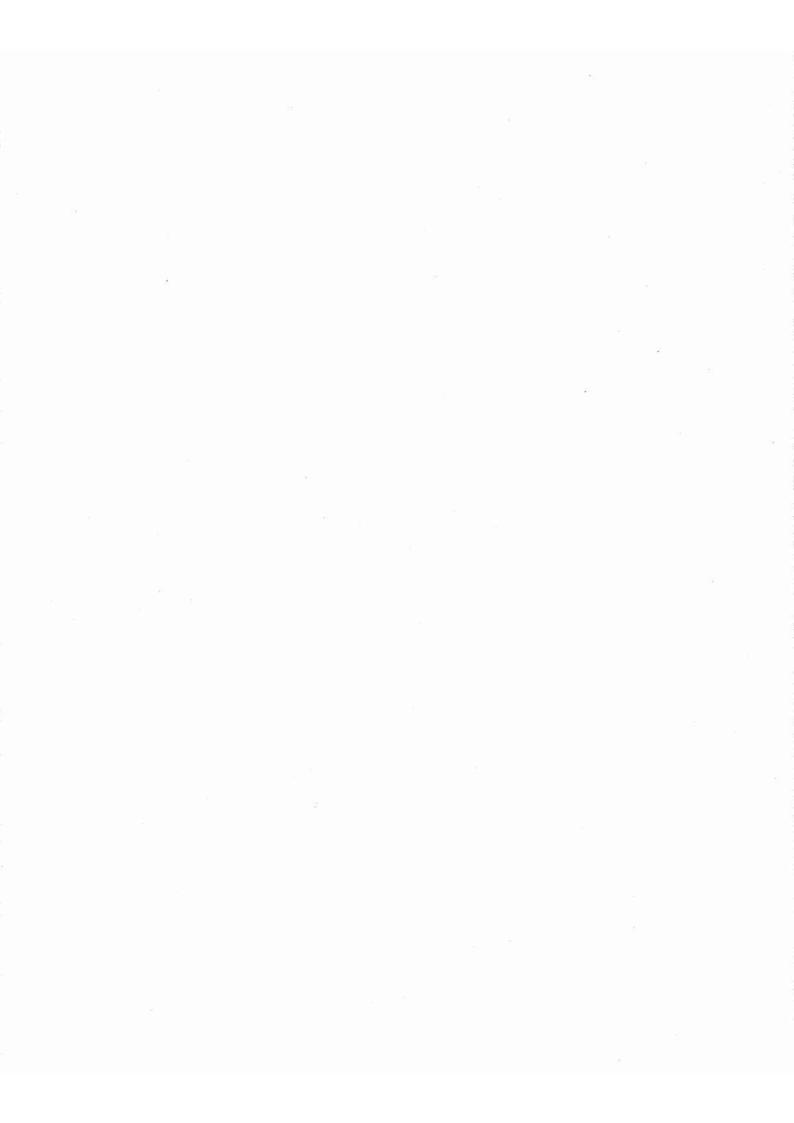
NOTE TO PARAGRAPH (b) OF §560.533: Requests for specific licenses to provide brokerage services under this paragraph must include all of the information described in §560.530(c).

(c) No debits or credits to Iranian accounts on the books of U.S. depository institutions. Payment for any brokerage fee earned pursuant to this section may not involve debits or credits to Iranian accounts, as defined in §560.320.

(d) *Recordkeeping and reporting requirements.* Attention is drawn to the recordkeeping, retention, and reporting requirements of §§501.601 and 501.602 of this chapter.

[77 FR 64666, Oct. 22, 2012, as amended at 79 FR 18995, Apr. 7, 2014]

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(1) Repealed. Pub. L. 95-223, title I, §101(d),

Dec. 28, 1977, 91 Stat. 1625. (2) Act of April 28, 1942 (40 U.S.C. 278b);¹ (3) Act of June 30, 1949 (41 U.S.C. 252);

(4) Section 3727(a)-(e)(1) of title 31;
 (5) Section 3737 of the Revised Statutes, as

amended (41 U.S.C. 15); (6) Public Law 85-804 (Act of Aug. 28, 1958, 72

Stat. 972; 50 U.S.C. 1431-1435); (7) Section 2304(a)(1)1 of title 10;2

(b) Each committee of the House of Representatives and the Senate having jurisdiction with respect to any provision of law referred to in subsection (a) of this section shall make a complete study and investigation concerning that provision of law and make a report, including any recommendations and proposed revisions such committee may have, to its respective House of Congress within two hundred and seventy days after September 14, 1976.

(Pub. L. 94-412, title V. §502, Sept. 14, 1976, 90 Stat. 1258; Pub. L. 95-223, title I, §101(d), Dec. 28, 1977, 91 Stat. 1625; Pub. L. 96-513, title V, §507(b), Dec. 12, 1980, 94 Stat. 2919.)

REFERENCES IN TEXT

Act of April 28, 1942, referred to in subsec. (a)(2), is

Act of April 28, 1942, referred to in subsec. (a)(2), is act Apr. 28, 1942, ch. 249, 56 Stat. 247, which was classi-fied to section 278b of Title 40, Public Buildings, Prop-erty, and Works, and was omitted from the Code. Act of June 30, 1949 (41 U.S.C. 252), referred to in sub-sec (a)(3), is act June 30, 1949, ch. 288, 63 Stat. 377, as amended, known as the Federal Property and Adminis-trative Services Act of 1949. For complete classification of this Act to the Code see Short Title pote set out

of this Act to the Code, see Short Title note set out under section 471 of Title 40 and Tables. Section 2304(a)(1) of title 10, referred to in subsec. (a)(7), originally authorized purchases or contracts without formal advertising when necessary in the public interest during a national emergency declared by Congress or the President, and as amended generally by Pub. L. 98-369 now sets forth the competition requirements for procurement of property or services.

CODIFICATION

In subsec. (a)(4), "Section 3727(a)-(e)(1) of title 31" substituted for "Section 3477 of the Revised Statutes, as amended (31 U.S.C. 203)" on authority of Pub L. 97-258, §4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

AMENDMENTS

1980-Subsec. (a)(8). Pub. L. 96-513 struck out par. (8) which made reference to sections 3313, 6386(c), and 8313

which made reference to sections 3313, 6386(c), and 8313 of title 10. 1977—Subsec. (a)(1). Pub. L. 95-223 struck out par. (1) which read as follows: "Section 5(b) of the Act of Octo-ber 6, 1917, as amended (12 U.S.C. 95a; 50 U.S.C. App. 5(b));".

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-513 effective Sept. 15, 1981, see section 701 of Pub. L. 96-513, set out as a note under section 101 of Title 10. Armed Forces.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1622 of this title.

CHAPTER 35—INTERNATIONAL EMERGENCY ECONOMIC POWERS

Sec. 1701. Unusual and extraordinary threat; declara-tion of national emergency; exercise of Presidential authorities.

1702.

1704.

- Presidential authorities. 1703.
 - Consultation and reports. (a) Consultation with Congress.
 - (b) Report to Congress upon exercise of Presidential authorities.

 - (c) Periodic follow-up reports
 - (d) Supplemental requirements.
 - Authority to issue regulations.

1705. Penalties. 1706

- Savings provisions. (a) Termination of national emergencies pursuant to National Emergencies Act
 - (b) Congressional termination of national emergencies by concurrent resolution
 - (c) Supplemental savings provisions; su-persedure of inconsistent provisions
 - (d) Periodic reports to Congress.

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 2170, 2405, 2410 of the Appendix to this title; title 12 sections 3409, 3413, 4407; title 19 section 2581; title 22 section 6004; title 26 section 911.

§1701. Unusual and extraordinary threat; declaration of national emergency; exercise of **Presidential authorities**

(a) Any authority granted to the President by section 1702 of this title may be exercised to deal with any unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States, if the President declares a national emergency with respect to such threat.

(b) The authorities granted to the President by section 1702 of this title may only be exercised to deal with an unusual and extraordinary threat with respect to which a national emergency has been declared for purposes of this chapter and may not be exercised for any other purpose. Any exercise of such authorities to deal with any new threat shall be based on a new declaration of national emergency which must be with respect to such threat.

(Pub. L. 95-223, title II, §202, Dec. 28, 1977, 91 Stat. 1626.)

SHORT TITLE

Section 201 of title II of Pub. L. 95-223 provided that. "This title [enacting this chapter] may be cited as the 'International Emergency Economic Powers Act'.

Section 208 of Pub. L. 95-223 provided that. "If any provision of this Act [enacting this chapter] is held invalid, the remainder of the Act shall not be affected thereby.'

SANCTIONS AGAINST SERBIA AND MONTENEGRO

Pub. L. 103-160, div. A, title XV, §1511, Nov. 30, 1993, 107 Stat 1839, provided that.

"(a) CODIFICATION OF EXECUTIVE BRANCH SANCTIONS.-The sanctions imposed on Serbia and Montenegro, as in effect on the date of the enactment of this Act [Nov. 30, 1993], that were imposed by or pursuant to the follow-ing directives of the executive branch shall (except as provided under subsections (d) and (e)) remain in effect until changed by law:

"(1) Executive Order 12808 of May 30, 1992 [set out below], as continued in effect on May 25, 1993.

¹See References in Text note below

²So in original The semicolon probably should be a period

§1701

"(2) Executive Order 12810 of June 5, 1992 [set out below]. "(3) Executive Order 12831 of January 15, 1993 [set

out below]. "(4) Executive Order 12846 of April 25, 1993 [set out

"(5) Department of State Public Notice 1427. effec-

tive July 11, 1991. "(6) Proclamation 6389 of December 5, 1991 (56 Fed.

Register 64467). "(7) Department of Transportation Order 92-5-38 of

May 20, 1992. "(8) Federal Aviation Administration action of

June 19, 1992 (14 C.F.R. Part 91). "(b) PROHIBITION ON ASSISTANCE.—No funds appropriated or otherwise made available by law may be obligated or expended on behalf of the government of Ser-

bia or the government of Montenegro. "(c) INTERNATIONAL FINANCIAL INSTITUTIONS.—The Secretary of the Treasury shall instruct the United States executive director of each international financial institution to use the voice and vote of the United States to oppose any assistance from that institution to the government of Serbia or the government of Montenegro, except for basic human needs.

"(d) EXCEPTION.—Notwithstanding any other provision of law, the President is authorized and encouraged to exempt from sanctions imposed against Serbia and Montenegro that are described in subsection (a) those United States-supported programs, projects, or activities that involve reform of the electoral process, the development of democratic institutions or democratic political parties, or humanitarian assistance (including refugee care and human rights observation).

"(e) WAIVER AUTHORITY.—(1) The President may waive or modify the application, in whole or in part, of any sanction described in subsection (a), the prohibition in subsection (b), or the requirement in subsection (c).

(C). "(2) Such a waiver or modification may only be effective upon certification by the President to Congress that the President has determined that the waiver or modification is necessary (A) to meet emergency humanitarian needs, or (B) to achieve a negotiated settlement of the conflict in Bosnia-Herzegovina that is acceptable to the parties."

IRAN-IRAQ ARMS NON-PROLIFERATION

Pub. L 102-484, div. A, title XVI, Oct. 23, 1992. 106 Stat. 2571, provided that:

"SEC. 1601. SHORT TITLE.

"This title may be cited as the 'Iran-Iraq Arms Non-Proliferation Act of 1992'.

"SEC. 1602. UNITED STATES POLICY.

"(a) IN GENERAL.—It shall be the policy of the United States to oppose, and urgently to seek the agreement of other nations also to oppose, any transfer to Iran or Iraq of any goods or technology, including dual-use goods or technology, wherever that transfer could materially contribute to either country's acquiring chemical, biological, nuclear, or destabilizing numbers and types of advanced conventional weapons.

"(b) SANGTIONS.—(1) In the furtherance of this policy, the President shall apply sanctions and controls with respect to Iran, Iraq, and those nations and persons who assist them in acquiring weapons of mass destruction in accordance with the Foreign Assistance Act of 1961 [22 U.S.C. 2151 et seq.], the Nuclear Non-Proliferation Act of 1978 [22 U.S.C. 3201 et seq.], the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 [22 U.S.C. 5601 et seq.], chapter 7 of the Arms Export Control Act [22 U.S.C. 2797 et seq.], and other relevant statutes, regarding the non-proliferation of weapons of mass destruction and the means of their delivery

"(2) The President should also urgently seek the agreement of other nations to adopt and institute, at the earliest practicable date, sanctions and controls

comparable to those the United States is obligated to apply under this subsection.

"(c) PUBLIC IDENTIFICATION.—The Congress calls on the President to identify publicly (in the report required by section 1607) any country or person that transfers goods or technology to Iran or Iraq contrary to the policy set forth in subsection (a).

"SEC 1603. APPLICATION TO IRAN OF CERTAIN IRAQ SANCTIONS.

"The sanctions against Iraq specified in paragraphs (1) through (4) of section 586G(a) of the Iraq Sanctions Act of 1990 (as contained in Public Law 101-513) [set out below]. including denial of export licenses for United States persons and prohibitions on United States Government sales, shall be applied to the same extent and in the same manner with respect to Iran.

"SEC. 1604. SANCTIONS AGAINST CERTAIN PER-SONS.

"(a) PROHIBITION.—If any person transfers or retransfers goods or technology so as to contribute knowingly and materially to the efforts by Iran or Iraq (or any agency or instrumentality of either such country) to acquire destabilizing numbers and types of advanced conventional weapons, then the sanctions described in subsection (b) shall be imposed.

"(b) MANDATORY SANCTIONS.—The sanctions to be imposed pursuant to subsection (a) are as follows:

"(1) PROCUREMENT SANCTION.—For a period of two years, the United States Government shall not procure, or enter into any contract for the procurement of, any goods or services from the sanctioned person. "(2) EXPORT SANCTION.—For a period of two years.

"(2) EXPORT SANCTION.—For a period of two years, the United States Government shall not issue any license for any export by or to the sanctioned person.

"SEC. 1605. SANCTIONS AGAINST CERTAIN FOR-EIGN COUNTRIES.

"(a) PROHIBITION.—If the President determines that the government of any foreign country transfers or retransfers goods or technology so as to contribute knowingly and materially to the efforts by Iran or Iraq (or any agency or instrumentality of either such country) to acquire destabilizing numbers and types of advanced conventional weapons, then—

"(1) the sanctions described in subsection (b) shall be imposed on such country, and "(2) in addition, the President may apply, in the

"(2) in addition, the President may apply, in the discretion of the President, the sanction described in subsection (c). "(b) MANDATORY SANCTIONS.—Except as provided in

"(b) MANDATORY SANCTIONS.—Except as provided in paragraph (2), the sanctions to be imposed pursuant to subsection (a)(1) are as follows: "(1) SUSPENSION OF UNITED STATES ASSISTANCE.—The

"(1) SUSPENSION OF UNITED STATES ASSISTANCE.—The United States Government shall suspend, for a period of one year, United States assistance to the sanctioned country.

"(2) MULTILATERAL DEVELOPMENT BANK ASSIST-ANCE.—The Secretary of the Treasury shall instruct the United States Executive Director to each appropriate international financial institution to oppose, and vote against, for a period of one year, the extension by such institution of any loan or financial or technical assistance to the sanctioned country.

"(3) SUSPENSION OF CODEVELOPMENT OR COPRODUC-TION AGREEMENTS — The United States shall suspend, for a period of one year, compliance with its obligations under any memorandum of understanding with the sanctioned country for the codevelopment or coproduction of any item on the United States Munitions List (established under section 38 of the Arms Export Control Act [22 U.S.C. 2778]), including any obligation for implementation of the memorandum of understanding through the sale to the sanctioned country of technical data or assistance or the licensing for export to the sanctioned country of any component part.

"(4) SUSPENSION OF MILITARY AND DUAL-USE TECH-NICAL EXCHANCE AGREEMENTS.—The United States shall suspend, for a period of one year, compliance

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with its obligations under any technical exchange agreement involving military and dual-use technology between the United States and the sanctioned country that does not directly contribute to the security of the United States, and no military or dual-use technology may be exported from the United States to the sanctioned country pursuant to that agree-

ment during that period. "(5) UNITED STATES MUNITIONS LIST.—No item on the United States Munitions List (established pursuant to section 38 of the Arms Export Control Act) may be exported to the sanctioned country for a period of one year. "(c) DISCRETIONARY SANCTION.—The sanction referred

to in subsection (a)(2) is as follows:

"(1) USE OF AUTHORITIES OF INTERNATIONAL EMER-GENCY ECONOMIC POWERS ACT.-Except as provided in paragraph (2), the President may exercise, in accordance with the provisions of that Act [50 U.S.C. 1701 et seq.], the authorities of the International Emergency Economic Powers Act with respect to the sanctioned country

"(2) EXCEPTION.—Paragraph (1) does not apply with respect to urgent humanitarian assistance

"SEC. 1606. WAIVER.

"The President may waive the requirement to impose a sanction described in section 1603, in the case of Iran, or a sanction described in section 1604(b) or 1605(b), in the case of Iraq and Iran. 15 days after the President determines and so reports to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services [now Committee on National Security] and Foreign Affairs [now Committee on International Relations] of the House of Representatives that it is essential to the national interest of the United States to exercise such waiver authority. Any such report shall provide a specific and detailed rationale for such determination.

"SEC. 1607. REPORTING REQUIREMENT.

"(a) ANNUAL REPORT.—Beginning one year after the date of the enactment of this Act [Oct. 23, 1992], and every 12 months thereafter, the President shall submit to the Committees on Armed Services and Foreign Re-lations of the Senate and the Committees on Armed Services [now Committee on National Security] and Foreign Affairs [now Committee on International Relations] of the House of Representatives a report detail-

ing-'(1) all transfers or retransfers made by any person or foreign government during the preceding 12-month or foreign government during the preceding 12-month period which are subject to any sanction under this title: and

"(2) the actions the President intends to undertake or has undertaken pursuant to this title with respect to each such transfer.

"(b) REPORT ON INDIVIDUAL TRANSFERS .- Whenever the President determines that a person or foreign gov-ernment has made a transfer which is subject to any sanction under this title, the President shall, within 30 days after such transfer. submit to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services [now Committee on National Security] and Foreign Affairs [now Committee on International Relations] of the House of Representatives a report-

"(1) identifying the person or government and pro-viding the details of the transfer; and

"(2) describing the actions the President intends to undertake or has undertaken under the provisions of this title with respect to each such transfer.

"(c) FORM OF TRANSMITTAL.-Reports required by this section may be submitted in classified as well as in unclassified form.

"SEC. 1608 DEFINITIONS.

"For purposes of this title:

"(1) The term 'advanced conventional weapons' includes-

"(A) such long-range precision-guided munitions, fuel air explosives, cruise missiles. low observability aircraft, other radar evading aircraft, ad-vanced military aircraft, military satellites, electromagnetic weapons, and laser weapons as the President determines destabilize the military balance or enhance offensive capabilities in destabilizing ways:

"(B) such advanced command, control, and com-munications systems, electronic warfare systems, or intelligence collection systems as the President determines destabilize the military balance or enhance offensive capabilities in destabilizing ways; and

"(C) such other items or systems as the President may, by regulation, determine necessary for purposes of this title. "(2) The term 'cruise missile' means guided missiles

that use aerodynamic lift to offset gravity and propulsion to counteract drag.

(3)

 The term 'goods or technology' means—
 '(A) any article, natural or manmade substance, material, supply, or manufactured product, including inspection and test equipment; and "(B) any information and know-how (whether in

tangible form, such as models, prototypes, drawings, sketches, diagrams, blueprints, or manuals, or in intangible form, such as training or technical services) that can be used to design, produce, manufacture, utilize, or reconstruct goods, including computer software and technical data.

"(4) The term 'person' means any United States or foreign individual, partnership, corporation, or other form of association, or any of their successor entities, parents, or subsidiaries. "(5) The term 'sanctioned country' means a country

against which sanctions are required to be imposed pursuant to section 1605.

"(6) The term 'sanctioned person' means a person

(d) The term 'safer described in section 1604(a).
 "(7) The term 'United States assistance' means—
 "(A) any assistance under the Foreign Assistance
 Act of 1961 [22 U.S.C. 2151 et seq], other than—
 "(1) urgent humanitarian assistance or medi-

cine, and "(ii) assistance under chapter 11 of part I [22 U.S.C. 2295 et seq.] (as enacted by the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 [see Short Title note set out under section 5801 of Title 22. Foreign Relations and Intercoursel):

"(B) sales and assistance under the Arms Export Control Act [22 U.S.C. 2751 et seq.]; "(C) financing by the Commodity Credit Corpora-

tion for export sales of agricultural commodities; and

"(D) financing under the Export-Import Bank Act

[of 1945] [22 U.S.C. 635 et seq.]." [Memorandum of President of the United States, Sept. 27, 1994, 59 F.R. 50685, delegated to Secretary of State, in consultation with heads of other departments and agencies, all functions vested in President under title XVI of Pub. L. 102-484, set out above, without limitation of authority of other officials to exercise powers heretofore or hereafter delegated to them to implement sanctions imposed or actions directed by the Secretary pursuant to this delegation of authority.]

PAYMENT OF CLAIMS BY UNITED STATES NATIONALS AGAINST IRAQ

Pub. L. 101-519, §131, Nov. 5, 1990, 104 Stat. 2249. which authorized President to vest title in a portion of prop-erty in which transactions were blocked pursuant to Executive Order 12722 in order to satisfy obligations owed to United States Government and United States nationals for which Iraq had suspended repayment, was repealed by Pub. L 102-27, title IV, §402(a), Apr. 10, 1991, 105 Stat. 155, as amended by Pub. L. 102-136, §126, Oct. 25, 1991, 105 Stat. 643, effective Nov. 5, 1990.

IRAQ SANCTIONS

Pub. L. 101-513. title V, §§ 586-586J, Nov. 5, 1990, 104 Stat. 2047-2054, provided that:

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"SEC. 586. SHORT TITLE.

"Sections 586 through 586J of this Act may be cited as the 'Iraq Sanctions Act of 1990'.

"SEC. 586A. DECLARATIONS REGARDING IRAQ'S IN-VASION OF KUWAIT.

The Congress "(1) condemns Iraq's invasion of Kuwait on August 2, 1990;

"(2) supports the actions that have been taken by the President in response to that invasion;

"(3) calls for the immediate and unconditional withdrawal of Iraqi forces from Kuwait;

"(4) supports the efforts of the United Nations Security Council to end this violation of international law and threat to international peace;

"(5) supports the imposition and enforcement of multilateral sanctions against Iraq; "(6) calls on United States allies and other coun-

tries to support fully the efforts of the United Na-tions Security Council, and to take other appropriate actions, to bring about an end to Iraq's occupation of Kuwait; and

"(7) condemns the brutal occupation of Kuwait by Iraq and its gross violations of internationally recognized human rights in Kuwait, including widespread arrests, torture, summary executions, and mass extrajudicial killings

SEC. 586B. CONSULTATIONS WITH CONGRESS.

"The President shall keep the Congress fully informed, and shall consult with the Congress, with respect to current and anticipated events regarding the international crisis caused by Iraq's invasion of Kuwait, including with respect to United States actions. "SEC. 586C. TRADE EMBARGO AGAINST IRAQ.

"(a) CONTINUATION OF EMBARGO .- Except as otherwise provided in this section. the President shall continue to impose the trade embargo and other economic sanctions with respect to Iraq and Kuwait that the United States is imposing, in response to Iraq's invasion of Kuwait, pursuant to Executive Orders Numbered 12724 and 12725 [set out below] (August 9, 1990) and, to the extent they are still in effect, Executive Orders Numbered 12722 and 12723 [set out below] (August 2, 1990). Notwithstanding any other provision of law, no funds, credits, guarantees, or insurance appropriated or otherwise made available by this or any other Act for fiscal year 1991 or any fiscal year thereafter shall be used to sup-port or administer any financial or commercial operation of any United States Government department, agency, or other entity, or of any person subject to the jurisdiction of the United States, for the benefit of the Government of Iraq. its agencies or instrumentalities. or any person working on behalf of the Government of Iraq, contrary to the trade embargo and other economic sanctions imposed in accordance with this section

"(b) HUMANITARIAN ASSISTANCE .- To the extent that transactions involving foodstuffs or payments for food-stuffs are exempted 'in humanitarian circumstances' from the prohibitions established by the United States pursuant to United Nations Security Council Resolution 661 (1990), those exemptions shall be limited to foodstuffs that are to be provided consistent with United Nations Security Council Resolution 666 (1990) and other relevant Security Council resolutions

"(c) NOTICE TO CONGRESS OF EXCEPTIONS TO AND TER-

sued after the date of enactment of this Act [Nov. 5, 1990] with respect to the economic sanctions imposed with respect to Iraq and Kuwait by the United States under Executive Orders Numbered 12722 and 12723 (August 2, 1990) and Executive Orders Numbered 12724 and 12725 (August 9, 1990) shall be submitted to the Congress before those regulations take effect.

"(2) NOTICE OF TERMINATION OF SANCTIONS. -The President shall notify the Congress at least 15 days before the termination, in whole or in part, of any sanction imposed with respect to Irag or Kuwait pursuant to those Executive orders. "(d) RELATION TO OTHER LAWS.—

"(1) SANCTIONS LEGISLATION.—The sanctions that are described in subsection (a) are in addition to, and not in lieu of the sanctions provided for in section

586G of this Act or any other provision of law. "(2) NATIONAL EMERGENCIES AND UNITED NATIONS LEGISLATION.—Nothing in this section supersedes any provision of the National Emergencies Act [50 U.S.C. 1601 et seq.] or any authority of the President under the International Emergency Economic Powers Act [50 U.S.C. 1701 et seq] or section 5(a) of the United Nations Participation Act of 1945 [22 U.S.C. 287c(a)].

"SEC. 586D. COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ.

(a) DENIAL OF ASSISTANCE .- None of the funds appropriated or otherwise made available pursuant to this Act [see Tables for classification] to carry out the Foreign Assistance Act of 1961 [22 U.S.C. 2151 et seq.] (in-cluding title IV of chapter 2 of part I [22 U.S.C. 2191 et seq.], relating to the Overseas Private Investment Corporation) or the Arms Export Control Act [22 U.S.C. 2751 et seq.] may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that-

(1) such assistance is in the national interest of the United States

(2) such assistance will directly benefit the needy people in that country; or "(3) the assistance to be provided will be humani-

tarian assistance for foreign nationals who have fled Iraq and Kuwait. "(b) IMPORT SANCTIONS.-If the President considers

that the taking of such action would promote the effectiveness of the economic sanctions of the United Na-tions and the United States imposed with respect to Iraq, and is consistent with the national interest, the President may prohibit, for such a period of time as he considers appropriate, the importation into the United States of any or all products of any foreign country that has not prohibited—

"(1) the importation of products of Iraq into its customs territory, and "(2) the export of its products to Iraq.

SEC. 586E. PENALTIES FOR VIOLATIONS OF EM-BARGO.

"Notwithstanding section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) and section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b))-

(1) a civil penalty of not to exceed \$250,000 may be imposed on any person who, after the date of enact-ment of this Act [Nov. 5, 1990], violates or evades or attempts to violate or evade Executive Order Num-bered 12722, 12723, 12724, or 12725 [set out below] or any license, order, or regulation issued under any such

Executive order, and "(2) whoever, after the date of enactment of this Act. willfully violates or evades or attempts to vio-late or evade Executive Order Numbered 12722, 12723, 12724, or 12725 or any license, order, or regulation is-sued under any such Executive order— "(A) shall, upon conviction, be fined not more than \$1,000,000, if a person other than a natural per-

son; or

(B) if a natural person, shall, upon conviction, be fined not more than \$1,000,000, be imprisoned for

not more than 12 years, or both. Any officer, director, or agent of any corporation who knowingly participates in a violation, evasion, or at-tempt described in paragraph (2) may be punished by imposition of the fine or imprisonment (or both) speci-fied in subparagraph (B) of that paragraph.

"SEC. 586F. DECLARATIONS REGARDING IRAQ'S LONG-STANDING VIOLATIONS OF INTER-NATIONAL LAW.

(a) IRAO'S VIOLATIONS OF INTERNATIONAL LAW .- The Congress determines that

"(1) the Government of Iraq has demonstrated repeated and blatant disregard for its obligations under international law by violating the Charter of the United Nations, the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare (done at Geneva, June 17, 1925), as well as other international treaties:

"(2) the Government of Iraq is a party to the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights and is obligated under the Covenants, as well as the Universal Declaration of Human Rights, to respect internationally recognized human rights; "(3) the State Department's Country Reports on

Human Rights Practices for 1989 again characterizes

Iraq's human rights record as 'abysmal': "(4) Amnesty International, Middle East Watch, and other independent human rights organizations have documented extensive, systematic, and continuing human rights abuses by the Government of Iraq. including summary executions, mass political killings, disappearances, widespread use of torture, arbi-trary arrests and prolonged detention without trial of thousands of political opponents, forced relocation and deportation, denial of nearly all civil and political rights such as freedom of association, assembly, speech, and the press, and the imprisonment, torture, and execution of children;

(5) since 1987, the Government of Iraq has intensifled its severe repression of the Kurdish minority of Iraq, deliberately destroyed more than 3,000 villages and towns in the Kurdish regions, and forcibly expelled more than 500,000 people, thus effectively de-populating the rural areas of Iraqi Kurdistan. "(6) Iraq has blatantly violated international law

by initiating use of chemical weapons in the Iran-Iraq

war, "(7) Iraq has also violated international law by using chemical weapons against its own Kurdish citi-zens, resulting in tens of thousands of deaths and more than 65,000 refugees,

"(8) Iraq continues to expand its chemical weapons capability, and President Saddam Hussein has threat-

ened to use chemical weapons against other nations; "(9) persuasive evidence exists that Iraq is developing biological weapons in violation of international law:

"(10) there are strong indications that Iraq has taken steps to produce nuclear weapons and has attempted to smuggle from the United States, in violation of United States law, components for triggering devices used in nuclear warheads whose manufacture would contravene the Treaty on the Non-Prolifera-tion of Nuclear Weapons, to which Iraq is a party; and

"(11) Iraqi President Saddam Hussein has threatened to use terrorism against other nations in viola-tion of international law and has increased Iraq's support for the Palestine Liberation Organization and other Palestinian groups that have conducted terrorist acts.

'(b) HUMAN RIGHTS VIOLATIONS .- The Congress determines that the Government of Iraq is engaged in a con-sistent pattern of gross violations of internationally recognized human rights. All provisions of law that im-pose sanctions against a country whose government is engaged in a consistent pattern of gross violations of internationally recognized human rights shall be fully enforced against Iraq.

"(C) SUPPORT FOR INTERNATIONAL TERRORISM.--(1) The Congress determines that Iraq is a country which has repeatedly provided support for acts of international terrorism, a country which grants sanctuary from prosecution to individuals or groups which have committed an act of international terrorism, and a country which otherwise supports international terrorism. The provi-sions of law specified in paragraph (2) and all other provisions of law that impose sanctions against a country which has repeatedly provided support for acts of international terrorism, which grants sanctuary from pros-ecution to an individual or group which has committed an act of international terrorism, or which otherwise supports international terrorism shall be fully enforced agaInst Iraq "(2) The provisions of law referred to in paragraph (1)

"(A) section 40 of the Arms Export Control Act [22 U.S.C. 2780];

"(B) section 620A of the Foreign Assistance Act of 1961 [22 U S.C. 2371]:

"(C) sections 555 and 556 of this Act [104 Stat. 2021, 2022] (and the corresponding sections of predecessor foreign operations appropriations Acts); and "(D) section 555 of the International Security and

Development Cooperation Act of 1985 [99 Stat. 227]. "(d) MULTILATERAL COOPERATION.—The Congress calls

on the President to seek multilateral cooperation-"(1) to deny dangerous technologies to Iraq;

"(2) to induce Iraq to respect internationally recognized human rights; and

"(3) to induce Iraq to allow appropriate international humanitarian and human rights organiza-tions to have access to Iraq and Kuwait, including the areas in northern Iraq traditionally inhabited by Kurds.

"SEC. 586G. SANCTIONS AGAINST IRAQ.

"(a) IMPOSITION .- Except as provided in section 586H. the following sanctions shall apply with respect to

Iraq: "(1) FMS SALES.—The United States Government shall not enter into any sale with Iraq under the Arms Export Control Act [22 U.S.C. 2751 et seq.] "(2) COMMERCIAL ARMS SALES.—Licenses shall not

be issued for the export to Iraq of any item on the United States Munitions List.

"(3) EXPORTS OF CERTAIN GOODS AND TECHNOLOGY .-The authorities of section 6 of the Export Adminis-tration Act of 1979 (50 U.S.C. App. 2405) shall be used to prohibit the export to Iraq of any goods or tech-nology listed pursuant to that section or section 5(c)(1) of that Act (50 U.S.C. App. 2404(c)(1)) on the control list provided for in section 4(b) of that Act (50 U.S.C. App. 2404(c)(1)) USC. App. 2403(b)). "(4) NUCLEAR EQUIPMENT, MATERIALS, AND TECH-

NOLOGY.

"(A) NRC LICENSES .- The Nuclear Regulatory Commission shall not issue any license or other au-thorization under the Atomic Energy Act of 1954 (42 U.S.C 2011 and following) for the export to Iraq of any source or special nuclear material, any produc-tion or utilization facility, any sensitive nuclear technology, any component, item, or substance determined to have significance for nuclear explosive purposes pursuant to section 109b. of the Atomic Energy Act of 1954 (42 U.S.C. 2139(b)), or any other material or technology requiring such a license or authorization.

"(B) DISTRIBUTION OF NUCLEAR MATERIALS .- The authority of the Atomic Energy Act of 1954 shall not be used to distribute any special nuclear material, source material, or byproduct material to Iraq.

"(C) DOE AUTHORIZATIONS.—The Secretary of En-ergy shall not provide a specific authorization under section 57b.(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2077(b)(2)) for any activity that would constitute directly or indirectly engaging in Iraq in activities that require a specific authorization under that section.

(5) ASSISTANCE FROM INTERNATIONAL FINANCIAL IN-STITUTIONS .- The United States shall oppose any loan or financial or technical assistance to Iraq by inter-national financial institutions in accordance with section 701 of the International Financial Institu-tions Act (22 U.S.C. 262d). "(6) ASSISTANCE THROUGH THE EXPORT-IMPORT

BANK.-Credits and credit guarantees through the Ex-port-Import Bank of the United States shall be denied to Iraq.

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"(7) ASSISTANCE THROUGH THE COMMODITY CREDIT CORPORATION .-- Credit, credit guarantees, and other assistance through the Commodity Credit Corporation shall be denied to Iraq.

(8) FOREIGN ASSISTANCE .- All forms of assistance under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 and following) other than emergency assistance for medical supplies and other forms of emergency humanitarian assistance, and under the Arms Export Control Act (22 U.S.C. 2751 and following) shall be denied to Iraq.

"(b) CONTRACT SANCTITY .- For purposes of the export controls imposed pursuant to subsection (a)(3), the date described in subsection (m)(1) of section 6 of the Export Administration Act of 1979 (50 U.S.C. App. 2405) shall be deemed to be August 1, 1990.

"SEC. 586H. WAIVER AUTHORITY

"(a) IN GENERAL .- The President may waive the requirements of any paragraph of section 586G(a) if the President makes a certification under subsection (b) or subsection (c).

"(b) CERTIFICATION OF FUNDAMENTAL CHANGES IN IRAQI POLICIES AND ACTIONS — The authority of sub-section (a) may be exercised 60 days after the President certifies to the Congress that-

"(1) the Government of Iraq-

'(A) has demonstrated, through a pattern of conduct. substantial improvement in its respect for internationally recognized human rights:

"(B) is not acquiring, developing, or manufactur-ing (i) ballistic missiles, (ii) chemical, biological, or nuclear weapons, or (iii) components for such weap-ons; has forsworn the first use of such weapons; and is taking substantial and verifiable steps to destroy or otherwise dispose of any such missiles and weapons it possesses; and

"(C) does not provide support for international terrorism;

'(2) the Government of Iraq is in substantial compliance with its obligations under international law, including

'(A) the Charter of the United Nations;

"(B) the International Covenant on Civil and Political Rights (done at New York, December 16, 1966) and the International Covenant on Economic, Social, and Cultural Rights (done at New York, December 16, 1966);

"(C) the Convention on the Prevention and Punishment of the Crime of Genocide (done at Paris. December 9, 1948): "(D) the Protocol for the Prohibition of the Use

in War of Asphyxiating, Poisonous or Other Gases. and of Bacteriological Methods of Warfare (done at

Geneva, June 17, 1925): "(E) the Treaty on the Non-Proliferation of Nu-clear Weapons (done at Washington, London, and Moscow, July 1, 1968); and

"(F) the Convention on the Prohibition of the Development, Production and Stockpiling of Bacterio-logical (Biological) and Toxin Weapons and on Their Destruction (done at Washington, London, and Moscow, April 10, 1972); and

"(3) the President has determined that it is essential to the national interests of the United States to

exercise the authority of subsection (a). "(c) CERTIFICATION OF FUNDAMENTAL CHANGES IN IRAQI LEADERSHIP AND POLICIES.—The authority of subsection (a) may be exercised 30 days after the President certifies to the Congress that-

"(1) there has been a fundamental change in the leadership of the Government of Iraq; and "(2) the new Government of Iraq has provided reli-

able and credible assurance that— "(A) it respects internationally recognized human

rights and it will demonstrate such respect through its conduct; "(B) it is not acquiring, developing, or manufac-

turing and it will not acquire, develop, or manufac-ture (i) ballistic missiles, (ii) chemical, biological.

or nuclear weapons, or (iii) components for such weapons; has forsworn the first use of such weapons; and is taking substantial and verifiable steps to destroy or otherwise dispose of any such missiles and weapons it possesses

"(C) it is not and will not provide support for international terrorism: and "(D) it is and will continue to be in substantial

compliance with its obligations under international law, including all the treaties specified in subpara-

graphs (A) through (F) of subsection (b)(2). "(d) INFORMATION TO BE INCLUDED IN CERTIFI-CATIONS.—Any certification under subsection (b) or (c) shall include the justification for each determination required by that subsection. The certification shall also specify which paragraphs of section 586G(a) the President will waive pursuant to that certification.

SEC. 586I. DENIAL OF LICENSES FOR CERTAIN EX-PORTS TO COUNTRIES ASSISTING IRAQ'S ROCKET OR CHEMICAL, BIOLOGICAL, OR NU-CLEAR WEAPONS CAPABILITY.

(a) RESTRICTION ON EXPORT LICENSES .- None of the funds appropriated by this or any other Act may be used to approve the licensing for export of any supercomputer to any country whose government the President determines is assisting, or whose government officials the President determines are assisting. Iraq to improve its rocket technology or chemical, biological. or nuclear weapons capability. "(b) NEGOTIATIONS.-The President is directed to

begin immediate negotiations with those governments with which the United States has bilateral supercom-puter agreements, including the Government of the United Kingdom and the Government of Japan, on conditions restricting the transfer to Iraq of supercom-puter or associated technology.

"SEC 586J. REPORTS TO CONGRESS.

"(a) STUDY AND REPORT ON THE INTERNATIONAL EX-PORT TO IRAQ OF NUCLEAR, BIOLOGICAL, CHEMICAL, AND BALLISTIC MISSILE TECHNOLOGY.-(1) The President shall conduct a study on the sale, export, and third party transfer or development of nuclear, biological, chemical, and ballistic missile technology to or with Iraq including-

(A) an identification of specific countries, as well

"(A) an identification of specific containers, as wern as companies and individuals, both foreign and do-mestic, engaged in such sale or export of, nuclear, bi-ological, chemical, and ballistic missile technology: "(B) a detailed description and analysis of the international supply, information, support, and co-production network, individual, corporate, and state, responsible for Iraq's current capability in the area of nuclear, biological, chemical, and ballistic missile technology: and

"(C) a recommendation of standards and procedures against which to measure and verify a decision of the Government of Iraq to terminate the development, production, coproduction, and deployment of nuclear, biological, chemical. and offensive ballistic missile technology as well as the destruction of all existing facilities associated with such technologies. "(2) The President shall include in the study required

paragraph (1) specific recommendations on new bv mechanisms, to include, but not be limited to. legal, political, economic and regulatory, whereby the United States might contribute, in conjunction with its friends, allies, and the international community, to the management, control. or elimination of the threat of nuclear, biological, chemical, and ballistic missile proliferation.

"(3) Not later than March 30, 1991, the President shall submit to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Foreign Affairs [now Committee on International Relations] of the House of Representatives, a report, in both classified and unclassified form, setting forth the find-ings of the study required by paragraph (1) of this subsection.

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"(b) STUDY AND REPORT ON IRAO'S OFFENSIVE MILI-TARY CAPABILITY.-(1) The President shall conduct a study on Iraq's offensive military capability and its ef-fect on the Middle East balance of power including an assessment of Iraq's power projection capability, the prospects for another sustained conflict with Iran, joint Iraqi-Jordanian military cooperation, the threat Iraq's arms transfer activities pose to United States allies in the Middle East, and the extension of Iraq's political-

military influence into Africa and Latin America. "(2) Not later than March 30, 1991, the President shall submit to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Foreign Affairs [now Committee on International Rela-tions] of the House of Representatives, a report, in both classified and unclassified form, setting forth the find-

ings of the study required by paragraph (1). "(c) REPORT ON SANCTIONS TAKEN BY OTHER NATIONS AGAINST IRAQ.—(1) The President shall prepare a report on the steps taken by other nations, both before and after the August 2, 1990, invasion of Kuwait, to curtail the export of goods, services, and technologies to Iraq

which might contribute to, or enhance, Iraq's nuclear, biological, chemical, and ballistic missile capability. "(2) The President shall provide a complete account-ing of international compliance with each of the sanc-tions resolutions adopted by the United Nations Security Council against Iraq since August 2, 1990, and shall list, by name, each country which to his knowledge. has provided any assistance to Iraq and the amount and type of that assistance in violation of each United Na-

"(3) The President shall make every effort to encour-age other nations, in whatever forum or context, to adopt sanctions toward Iraq similar to those contained in this section.

"(4) Not later than every 6 months after the date of enactment of this Act [Nov. 5, 1990], the President shall submit to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Foreign Affairs [now Committee on International Rela-tions] of the House of Representatives, a report in both classified and unclassified form, setting forth the findings of the study required by paragraph (1) of this subsection."

[Provisions similar to section 586D of Pub L, 101-513. set out above, relating to compliance with sanctions against Iraq were contained in the following appropriations acts:

[Pub. L. 103-306, title V, §538, Aug. 23, 1994. 108 Stat. 1639

[Pub. L. 103-87, title V. §539, Sept. 30, 1993, 107 Stat 957

[Pub. L. 102-391, title V, §573, Oct. 6, 1992, 106 Stat. 1683.]

Pub. L. 101-510, div. A, title XIV, §1458, Nov. 5, 1990, 104 Stat. 1697, provided that: "If the President considers that the taking of such action would promote the effec-tiveness of the economic sanctions of the United Nations and the United States imposed with respect to Iraq, and is consistent with the national interest, the President may prohibit, for such a period of time as he considers appropriate, the importation into the United States of any or all products of any foreign country

that has not-"(1) prohibited-"(A) the importation of products of Iraq into its customs territory, and "(B) the export of its products to Iraq; or "(2) given assurances satisfactory to the President

that such import and export sanctions will be promptly implemented.

IRAN CLAIMS SETTLEMENT

Pub. L. 99-93, title V, Aug. 16, 1985, 99 Stat. 437, provided that:

"SEC. 501. RECEIPT AND DETERMINATION OF CER-TAIN CLAIMS.

"(a) AUTHORITY OF FOREIGN CLAIMS SETTLEMENT COM-MISSION .- The Foreign Claims Settlement Commission of the United States is authorized to receive and determine the validity and amounts of claims by nationals of the United States against Iran which are settled en

of the United States against fram which are settled en bloc by the United States. In deciding such claims, the Commission shall apply, in the following order— "(1) the terms of any settlement agreement; "(2) the relevant provisions of the Declarations of the Government of the Democratic and Popular Re-public of Algeria of January 19, 1981, giving consider-ation to interpretations thereof by the Iran-United States Claims Tribunal; and "(3) and(cable principles of international law ins-

"(3) applicable principles of international law, jus-

tice, and equity. Except as otherwise provided in this title, the provisions of title I of the International Claims Settlement Act of 1949 (22 U.S.C. 1621 et seq.) shall apply with respect to claims under this section. Any reference in such provisions to 'this title' [translated therein as this subchapter'] shall be deemed to refer to those provisions and to this section. "(b) CERTIFICATION AND PAYMENT.-

-The Commission shall certify to the Secretary of the Treasury any awards determined pursuant to subsection (a) in ac-cordance with section 5 of title I of the International Claims Settlement Act of 1949 (22 U.S.C. 1624). Such awards shall be paid in accordance with sections 7 and 8 of such title (22 U S.C. 1626 and 1627), except that—

"(1) the Secretary of the Treasury is authorized to make payments pursuant to paragraphs (1) and (2) of section 8(c) of such title in the amount of \$10,000 or the principal amount of the award, whichever is less: and

'(2) the Secretary of the Treasury may deduct, pursuant to section 7(b) of such title, an amount calculated in accordance with section 502(a) of this Act, instead of 5 percent of payments made pursuant to section 8(c) of such title.

"SEC. 502. DEDUCTIONS FROM ARBITRAL AWARDS "(a) DEDUCTION FOR EXPENSES OF THE UNITED STATES .- Except as provided in section 503, the Federal Reserve Bank of New York shall deduct from the aggre-gate amount awarded under each enumerated claim before the Iran-United States Claims Tribunal in favor of a United States claimant, an amount equal to 1½ per-cent of the first \$5,000,000 and 1 percent of any amount over \$5,000,000, as reimbursement to the United States Government for expenses incurred in connection with the arbitration of claims of United States claimants against Iran before that Tribunal and the maintenance of the Security Account established pursuant to the Declarations of the Democratic and Popular Republic of Algeria of January 19, 1981. The Federal Reserve Bank of New York shall make the deduction required by the preceding sentence whenever the Bank receives an amount from the Security Account in satisfaction of an award rendered by the Iran-United States Claim Tri-

bunal on the enumerated claim involved. "(b) DEDUCTION TREATED AS MISCELLANEOUS RE-CEIPT.—Amounts deducted by the Federal Reserve Bank of New York pursuant to subsection (a) shall be deposited into the Treasury of the United States to the credit of miscellaneous receipts. "(c) PAYMENT TO UNITED STATES CLAIMANTS.-Noth-

ing in this section shall be construed to affect the pay-ment to United States claimants of amounts received by the Federal Reserve Bank of New York in respect of awards by the Iran-United States Claims Tribunal, after deduction of the amounts calculated in accordance with subsection (a). "(d) EFFECTIVE DATE.—This section shall be effective

as of June 7, 1982.

"SEC. 503. EN BLOC SETTLEMENT.

"The deduction by the Federal Reserve Bank of New York provided for in section 502(a) of this Act shall not apply in the case of a sum received by the Bank pursuant to an en bloc settlement of any category of claims of United States nationals against Iran when such sum is to be used for payments in satisfaction of awards certified by the Foreign Claims Settlement Commission pursuant to section 501(b) of this Act.

"SEC. 504. REIMBURSEMENT TO THE FEDERAL RE-SERVE BANK OF NEW YORK.

"The Secretary of the Treasury may reimburse the Federal Reserve Bank of New York for expenses incurred by the Bank in the performance of fiscal agency agreements relating to the settlement or arbitration of claims pursuant to the Declarations of the Democratic and Popular Republic of Algeria of January 19, 1981.

SEC. 505. CONFIDENTIALITY OF RECORDS.

"Notwithstanding section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), records pertaining to the arbitration of claims before the Iran-United States Claims Tribunal may not be disclosed to the general public, except that

"(1) rules, awards, and other decisions of the Tribunal and claims and responsive pleadings filed at the Tribunal by the United States on its own behalf shall be made available to the public, unless the Secretary of State determines that public disclosure would be prejudicial to the interests of the United States or United States claimants in proceedings before the Tribunal, or that public disclosure would be contrary to the rules of the Tribunal; and

"(2) the Secretary of State may determine on a case-by-case basis to make such information available when in the judgment of the Secretary the interests of justice so require."

EX. ORD. NO. 12170. BLOCKING IRANIAN GOVERNMENT PROPERTY

Ex. Ord. No. 12170, Nov. 14, 1979, 44 F.R. 65729, provided.

Pursuant to the authority vested in me as President by the Constitution and laws of the United States in-cluding the International Emergency Economic Powers Act, 50 U.S.C.A. sec. 1701 et seq., the National Emergencies Act, 50 U.S.C sec. 1601 et seq., and 3 U.S.C. sec. 301.

I. JIMMY CARTER, President of the United States find that the situation in Iran constitutes an unusual and extraordinary threat to the national security, foreign policy and economy of the United States and hereby declare a national emergency to deal with that threat.

I hereby order blocked all property and interests in property of the Government of Iran. its instrumental-ities and controlled entities and the Central Bank of Iran which are or become subject to the jurisdiction of the United States or which are in or come within the possession or control of persons subject to the jurisdiction of the United States

The Secretary of the Treasury is authorized to em-ploy all powers granted to me by the International Emergency Economic Powers Act [this chapter] to

carry out the provisions of this order. This order is effective immediately and shall be transmitted to the Congress and published in the Federal Register.

JIMMY CARTER.

CONTINUATION OF NATIONAL EMERGENCY DECLARED BY EX. ORD. NO. 12170

Notice of President of the United States, dated Oct.

 1994, 59 F.R. 54785, provided: On November 14, 1979, by Executive Order No. 12170 [set out above], the President declared a national emergency to deal with the threat to the national security, foreign policy, and economy of the United States constituted by the situation in Iran. Notices of the con-tinuation of this national emergency have been transmitted annually by the President to the Congress and the Federal Register. The most recent notice appeared in the Federal Register on November 2, 1993. Because our relations with Iran have not yet returned to nor-mal, and the process of implementing the January 19, 1981, agreements with Iran is still underway, the national emergency declared on November 14, 1979, must

continue in effect beyond November 14, 1994. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C 1622(d)). I am continuing the national emergency with respect to Iran. This notice shall be published in the Federal Register and transmitted to the Congress.

WILLIAM J. CLINTON.

Prior continuations of national emergency declared by Ex. Ord. No 12170 were contained in the following: Notice of President of the United States, dated Nov.

1, 1993, 58 F.R. 58639. Notice of President of the United States, dated Oct. 25, 1992. 57 F.R. 48719. Notice of President of the United States, dated Nov.

12, 1991, 56 F.R. 57791.

Notice of the President of the United States. dated Nov. 9, 1990, 55 F.R. 47453.

Notice of the President of the United States, dated Oct. 30, 1989, 54 F.R. 46043.

Notice of the President of the United States, dated Nov. 8, 1988, 53 F.R. 45750.

Notice of the President of the United States, dated Nov. 10, 1987, 52 F.R. 43549. Notice of the President of the United States, dated Nov 10, 1986, 51 F.R. 41067.

Notice of the President of the United States. dated Nov. 1, 1985, 50 F.R. 45901. Notice of the President of the United States. dated

Nov. 7, 1984, 49 F.R. 44741. Notice of the President of the United States, dated Nov. 8, 1982, 47 F.R. 50841.

EX. ORD. NO. 12205 PROHIBITING CERTAIN TRANSACTIONS WITH IRAN

Ex. Ord. No. 12205, Apr 7, 1980, 45 F.R. 24099, as amended by Ex. Ord. No. 12211, Apr. 17, 1980, 45 F.R. 26685, provided:

By the authority vested in me as President by the Constitution and statutes of the United States. including Section 203 of the International Emergency Economic Powers Act (50 U S.C. 1702), Section 301 of Title 3 of the United States Code, and Section 301 of the Na-tional Emergencies Act (50 U.S.C. 1631), in order to take steps additional to those set forth in Executive Order No. 12170 of November 14, 1979 [set out as a note above]. to deal with the threat to the national security, foreign policy and economy of the United States referred to in that Order, and in furtherance of the objectives of United Nations Security Council Resolution 461 (1979) adopted on December 31, 1979, it is hereby ordered as

follows: 1-101. The following are prohibited effective immediately, notwithstanding any contracts entered into or licenses granted before the date of this Order [Apr. 7. 1980]:

(a) The sale. supply or other transfer, by any person subject to the jurisdiction of the United States, of any items, commodities or products, except food, medicine and supplies intended strictly for medical purposes, and donations of clothing intended to be used to relieve human suffering, from the United States, or from any foreign country, whether or not originating in the United States, either to or destined for Iran, an Iranian governmental entity in Iran, any other person or body in Iran or any other person or body for the purposes of any enterprise carried on in Iran.

(b) The shipment by vessel, aircraft, railway or other land transport of United States registration or owned by or under charter to any person subject to the jurisdiction of the United States or the carriage (whether or not in bond) by land transport facilities across the United States of any of the items, commodities and products covered by paragraph (a) of this section which are consigned to or destined for Iran, an Iranian governmental entity or any person or body in Iran, or to any enterprise carried on in Iran

(c) The shipment from the United States of any of the items, products and commodities covered by paragraph (a) of this section on vessels or aircraft registered in Iran.

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(d) The following acts, when committed by any person subject to the jurisdiction of the United States in connection with any transaction involving Iran, an Iranian governmental entity, an enterprise controlled by Iran or an Iranian governmental entity, or any person in Iran

(1) Making available any new credits or loans;

(ii) Making available any new deposit facilities or allowing substantial increases in non-dollar deposits

which exist as of the date of this Order [Apr. 7, 1980]; (iii) Allowing more favorable terms of payment than are customarily used in international commercial transactions, or

(iv) Failing to act in a businesslike manner in exercising any rights when payments due on existing credits or loans are not made in a timely manner.

(v) Make any payment, transfer of credit, or other transfer of funds or other property or interests there-in, except for purposes of family remittances.

The engaging by any person subject to the juris-(e) diction of the United States in any service contract in support of an industrial project in Iran, except any such contract entered into prior to the date of this Order [Apr. 7, 1980] or concerned with medical care. (f) The engaging by any person subject to the juris-

diction of the United States in any transaction which evades or avoids, or has the purpose or effect of evading or avoiding, any of the prohibitions set forth in this section

1-102. The prohibitions in section 1-101 above shall not apply to transactions by any person subject to the jurisdiction of the United States which is a nonbanking association, corporation, or other organization orga nized and doing business under the laws of any foreign

country. 1-103. The Secretary of the Treasury is delegated, and authorized to exercise, all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to carry out the pur-poses of this Order. The Secretary may redelegate any of these functions to other officers and agencies of the Federal government. 1-104. The Secretary of the Treasury shall ensure that

actions taken pursuant to this Order and Executive Order No. 12170 [set out above] are accounted for as re-quired by Section 401 of the National Emergencies Act (50 U.S.C. 1641).

1-105. This Order is effective immediately. In accord with Section 401 of the National Emergencies Act (50 U.S.C 1641) and Section 204 of the International Emergency Economic Powers Act (50 U.S.C. 1703), it shall be immediately transmitted to the Congress and published in the Federal Register.

JIMMY CARTER.

REVOCATION OF PROHIBITIONS CONTAINED IN EXECUTIVE **ORDER NO. 12205**

For provisions relating to the revocation of prohibitions contained in Ex. Ord. No. 12205, Apr. 7, 1980, 45 F.R. 24099, as amended, which prohibited certain transactions with Iran, see Ex. Ord. No. 12282, Jan. 19, 1981, 46 F.R. 7925, set out below.

EX. ORD. NO. 12211. PROHIBITING CERTAIN TRANSACTIONS WITH IRAN

Ex. Ord. No. 12211, Apr. 17, 1980, 45 F.R. 26685, provided:

By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Eco-nomic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Sections 1732 and 2656 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S C. 1631), in order to take steps additional to those set forth in Executive Order No. 12170 of November 14, 1979 [set out above], and Executive Order No. 12205 of April 7, 1980 [set out above], to deal with the threat to the national security, foreign policy and economy of the United States referred to in those Orders, and the added unusual and extraordinary threat to the national security, foreign policy and economy of the United States created by subsequent events in Iran and neighboring countries, including the Soviet invasion of Afghanistan, with respect to which I hereby declare a national emergency, and to carry out the policy of the United States to deny the use of its resources to aid. encourage or give sanctuary to those persons involved in directing, supporting or participating in acts of international terrorism, it is hereby ordered as follows

1-101. Paragraph 1-101(d) of Executive Order No. 12205 [set out above] is hereby amended by the addition of a new subparagraph (v) as follows:

(v) Make any payment, transfer of credit, or other transfer of funds or other property or interests therein. except for purposes of family remittances. 1-102. The following transactions are prohibited, not-

withstanding any contracts entered into or licenses

 withStanding any contracts entered into or incenses granted before the date of this Order [Apr. 17, 1980]:
 (a) Effective immediately, the direct or indirect im-port from Iran into the United States of Iranian goods or services, other than materials imported for news publication or news broadcast dissemination.

(b) Effective immediately, any transactions with a foreign person or foreign entity by any citizen or permanent resident of the United States relating to that person's travel to Iran after the date of this Order [Apr. 17, 1980].

(c) Effective seven days from the date of this Order [Apr. 17, 1980], the payment by or on behalf of any cit-izen or permanent resident of the United States who is within Iran of any expenses for transactions within Iran.

The prohibitions in paragraphs (b) and (c) of this section shall not apply to a person who is also a citizen of Iran and those prohibitions and the prohibitions in sec-tion 1-101 shall not apply to a journalist or other per-son who is regularly employed by a news gathering or transmitting organization and who travels to Iran or is within Iran for the purpose of gathering or transmitting news, making news or documentary films, or similar activities.

1-103. The Secretary of the Treasury is hereby directed, effective fourteen days from the date of this Order [Apr. 17, 1980], to revoke existing licenses for transactions by persons subject to the jurisdiction of the United States with Iran Air, the National Iranian Oil Company, and the National Iranian Gas Company previously issued pursuant to regulations under Executive Order No. 12170 [set out above], or Executive Order No. 12205 [set out above]. 1-104. The Secretary of the Treasury is delegated, and

authorized to exercise, all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to carry out the purposes of this Order. The Secretary may redelegate any of these functions to other officers and agencies of the Federal government.

1-105. The Secretary of the Treasury shall ensure that actions taken by him pursuant to the above provisions of this Order, Executive Order No. 12170 [set out above] and Executive Order No. 12205 [set out above] are accounted for as required by Section 401 of the National Emergencies Act (50 U.S.C. 1641).

1-106. The Secretary of State is delegated, and authorized to exercise in furtherance of the purposes of this Order, the powers vested in the President by Section 2001 of the Revised Statutes (22 U S.C. 1732), Section 1 of the Act of July 3, 1926 (22 U.S.C. 211a), and Sec-tion 215 of the Immigration and Nationality Act (8 U.S.C. 1185), with respect to:

(a) the restriction of the use of United States pass-ports for travel to, in or through Iran; and

(b) the regulation of departures from and entry into the United States in connection with travel to Iran by citizens and permanent residents of the United

States. 1-107. Except as otherwise indicated herein, this Order is effective immediately. In accord with Section 401 of the National Emergencies Act (50 U.S.C. 1641) and Section 204 of the International Emergency Economic Powers Act (50 U.S.C. 1703), it shall be immediately transmitted to the Congress and published in the Federal Register.

JIMMY CARTER.

REVOCATION OF PROHIBITIONS CONTAINED IN EXECUTIVE ORDER NO. 12211

For provisions relating to the revocation of prohibitions contained in Ex. Ord. No. 12211, Apr. 17, 1980, 45 F.R. 26685, which prohibited certain transactions with Iran, see Ex. Ord. No. 12282, Jan. 19, 1981, 46 F.R. 7925, set out below.

EX. ORD. NO. 12276. RELEASE OF AMERICAN HOSTAGES IN IRAN-DIRECTION RELATING TO ESTABLISHMENT OF ES-CROW ACCOUNTS

Ex Ord. No. 12276, Jan. 19, 1981, 46 F.R. 7913, provided: By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Eco-nomic Powers Act (50 U.S.C 1702). Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the con-tinuing unusual and extraordinary threat to the national security, foreign policy and economy of the United States upon which I based my declarations of national emergency in Executive Order 12170 [set out above], issued November 14, 1979, and in Executive Order 12211 [set out above], issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States and Iran, it is hereby ordered that as of the effective date of this Order:

1-101 The Secretary of the Treasury is authorized to enter into, and to license, authorize, direct, and compel any appropriate official and/or the Federal Reserve Bank of New York, as fiscal agent of the United States, to enter into escrow or related agreements with a foreign central bank and with the Central Bank of Algeria under which certain money and other assets, as and when directed by the Secretary of the Treasury, shall be credited by the foreign central bank to an escrow account on its books in the name of the Central Bank of Algeria for transfer to the Government of Iran if and when the Central Bank of Algeria receives from the Government of Algeria a certification that the 52 U.S. diplomats and nationals being held hostage in Iran have safely departed from Iran. Such agreements shall include other parties and terms as determined by the Secretary of the Treasury to be appropriate to carry out the purposes of this Order.

1-102. The Secretary of the Treasury is authorized to license, authorize, direct, and compel the Federal Reserve Bank of New York, as fiscal agent of the United States, to receive certain money and other assets in which Iran or its agencies, instrumentalities, or controlled entities have an interest and to hold or transfer such money and other assets, and any interest earned thereon, in such a manner as he deems necessary to fulill the rights and obligations of the United States under the Declaration of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, and the escrow and related agreements described in paragraph 1-101 of this Order. Such money and other assets may be held in interest-bearing form and where possible shall be invested with or through the entity holding the money or asset on the effective date of this Order.

1-103. Compliance with this Executive Order, any other Executive Order licensing, authorizing, directing

or compelling the transfer of the assets referred to in paragraphs 1-101 and 1-102 of this Order, or any regulations, instructions, or directions issued thereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, such orders, regulations, instructions, or directions.

lations, instructions, or directions. 1-104. The Attorney General shall seek to intervene in any litigation within the United States which arises out of this Order and shall, among other things, defend the legality of, and all actions taken pursuant to, each of its provisions. 1-105. The Secretary of the Treasury is delegated and

1-105. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to carry out the purposes of this Order.

1-106. This Order shall be effective immediately.

JIMMY CARTER.

EX. ORD. NO. 12277. RELEASE OF AMERICAN HOSTAGES IN IRAN-DIRECTION TO TRANSFER IRANIAN GOVERNMENT ASSETS

Ex. Ord. No. 12277, Jan. 19, 1981, 46 F.R. 7915, provided: By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the national security, foreign policy and economy of the United States upon which I based my declarations of national emergency in Executive Order 12170 [set out above], issued November 14, 1979, and in Executive Order 12211 [set out above], issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States instruct and require that the assets described in this order shall be transferred as set forth below by the holders of such assets, it is hereby ordered that as of the effective date of this Order:

1-101. The Federal Reserve Bank of New York is licensed, authorized, directed, and compelled to transfer to accounts at the Bank of England, and subsequently to transfer to accounts at the Bank of England established pursuant to an escrow agreement approved by the Secretary of the Treasury, all gold bullion, and other assets (or the equivalent thereof) in its custody, of the Government of Iran, or its agencies, instrumentalities or controlled entities. Such transfers shall be executed when and in the manner directed by the Secretary of the Treasury. The Secretary of the Treasury is also authorized to license, authorize, direct, and compel the Federal Reserve Bank of New York to engage in whatever further transactions he deems appropriate and consistent with the purposes of this Order, including any transactions related to the return of such bullion and other assets pursuant to the escrow agreement.

1-102. (a) All licenses and authorizations for acquiring or exercising any right, power, or privilege, by court order, attachment, or otherwise, including the license contained in Section 535.504 of the Iranian Assets Control Regulations, with respect to the properties described in Section 1-101 of this Order are revoked and withdrawn.

(b) All rights, powers, and privileges relating to the properties described in section 1-101 of this Order and

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which derive from any attachment, injunction, other like proceedings or process, or other action in any litigation after November 14, 1979, at 8.10 a.m. EST, including those derived from Section 535.504 of the Iranian Assets Control Regulations, other than rights, powers, and privileges of the Government of Iran and its agencies, instrumentalities, and controlled entities, whether acquired by court order or otherwise, are nullified, and all persons claiming any such right, power, or privilege are hereafter barred from exercising the same.

(c) All persons subject to the jurisdiction of the United States are prohibited from acquiring or exercising any right, power, or privilege, whether by court order or otherwise, with respect to the properties (and any income earned thereon) referred to in Section 1-101 of this Order.

1-103. Compliance with this Order, any other Executive Order licensing, authorizing, directing, or compelling the transfer of the assets described in section 1-101 of this Order, or any regulations, instructions, or directions issued thereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, such orders, regulations, instructions, or directions

1-104. The Attorney General shall seek to intervene in any litigation within the United States which arises out of this Order and shall, among other things, defend the legality of, and all actions taken pursuant to, each of its provisions

1-105. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to carry out the purposes of this Order

1-106. This Order shall be effective immediately.

JIMMY CARTER.

EX. ORD. NO. 12278. RELEASE OF AMERICAN HOSTAGES IN IRAN-DIRECTION TO TRANSFER IRANIAN GOVERNMENT ASSETS OVERSEAS

Ex. Ord. No. 12278, Jan. 19, 1981, 46 F.R. 7917, provided: By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Eco-nomic Powers Act (50 U.S.C. 1702). Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the na-tional security, foreign policy and economy of the United States upon which I based my declarations of national emergency in Executive Order 12170 [set out above], issued November 14, 1979, and in Executive Order 12211 [set out above], issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government. of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States and Iran and in which Iran and the United States instruct and require that the assets described in this Order shall be transferred as set forth below by the holders of such assets, it is hereby ordered that as of the effective date of this Order:

1-101. Any branch or office of a United States bank or subsidiary thereof, which branch or office is located outside the territory of the United States and which on or after 8:10 a.m. E.S.T. on November 14, 1979 (a) has been or is in possession of funds or securities legally or beneficially owned by the Government of Iran or its agencies, instrumentalities, or controlled entities, or (b) has carried or is carrying on its books deposits standing to the credit of or beneficially owned by such Government, agencies, instrumentalities, or controlled entities, is licensed, authorized, directed, and compelled to transfer such funds, securities, and deposits, including interest from November 14, 1979, at commercially reasonable rates, to the account of the Federal Reserve Bank of New York at the Bank of England, to be held or transferred as directed by the Secretary of the Treasury. The Secretary of the Treasury shall determine when the transfers required by this section shall take place. The funds, securities and deposits described in this section shall be further transferred as provided for in the Declaration of the Government of the Democratic and Popular Republic of Algeria and its Annex.

1-102. Any banking institution subject to the jurisdiction of the United States that has executed a set-off on or after November 14. 1979, at 8:10 a.m. E.S.T. against Iranian funds, securities, or deposits referred to in section 1-101 is hereby licensed, authorized, directed, and compelled to cancel such set-off and to transfer all funds, securities, and deposits which have been subject to such set-off, including interest from November 14. 1979, at commercially reasonable rates, pursuant to the provisions of section 1-101 of this Order.

provisions of section 1-101 of this Order. 1-103 If the funds, securities, and deposits described in section 1-101 are not promptly transferred to the control of the Government of Iran, such funds, securities, and deposits shall be returned to the banking institutions holding them on the effective date of this Order and the set-offs described in section 1-102 shall be in force as if this Order had not been issued and the status of all such funds, securities, deposits and set-offs shall be status quo ante. 1-104. (a) All licenses and authorizations for acquiring

1-104. (a) All licenses and authorizations for acquiring or exercising any right, power, or privilege, by court order, attachment, or otherwise, including the license contained in Section 535.504 of the Iranian Assets Control Regulations, with respect to the properties described in Sections 1-101 and 1-102 of this Order are revoked and withdrawn.

(b) All rights, powers, and privileges relating to the properties described in Sections 1-101 and 1-102 of this Order and which derive from any attachment, injunction, other like proceedings or process, or other action in any litigation after November 14, 1979, at 8:10 a.m. E.S.T., including those derived from Section 535.504 of the Iranian Assets Control Regulations, other than rights, powers, and privileges of the Government of Iran and its agencies, instrumentalities, and controlled entities, whether acquired by court order or otherwise, are nullified, and all persons claiming any such right, power, or privilege are hereafter barred from exercising the same. (c) All persons subject to the jurisdiction of the

(c) All persons subject to the jurisdiction of the United States are prohibited from acquiring or exercising any right, power, or privilege, whether by court order or otherwise, with respect to the properties (and any income earned thereon) referred to in Sections 1-101 and 1-102 of this Order. 1-105. Compliance with this Order, any other Execu-

1-105. Compliance with this Order, any other Executive Order licensing, authorizing, directing, or compelling the transfer of the assets described in Sections 1-101 and 1-102 of this Order, or any regulations, instructions, or directions issued thereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, such orders, regulations, instructions, or directions.

tions, or directions. 1-106. The Attorney General shall seek to intervene in any litigation within the United States which arises out of this Order and shall, among other things, defend the legality of, and all actions taken pursuant to, each of its provisions. 1-107. The Secretary of the Treasury is delegated and

1-107. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to carry out the purposes of this Order.

1-108. This Order shall be effective immediately

JIMMY CARTER.

EX. ORD. NO. 12279 RELEASE OF AMERICAN HOSTAGES IN IRAN-DIRECTION TO TRANSFER IRANIAN GOVERNMENT ASSETS HELD BY DOMESTIC BANKS

Ex. Ord. No. 12279, Jan. 19. 1981. 46 F.R. 7919, provided: By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the national security, foreign policy and economy of the United States upon which I based my declarations of national emergency in Executive Order 12170 [set out above], issued November 14, 1979, and in Executive Order 12211 [set out above], issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of Iran, as reflected in Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States instruct and require that the assets described in this Order shall be transferred as set forth below by the holders of such assets, it is hereby ordered that as of the effective date of this Order:

1-101. Any branch or office of a banking institution subject to the jurisdiction of the United States, which branch or office is located within the United States and is, on the effective date. either (a) in possession of funds or securities legally or beneficially owned by the Government of Iran or its agencies, instrumentalities, or controlled entities, or (b) carrying on its books deposits standing to the credit of or beneficially owned by such Government, agencies, instrumentalities, or controlled entities is licensed, authorized, directed and compelled to transfer such funds, securities, and deposits, including interest from November 14, 1979, at commercially reasonable rates. to the Federal Reserve Bank of New York, to be held or transferred as directed by the Secretary of the Treasury.

1-102. (a) All licenses and authorizations for acquiring or exercising any right, power, or privilege, by court order, attachment, or otherwise, including the license contained in Section 535 504 of the Iranian Assets Control Regulations, with respect to the properties described in Section 1-101 of this Order are revoked and withdrawn.

(b) All rights, powers, and privileges relating to the properties described in section 1-101 of this Order and which derive from any attachment, injunction, other like proceedings or process, or other action in any litigation after November 14, 1979, at 8:10 a.m. EST, including those derived from Section 535.504 of the Iranian Assets Control Regulations, other than rights, powers, and privileges of the Government of Iran and its agencies, instrumentalities, and controlled entities, whether acquired by court order or otherwise, are nullified, and all persons claiming any such right, power, or privilege are hereafter barred from exercising the same.

(c) All persons subject to the jurisdiction of the United States are prohibited from acquiring or exercising any right, power, or privilege whether by court order or otherwise, with respect to the properties (and any income earned thereon) referred to in Section 1-101 of this Order.

1-103. Compliance with this Order, any other Executive Order licensing, authorizing, directing or compelling the transfer of the assets described in section 1-101 of this Order, or any regulations, instructions, or direc-

tions issued thereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, such orders, regulations, instructions, or directions.

1-104. The Attorney General shall seek to intervene in any litigation within the United States which arises out of this Order and shall, among other things, defend the legality of, and all actions taken pursuant to, each of its provisions. 1-105. The Secretary of the Treasury is delegated and

1-105. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to carry out the purposes of this Order.

1-106. This Order shall be effective immediately. JIMMY CARTER.

EX. ORD. NO. 12280. RELEASE OF AMERICAN HOSTAGES IN IRAN-DIRECTION TO TRANSFER IRANIAN GOVERNMENT FINANCIAL ASSETS HELD BY NON-BANKING INSTITU-TIONS

Ex. Ord. No. 12280, Jan. 19, 1981, 46 F.R. 7921, provided: By the authority vested in me as Fresident by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the national security, foreign policy and economy of the United States upon which I based my declarations of national emergency in Executive Order 12170 [set out above]. issued November 14, 1979, and in Executive Order 12211 [set out above]. issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States instruct and require that the assets described in this Order shall be transferred as set forth below by the holders of such assets, it is hereby ordered that as of the effective date of this Order:

1-101. Any person subject to the jurisdiction of the United States which is not a banking institution and is on the effective date in possession or control of funds or securities of Iran or its agencies, instrumentalities, or controlled entities is licensed, authorized, directed and compelled to transfer such funds or securities to the Federal Reserve Bank of New York to be held or transferred as directed by the Secretary of the Treasury.

ury. 1-102. (a) All licenses and authorizations for acquiring or exercising any right, power. or privilege, by court order, attachment, or otherwise, including the license contained in Section 535.504 of the Iranian Assets Control Regulations, with respect to the properties described in Section 1-101 of this Order are revoked and withdrawn

(b) All rights, powers, and privileges relating to the properties described in section 1-101 of this Order and which derive from any attachment, injunction, other like proceedings or process, or other action in any litigation after November 14, 1979, at 8:10 a m. EST, including those derived from Section 535.504 of the Iranian Assets Control Regulations, other than rights, powers, and privileges of the Government of Iran and its agencies, instrumentalities, and controlled entities, whether acquired by court order or otherwise, are nullified, and all persons claiming any such right, power, or privilege are hereafter barred from exercising the same.

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(c) All persons subject to the jurisdiction of the United States are prohibited from acquiring or exercising any right, power, or privilege, whether by court order or otherwise, with respect to the properties (and any income earned thereon) referred to in Section 1-101 of this Order.

1-103. Compliance with this Executive Order, any other Executive Order licensing, authorizing, directing or compelling the transfer of the assets described in paragraph 1-101 of this Order, or any regulations, instructions, or directions issued thereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, such orders, regulations, instructions, or directions.

1-104. The Attorney General shall seek to intervene in any litigation within the United States which arises out of this Order and shall, among other things, defend the legality of and all actions taken pursuant to, each of its provisions.

1-105. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to carry out the purposes of this Order.

1-106. This Order shall be effective immediately.

JIMMY CARTER

EX. ORD. NO. 12281. RELEASE OF AMERICAN HOSTAGES IN IRAN-DIRECTION TO TRANSFER CERTAIN IRANIAN GOV-ERNMENT ASSETS

Ex Ord. No. 12281, Jan. 19, 1981, 46 F.R. 7923, provided. By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702). Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the con-tinuing unusual and extraordinary threat to the na-tional security, foreign policy and economy of the United States upon which I based my declarations of national emergency in Executive Order 12170 [set out above], issued November 14, 1979, and in Executive Order 12211 [set out above]. issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States and Iran and in which Iran and the United States instruct and require that the assets described in this Order shall be trans-ferred as set forth below by the holders of such assets, it is hereby ordered that as of the effective date of this Order:

1-101. All persons subject to the jurisdiction of the United States in possession or control of properties. not including funds and securities, owned by Iran or its agencies, instrumentalities, or controlled entities are licensed. authorized, directed and compelled to transfer such properties, as directed after the effective date of this Order by the Government of Iran. acting through its authorized agent. Except where specifically stated, this license, authorization, and direction does not re-lieve persons subject to the jurisdiction of the United States from existing legal requirements other than those based upon the International Emergency Economic Powers Act [this chapter].

1-102. (a) All licenses and authorizations for acquiring or exercising any right, power, or privilege, by court order, attachment, or otherwise, including the license contained in Section 535.504 of the Iranian Assets Control Regulations, with respect to the properties described in Section 1-101 of this Order are revoked and

withdrawn. (b) All rights, powers, and privileges relating to the properties described in section 1-101 of this Order and which derive from any attachment, injunction, other like proceedings or process, or other action in any litigation after November 14, 1979, at 8:10 a.m. EST, including those derived from Section 535,504 of the Iranian Assets Control Regulations, other than rights, powers, and privileges of the Government of Iran and its agencies, instrumentalities, and controlled entities, whether acquired by court order or otherwise, are nullified, and all persons claiming any such right, power, or

privilege are hereafter barred from exercising the same. (c) All persons subject to the jurisdiction of the United States are prohibited from acquiring or exercising any right, power, or privilege, whether by court order or otherwise, with respect to the properties (and any income earned thereon) referred to in Section 1-101 of this Order.

1-103 Compliance with this Executive Order. any other Executive Order licensing, authorizing, directing or compelling the transfer of the assets described in paragraph 1-101 of this Order, or any regulations, instructions, or directions issued thereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, such orders, regulations, instruc-

tions, or directions. 1-104. The Attorney General shall seek to intervene in any litigation within the United States which arises out of this Order and shall, among other things, defend the legality of, and all actions taken pursuant to, each of its provisions. 1-105. The Secretary of the Treasury is delegated and

authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U S.C. 1701 et seq.) to carry out the purposes of this Order 1-106. This Order shall be effective immediately.

JIMMY CARTER.

EX. ORD. NO. 12282. RELEASE OF AMERICAN HOSTAGES IN IRAN-REVOCATION OF PROHIBITIONS AGAINST TRANS-ACTIONS INVOLVING IRAN

Ex. Ord. No 12282, Jan. 19, 1981, 46 F.R. 7925, provided: By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Eco-nomic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the na-tional security, foreign policy and economy of the United States upon which I based my declarations of national emergency in Executive Order 12170 [set out above], issued November 14, 1979, and in Executive Order 12211 [set out above], issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostage and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States and Iran, it is hereby ordered that as of the effective date of this Order

1-101. The prohibitions contained in Executive Order 12205 of April 7, 1980 [set out above], and Executive Order 12211 of April 17, 1980 [set out above], and Procla-mation 4702 of November 12, 1979 [amending Proc. No. 3279, set out under section 1862 of Title 19, Customs Duties], are hereby revoked.

1-102. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to carry out the purpose of this Order

1-103. This Order shall be effective immediately.

JIMMY CARTER.

EX. ORD. NO. 12283. RELEASE OF AMERICAN HOSTAGES IN IRAN-NON-PROSECUTION OF CLAIMS OF HOSTAGES AND FOR ACTIONS AT THE UNITED STATES EMBASSY AND ELSEWHERE

Ex. Ord. No. 12283, Jan. 19, 1981, 46 F.R. 7927, provided: By the authority vested in me as President by the Constitution and statutes of the United States, includ-ing Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the continuing unusual and extraordinary threat to the na-tional security, foreign policy and economy of the United States upon which I based my declarations of national emergency in Executive Order 12170 [set out above], issued November 14, 1979, and in Executive Order 12211 [set out above], issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States and Iran. it is hereby ordered that as of the effective date of this Order:

1-101. The Secretary of the Treasury shall promulgate regulations: (a) prohibiting any person subject to U.S. jurisdiction from prosecuting in any court within the United States or elsewhere any claim against the Government of Iran arising out of events occurring before the date of this Order relating to (1) the seizure of the hostages on November 4, 1979, (2) their subsequent detention. (3) injury to United States property or prop-erty of United States nationals within the United States Embassy compound in Tehran after November 3. 1979, or (4) injury to United States nationals or their property as a result of popular movements in the course of the Islamic Revolution in Iran which were not an act of the Government of Iran: (b) prohibiting any person not a U.S national from prosecuting any such claim in any court within the United States; (c) ordering the termination of any previously instituted judi-cial proceedings based upon such claims; and (d) prohibiting the enforcement of any judicial order issued in the course of such proceedings.

1-102. The Attorney General of the United States is authorized and directed, immediately upon the issu-ance of regulations in accordance with Section 1-101, to take all appropriate measures to notify all appropriate courts of the existence of this Order and implementing regulations and the resulting termination of litigation.

1-103. The Secretary of the Treasury is delegated and authorized to exercise all functions vested in the Presi-dent by the International Emergency Economic Powers Act (50 U S.C. 1701 et seq.) to carry out the purpose of this Order

1-104. This Order shall be effective immediately.

JIMMY CARTER.

EX. ORD. NO. 12284. RELEASE OF AMERICAN HOSTAGES IN IRAN-RESTRICTIONS ON TRANSFER OF PROPERTY OF FORMER SHAH OF IRAN

Ex. Ord. No. 12284, Jan. 19, 1981, 46 F.R. 7929, provided: By the authority vested in me as President by the Constitution and statutes of the United States, includ-ing Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the con-

United States upon which I based my declarations of national emergency in Executive Order 12170 [set out above], issued November 14, 1979, and in Executive Order 12211 [set out above], issued April 17, 1980, in order to implement agreements with the Government of Iran, as reflected in Declarations of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, relating to the release of U.S. diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, and to begin the process of normalization of relations between the United States and Iran, it is hereby ordered that as of the effective date of this Order

1-101. For the purpose of protecting the rights of liti-gants in courts within the United States, all property and assets located in the United States within the control of the estate of Mohammad Reza Pahlavi, the former Shah of Iran, or any close relative of the former Shah served as a defendant in litigation in such courts brought by Iran seeking the return of property alleged to belong to Iran, is hereby blocked as to each such estate or person until all such litigation against such estate or person is finally terminated. 1-102 The Secretary of the Treasury is authorized

and directed (a) to promulgate regulations requiring all persons who are subject to the jurisdiction of the United States and who, as of November 3, 1979, or as of this date, have actual or constructive possession of property of the kind described in Section 1-101, or knowledge of such possession by others, to report such possession or knowledge thereof, to the Secretary of (b) to make available to the Government of Iran or its designated agents all identifying information derived from such reports to the fullest extent permitted by law. Such reports shall be required as to all individuals described in 1-101 and shall be required to be filed within 30 days after publication of a notice in the Federal Register.

1-103. The Secretary of the Treasury is authorized and directed (a) to require all agencies within the Exec-utive Branch of the United States Government to deliver to the Secretary all official financial books and records which serve to identify any property of the kind described in Section 1-101 of this Order, and (b) to make available to the Government of Iran or its des-ignated agents all identifying information derived from such books and records to the fullest extent permitted by law.

1-104. The Attorney General of the United States having advised the President of his opinion that no claim on behalf of the Government of Iran for recovery of property of the kind described in Section 1-101 of this Order should be considered legally barred either by sov-ereign immunity principles or by the act of state doctrine, the Attorney General is authorized and directed to prepare, and upon the request of counsel representing the Government of Iran to present to the appro-priate court or courts within the United States, suggestions of interest reflecting that such is the position of the United States, and that it is also the position of the United States that Iranian decrees and judgments relating to the assets of the former Shah and the persons described in Section 1-101 should be enforced by such courts in accordance with United States law. 1-105. The Secretary of the Treasury is delegated and

authorized to exercise all functions vested in the President by the International Emergency Economic Powers Act (50 U S C. 1701 et seq.) to carry out the purposes of this Order.

1-106. This Order shall be effective immediately. JIMMY CARTER.

EXECUTIVE ORDER NO. 12285

Ex. Ord. No. 12285, Jan. 19, 1981. 46 F.R. 7931, as amended by Ex. Ord. No. 12307, June 4, 1981, 46 F.R.

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30483; Ex. Ord. No. 12317, Aug. 14, 1981, 46 F.R. 42241, which established the President's Commission on Hos-tage Compensation and provided for its membership, functions, etc., was revoked by Ex. Ord. No. 12379, §21, Aug. 17. 1982, 47 F.R. 36100, set out as a note under section 14 of the Federal Advisory Committee Act in the Appendix to Title 5. Government Organization and Employees.

EX. ORD NO. 12294. SUSPENSION OF LITIGATION AGAINST IRAN

Ex Ord. No. 12294, Feb. 24, 1981, 46 F.R. 14111, provided:

By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, Section 1732 of Title 22 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in view of the con-tinuing unusual and extraordinary threat to the na-tional security, foreign policy and economy of the United States upon which were based the declarations of national emergency in Executive Order No. 12170, issued November 14, 1979 [set out above], and in Execu-tive Order No. 12211, issued April 17, 1980 [set out above], in light of the agreement with the Government of Iran, as reflected in the Declarations of the Government of the Democratic and Popular Republic of Alge-ria dated January 19, 1981, relating to the release of United States diplomats and nationals being held as hostages and to the resolution of claims of United States nationals against Iran, in order to implement Article II of the Declaration of Algeria concerning the settlement of claims and to begin the process of nor-malization of relations between the United States and Iran, it is hereby ordered that as of the effective date of this Order: SECTION 1. All claims which may be presented to the

Iran-United States Claims Tribunal under the terms of Article II of the Declaration of the Government of the Democratic and Popular Republic of Algeria Concerning the Settlement of Claims by the Government of the United States of America and the Government of the Islamic Republic of Iran, and all claims for equitable or other judicial relief in connection with such claims, are hereby suspended, except as they may be presented to the Tribunal. During the period of this suspension, all such claims shall have no legal effect in any action now pending in any court of the United States, including the courts of any state or any locality thereof, the District of Columbia and Puerto Rico, or in any action commenced in any such court after the effective date of this Order. Nothing in this action precludes the commencement of an action after the effective date of this Order for the purpose of tolling the period of limita-tions for commencement of such action.

SEC. 2. Nothing in this Order shall require dismissal of any action for want of prosecution. SEC. 3. Suspension under this Order of a claim or a portion thereof submitted to the Iran-United States Claims Tribunal for adjudication shall terminate upon a determination by the Tribunal that it does not have

jurisdiction over such claim or such portion thereof. SEC. 4. A determination by the Iran-United States Claims Tribunal on the merits that a claimant is not entitled to recover on a claim shall operate as a final resolution and discharge of the claim for all purposes. A determination by the Tribunal that a claimant shall have recovery on a claim in a specified amount shall operate as a final resolution and discharge of the claim for all purposes upon payment to the claimant of the full amount of the award, including any interest award-

ed by the Tribunal. SEC. 5. Nothing in this Order shall apply to any claim concerning the validity or payment of a standby letter of credit, performance or payment bond or other similar instrument.

SEC. 6. Nothing in this Order shall prohibit the assertion of a counterclaim or set-off by a United States national in any judicial proceeding pending or hereafter commenced by the Government of Iran, any political subdivision of Iran, or any agency, instrumentality, or entity controlled by the Government of Iran or any political subdivision thereof. SEC. 7. The Secretary of the Treasury is authorized to

employ all powers granted to me by the International Emergency Economic Powers Act [this chapter] and by 22 U.S.C. § 1732 to carry out the purposes of this Order. SEC. 8 Executive Order Nos. 12276 through 12285 of January 19, 1981 [set out above], are ratified. This Order shall be effective immediately and copies

shall be transmitted to the Congress.

RONALD REAGAN.

EXECUTIVE ORDER NO. 12444

Ex. Ord. No. 12444, Oct. 14, 1983, 48 F.R. 48215, which continued effectiveness of the Export Administration Act of 1979, 50 App. U.S.C. 2401 et seq., and of orders. rules and regulations promulgated thereunder, was re voked by Ex. Ord No. 12451, Dec. 20, 1983, 48 F.R. 56563, set out below.

EX. ORD. NO. 12451. CONTINUATION OF EXPORT CONTROL REGULATIONS

Ex. Ord. No. 12451, Dec. 20, 1983, 48 F.R. 56563, provided:

By the authority vested in me as President by the Constitution and laws of the United States of America, including section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702) (hereinafter re-ferred to as "IEEPA"), 22 U.S.C. 287c, and the Export Administration Act of 1979, as amended (50 U.S.C. App. 2401 et seq.) (hereinafter referred to as "the Act), it is hereby ordered as follows:

nerecy ordered as follows: SECTION 1. In view of the extension by Public Law 98-207 (December 5, 1983) [amending 50 App. U.S C. 2419], of the authorities contained in the Act, Executive Order No. 12444 of October 14, 1983, which continued in effect export control regulations under IEEPA, is revoked, and the declaration of economic emergency is rescinded. SEC. 2. The revocation of Executive Order No. 12444

shall not affect any violation of any rules, regulations, orders. licenses and other forms of administrative action under that Order which occurred during the period that Order was in effect. All rules and regulations is-sued or continued in effect under the authority of the IEEPA and that Order, including those published in Title 15, Chapter III, Subchapter C, of the Code of Federal Regulations, Parts 368 to 399 inclusive, and all orders, regulations, licenses and other forms of administrative action issued, taken or continued in effect pursuant thereto, shall remain in full force and effect, as if issued, taken or continued in effect pursuant to the Act until amended or revoked by the proper authority. Nothing in this Order shall affect the continued applicability of the provision for the administration of the Act and delegations of authority set forth in Executive Order No. 12002 of July 7, 1977 and Executive Order No.

12214 of May 2, 1980 [50 App. U.S.C. 2403 note]. SEC. 3. All orders, licenses, and other forms of administrative action issued, taken or continued in effect pursuant to the authority of the IEEPA and Executive Order No 12444 relating to the administration of section 38(e) of the Arms Export Control Act (22 U.S.C. 2778(e)) shall remain in full force and effect until amended or revoked under proper authority. SEC. 4. This Order shall take effect immediately.

RONALD REAGAN.

EXECUTIVE ORDER NO. 12470

Ex Ord No. 12470, Mar. 30, 1984, 49 F.R. 13099, which continued effectiveness of the Export Administration Act of 1979, 50 App. U.S.C. 2401 et seq., and of the orders, rules and regulations promulgated thereunder, was revoked by Ex. Ord. No. 12525, July 12, 1985, 50 F.R. 28757, set out below.

Continuation of emergency declared by Ex. Ord. No. 12470 was contained in Notice of the President of the United States, dated Mar. 28, 1985, 50 F.R. 12513.

Annex 36

Ex. Ord. No. 12513, May 1, 1985, 50 F.R. 18629, which prohibited trade and certain other transactions involving Nicaragua, was revoked by Ex. Ord. No 12707, Mar 13, 1990, 55 F.R. 9707, set out below.

 1990. 55 F.E. 9707, set out below. Continuations of national emergency declared by Ex.
 Ord. No. 12513 were contained in the following: Notice of the President of the United States, dated

Notice of the President of the United States, dated Apr. 21, 1989, 54 F.R. 17701. Notice of the President of the United States, dated

Notice of the President of the United States, dated Apr. 25, 1988, 53 F.R. 15011. Notice of the President of the United States, dated

Apr 21, 1987, 52 F.R. 13425. Notice of the President of the United States, dated

Apr. 22. 1986, 51 F R. 15461.

EX. ORD. NO. 12525. TERMINATION OF EMERGENCY

AUTHORITY FOR EXPORT CONTROLS

Ex. Ord. No. 12525, July 12, 1985, 50 F.R. 28757, provided:

By the authority vested in me as President by the Constitution and laws of the United States of America, including section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702) (hereinafter referred to as "IEEPA"), 22 U.S.C. 287c, and the Export Administration Act of 1979, as amended (50 U.S.C. App. 2401 *et seq.*) (hereinafter referred to as "the Act"). It is hereby ordered as follows:

hereby ordered as follows: SECTION 1. In view of the extension by Public Law 99-64 (July 12, 1985) [amending 50 App. U.S.C. 2419] of the authorities contained in the Act, Executive Order No. 12470 of March 30, 1984, which continued in effect export control regulations under IEEPA, is revoked, and the declaration of economic emergency is rescinded.

scinded. SEC. 2. The revocation of Executive Order No. 12470 shall not affect any violation of any rules, regulations, orders, licenses, and other forms of administrative action under that Order that occurred during the period that Order was in effect. All rules and regulations issued or continued in effect under the authority of the IEEPA and that Order, including those published in Title 15, Chapter III, Subchapter C, of the Code of Federal Regulations, licenses, and other forms of administrative action issued, taken or continued in effect pursuant thereto, shall remain in full force and effect, as if issued, taken or continued in effect pursuant thereto, shall remain in full force and effect, as if issued, taken or continued in effect pursuant to and as authorized by the Act or by other appropriate authority until amended or revoked by the proper authority. Nothing in this Order shall affect the continuitation of the Act and delegations of authority set forth in Executive Order No. 12002 of July 7, 1977, and Executive Order No. 12214 of May 2, 1980 [set out under 50 App. U.S.C. 2403].

SEC. 3. All rules, regulations, orders, licenses, and other forms of administrative action issued, taken or continued in effect pursuant to the authority of the IEEPA and Executive Order No. 12470 relating to the administration of Section 38(e) of the Arms Export Control Act (22 U.S.C. 2778(e)) shall remain in full force and effect until amended or revoked under proper authority. SEC 4. This Order shall take effect immediately.

SEC 4. This Order shall take effect immediately. RONALD REAGAN.

EXECUTIVE ORDER NO. 12532

Ex. Ord. No. 12532. Sept. 9, 1985, 50 F.R. 36861, which prohibited trade and certain other transactions involving South Africa, was revoked by Ex. Ord. No. 12769, §4. July 10, 1991, 56 F.R. 31855, set out as a note under section 5061 of Title 22, Foreign Relations and Intercourse.

Continuation of national emergency declared by Ex. Ord. No. 12532 was contained in Notice of the President of the United States, dated Sept. 4, 1986, 51 F.R. 31925.

EXECUTIVE ORDER NO. 12535

Ex. Ord. No. 12535, Oct. 1, 1985, 50 F.R. 40325, which prohibited importation into United States of South Af-

rican Krugerrands. was revoked by Ex Ord. No. 12769, §4. July 10, 1991, 56 F.R. 31855, set out as a note under section 5061 of Title 22, Foreign Relations and Intercourse.

EX. ORD. NO. 12543. PROHIBITING TRADE AND CERTAIN TRANSACTIONS INVOLVING LIBYA

Ex. Ord. No. 12543. Jan. 7, 1986. 51 F.R. 875, provided: By the authority vested in me as President by the Constitution and laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), sections 504 and 505 of the International Security and Development Cooperation Act of 1985 (Public Law 99-83) [22 U.S.C. 2349aa-8, 2349aa-9], section 1114 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1514) [now 49 U.S.C. 40106(b)], and section 301 of title 3 of the United States Code.

I. RONALD REAGAN, President of the United States of America, find that the policies and actions of the Government of Libya constitute an unusual and extraordinary threat to the national security and foreign policy of the United States and hereby declare a national emergency to deal with that threat.

I hereby order:

SECTION 1. The following are prohibited, except to the extent provided in regulations which may hereafter be issued pursuant to this Order:

(a) The import into the United States of any goods or services of Libyan origin, other than publications and materials imported for news publications or news broadcast dissemination;

(b) The export to Libya of any goods, technology (including technical data or other information) or services from the United States, except publications and donations of articles intended to relieve human suffering, such as food, clothing, medicine and medical supplies intended strictly for medical purposes; (c) Any transaction by a United States person relat-

(c) Any transaction by a United States person relating to transportation to or from Libya; the provision of transportation to or from the United States by any Libyan person or any vessel or aircraft of Libyan registration; or the sale in the United States by any person holding authority under the Federal Aviation Act [of 1958. now 49 U.S.C. 40101 et seq.] of any transportation by air which includes any stop in Libya:

(d) The purchase by any United States person of goods for export from Libya to any country; (e) The performance by any United States person of

(e) The performance by any United States person of any contract in support of an industrial or other commercial or governmental project in Libya; (f) The grant or extension of credits or loans by any

 (f) The grant or extension of credits or loans by any United States person to the Government of Libya, its instrumentalities and controlled entities;
 (g) Any transaction by a United States person relat-

(g) Any transaction by a United States person relating to travel by any United States citizen or permanent resident alien to Libya, or to activities by any such person within Libya, after the date of this Order, other than transactions necessary to effect such person's departure from Libya, to perform acts permitted until February 1, 1986, by Section 3 of this Order, or travel for journalistic activity by persons regularly employed in such capacity by a newscathering organization: and

in such capacity by a newsgathering organization; and (h) Any transaction by any United States person which evades or avoids, or has the purpose of evading or avoiding, any of the prohibitions set forth in this Order.

For purposes of this Order, the term "United States person" means any United States citizen, permanent resident allen, juridical person organized under the laws of the United States or any person in the United States.

SEC. 2. In light of the prohibition in Section 1(a) of this Order, section 251 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1881), and section 126 of the Trade Act of 1974, as amended (19 U.S.C. 2136) will have no effect with respect to Libya. SEC. 3. This Order is effective immediately, except

SEC. 3. This Order is effective immediately, except that the prohibitions set forth in Section 1(a), (b), (c),

(d) and (e) shall apply as of 12:01 a.m. Eastern Standard Time, February 1, 1986.

SEC. 4. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of this Order. Such actions may include prohibiting or regulating payments or transfers of any property or any transactions involving the transfer of anything of economic value by any United States person to the Government of Libya, its instrumentalities and controlled entities, or to any Libyan national or entity owned or controlled, directly or indirectly, by Libya or Libyan nationals. The Secretary may redelegate any of these functions to other officers and agencies of the Federal government. All agencies of the United States government are directed to take all appropriate measures within their authority to carry out the provisions of this Order, including the suspension or termination of licenses or other authorizations in effect as of the date of this Order.

This Order shall be transmitted to the Congress and published in the Federal Register.

RONALD REAGAN.

CONTINUATION OF NATIONAL EMERGENCY DECLARED BY EX. ORD NO. 12543

Notice of President of the United States, dated Dec. 22. 1994, 59 F.R. 67119, provided:

On January 7, 1986, by Executive Order No. 12543 [set out above], President Reagan declared a national emergency to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States constituted by the actions and policies of the Government of Libya. On January 8, 1986, by Executive Order No. 12544 [set out below], the President took additional measures to block Libyan assets in the United States. The President has transmitted a notice continuing this emergency to the Congress and the Federal Register every year since 1986.

The crisis between the United States and Libya that led to the declaration of a national emergency on January 7, 1986, has not been resolved. The Government of Libya has continued its actions and policies in support of terrorism, despite the calls by the United Nations Security Council, in Resolutions 731 (1992), 748 (1992), and 883 (1993) that it demonstrate by concrete actions its renunciation of such terrorism. Such Libyan actions and policies pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interest of the United States. For these reasons, the national emergency declared on January 7, 1986, to deal with that emergency, must continue in effect beyond January 7, 1995. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)). I am continuing the national emergency with respect to Libya. This notice shall be published in the Federal Register and transmitted to the Congress.

WILLIAM J. CLINTON.

Prior continuations of national emergency declared by Ex. Ord. No. 12543 were contained in the following: Notice of President of the United States dated Dec

Notice of President of the United States, dated Dec. 2, 1993, 58 F.R. 64361. Notice of President of the United States, dated Dec.

14, 1992, 57 F.R. 59895. Notice of President of the United States, dated Dec.

26, 1991, 56 F.R. 67465. Notice of the President of the United States dated

Notice of the President of the United States, dated Jan. 2, 1991, 56 F.R. 477. Notice of the President of the United States, dated

Jan. 4, 1990, 55 F.R. 589. Notice of the President of the United States, dated

Dec. 28, 1988, 53 F.R. 52971. Notice of the President of the United States, dated Dec. 15, 1987, 52 F.R. 47891.

Notice of the President of the United States, dated Dec. 23, 1986, 51 F R. 46849. EX. ORD. NO. 12544. BLOCKING LIBYAN GOVERNMENT PROPERTY IN THE UNITED STATES OR HELD BY U.S. PERSONS

Ex Ord. No. 12544, Jan 8, 1986, 51 F.R. 1235, provided: By the authority vested in me as President by the Constitution and laws of the United States. including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*) and section 301 of title 3 of the United States Code, in order to take steps with respect to Libya additional to those set forth in Executive Order No. 12543 of January 7, 1986 [set out above], to deal with the threat to the national security and foreign policy of the United States referred to in that Order,

I. RONALD REAGAN, President of the United States, hereby order blocked all property and interests in property of the Government of Libya, its agencies, instrumentalities and controlled entities and the Central Bank of Libya that are in the United States, that hereafter come within the United States or that are or hereafter come within the possession or control of U.S persons, including overseas branches of U.S. persons.

persons, including overseas branches of U.S. persons. The Secretary of the Treasury, in consultation with the Secretary of State, is authorized to employ all powers granted to me by the International Emergency Economics [sic] Power[s] Act. 50 U S.C. 1701 et seq., to carry out the provisions of this Order. This Order is effective immediately and shall be

This Order is effective immediately and shall be transmitted to the Congress and published in the Federal Register.

RONALD REAGAN.

EX. ORD. NO. 12613. PROHIBITING IMPORTS FROM IRAN

Ex. Ord. No. 12613. Oct. 29, 1987, 52 F R. 41940, provided:

By the authority vested in me as President by the Constitution and laws of the United States of America, including section 505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C 2349aa-9), and section 301 of Title 3 of the United States Code.

I, RONALD REAGAN, President of the United States of America, find that the Government of Iran is actively supporting terrorism as an instrument of state policy. In addition, Iran has conducted aggressive and unlawful military action against U.S.-flag vessels and merchant vessels of other non-belligerent nations engaged in lawful and peaceful commerce in international waters of the Persian Gulf and territorial waters of non-belligerent nations of that region. To ensure that United States imports of Iranian goods and services will not contribute financial support to terrorism or to further aggressive actions against non-belligerent shipping, I hereby order that: SECTION 1. Except as otherwise provided in regula-

SECTION 1. Except as otherwise provided in regulations issued pursuant to this Order, no goods or services of Iranian origin may be imported into the United States, including its territories and possessions, after the effective date of this Order. SEC. 2. The prohibition contained in Section 1 shall

SEC. 2. The prohibition contained in Section 1 shall not apply to:

 (a) Iranian-origin publications and materials imported for news publications or news broadcast dissemination;

(b) petroleum products refined from Iranian crude oil in a third country;

(c) articles imported directly from Iran into the United States that were exported from Iran prior to the effective date of this Order.

SEC. 3. This Order shall take effect at 12:01 p.m. Eastern Standard Time on October 29, 1987, except as otherwise provided in regulations issued pursuant to this Order.

SEC. 4. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of this Order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the Federal Government. All agencies of the United States Government are directed to take all appropriate measures within their authority to carry out the provisions of this Order, including the suspension or termination of licenses or other author-

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izations in effect as of the date of this Order. SEC. 5. The measures taken pursuant to this Order are in response to the actions of the Government of Iran referred to above, occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those actions.

This Order shall be transmitted to the Congress and published in the Federal Register.

RONALD REAGAN.

EXECUTIVE ORDER NO. 12635

Ex. Ord. No. 12635, Apr. 8, 1988, 53 F.R. 12134, which blocked property and interests in property of the Government of Panama that were in the United States, was revoked by Ex. Ord. No. 12710, Apr. 5, 1990, 55 F.R. 13099, set out below.

Continuation of national emergency declared by Ex. Ord No. 12635 was contained in Notice of the President of the United States, dated Apr. 6, 1989, 54 F.R. 14197.

EX. ORD. NO. 12707. TERMINATION OF EMERGENCY WITH RESPECT TO NICARAGUA

Ex. Ord. No. 12707, Mar. 13, 1990, 55 F.R. 9707, provided. By the authority vested in me as President by the Constitution and laws of the United States of America. including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emer-gencies Act (50 U.S.C. 1601 et seq.), chapter 12 of title 50 of the United States Code (50 U.S.C. 191 et seq.), and section 301 of title 3 of the United States Code.

I, GEORGE BUSH, President of the United States of America, find that the February 25, 1990, democratic election in Nicaragua has ended the unusual and ex-traordinary threat to the national security and foreign traordinary threat to the national security and toreign policy of the United States previously posed by the policies and actions of the Sandinista government in that country, and the need to continue the national emergency declared in Executive Order No. 12513 of May 1, 1985, to deal with that threat I hereby revoke Executive Order No. 12513 and termi-pote the national emergency declared in that order

nate the national emergency declared in that order with respect to Nicaragua.

Pursuant to section 202 of the National Emergencies Act (50 U.S.C. 1622), termination of the national emergency with respect to Nicaragua shall not affect any action taken or proceeding pending and not finally concluded or determined at the effective date of this order. or any action or proceeding based on any act commit-ted prior to the effective date of this order, or any rights or duties that matured or penalties that were incurred prior to the effective date of this order.

This order shall take effect immediately.

GEORGE BUSH.

EX. ORD. NO. 12710. TERMINATION OF EMERGENCY WITH RESPECT TO PANAMA

Ex. Ord. No. 12710, Apr. 5, 1990, 55.F.R. 13099, provided: By the authority vested in me as President by the Constitution and laws of the United States of America. including the International Emergency Economic Pow-"IEEPA"), the National Emergencies Act (50 U.S.C. "IEEPA"), the National Emergencies Act (50 U.S.C. 1601 *et seq.*) (hereinafter referred to as "the NEA"), chapter 12 of title 50 of the United States Code (50 U.S.C. 191 et seq.). and section 301 of title 3 of the United States Code

I. GEORGE BUSH. President of the United States of America, find that the restoration of a democratically elected government in Panama has ended the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States pre-viously posed by the policies and actions of Manuel An-tonio Noriega in that country, and the need to continue

the national emergency declared in Executive Order No. 12635 of April 8, 1988, to deal with that threat.

I hereby revoke Executive Order No. 12635 and terminate the national emergency declared in that order with respect to Panama.

Pursuant to section 202 of the NEA (50 U.S.C. 1622). termination of the national emergency with respect to Panama shall not affect any action taken or proceeding pending not finally concluded or determined as of the effective date of this order, or any action or proceeding based on any act committed prior to the effective date of this order, or any rights or duties that matured or penalties that were incurred prior to the effective date of this order. Pursuant to section 207 (50 U.S.C. 1706) of IEEPA. I hereby determine that the continuation of prohibitions with regard to transactions involving property in which the Government of Panama has an interest is necessary on account of claims involving Panama

This order shall take effect immediately.

GEORGE BUSH.

EX. ORD. NO. 12722. BLOCKING IRAQI GOVERNMEN" PROPERTY AND PROHIBITING TRANSACTIONS WITH IRAQ

Ex. Ord. No. 12722, Aug. 2, 1990, 55 F.R. 31803, provided: By the authority vested in me as President by the constitution and laws of the United States of America. including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emer-gencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3 of the United States Code.

I. GEORGE BUSH, President of the United States of America, find that the policies and actions of the Gov-ernment of Iraq constitute an unusual and extraor-dinary threat to the national security and foreign policy of the United States and hereby declare a national emergency to deal with that threat.

I hereby order: SECTION 1. All property and interests in property of the Government of Iraq, its agencies, instrumentalities and controlled entities and the Central Bank of Iraq that are in the United States, that hereafter come within the United States or that are or hereafter come within the possession or control of United States per-sons, including their overseas branches, are hereby blocked.

SECTION 2. The following are prohibited, except to the extent provided in regulations which may hereafter be issued pursuant to this Order: (a) The import into the United States of any goods or

services of Iraqi origin, other than publications and other informational materials:

(b) The export to Iraq of any goods, technology (including technical data or other information controlled for export pursuant to Section 5 of the Export Adminis-tration Act (50 U.S C App. 2404)) or services from the United States, except publications and other informa-tional materials, and donations of articles intended to relieve human suffering, such as food, clothing, medicine and medical supplies intended strictly for medical purposes:

(c) Any transaction by a United States person relating to transportation to or from Iraq; the provision of transportation to or from the United States by any Iraqi person or any vessel or aircraft of Iraqi registra-tion; or the sale in the United States by any person holding authority under the Federal Aviation Act of 1958, as amended [now 49 U.S.C. 40101 et seq] (49 U.S.C. 1514), of any transportation by air which includes any stop in Iraq;

(d) The purchase by any United States person of goods for export from Iraq to any country:
(e) The performance by any United States person of any contract in support of an industrial or other com-

mercial or governmental project in Iraq; (f) The grant or extension of oredits or loans by any United States person to the Government of Iraq, its instrumentalities and controlled entities: (g) Any transaction by a United States person relat-

ing to travel by any United States citizen or permanent

resident alien to Iraq, or to activities by any such per-son within Iraq, after the date of this Order, other than transactions necessary to effect such person's depar-ture from Iraq, or travel for journalistic activity by persons regularly employed in such capacity by a newsgathering organization; and (h) Any transaction by any United States person

which evades or avoids, or has the purpose of evading or avoiding, any of the prohibitions set forth in this Order.

For purposes of this Order, the term "United States person" means any United States citizen, permanent resident alien, juridical person organized under the laws of the United States, or any person in the United States.

SECTION 3. This Order is effective immediately. SECTION 4. The Secretary of the Treasury, in con-

sultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of this Order. Such actions may include prohibiting or regulating payments or transfers of any property or any transactions involving the transfer of anything of economic value by any United States person to the Government of Iraq, its instrumentalities and controlled entities, or to any Iraqi national or entity owned or controlled, directly or indirectly, by Iraq or Iraqi nationals. The Secretary may redelegate any of these functions to other officers and agencies of the Federal government. All agencies of the United States government are directed to take all appropriate measures within their authority to carry out the provisions of this Order, including the suspension or termination of licenses or other authorizations in effect as of the date of this Order.

This Order shall be transmitted to the Congress and published in the Federal Register.

GEORGE BUSH

[Ex. Ord No. 12722 was revoked by Ex. Ord. No. 12724, §6, Aug 9, 1990, 55 F.R. 33090, set out below, to the extent inconsistent with Ex. Ord. No. 12724.]

CONTINUATION OF NATIONAL EMERGENCY DECLARED BY EX. ORD. NO 12722

Notice of President of the United States, dated July

19. 1994, 59 F.R. 37151, provided: On August 2, 1990, by Executive Order No. 12722 [set out above]. President Bush declared a national emer-gency to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States constituted by the actions and poli-cies of the Government of Iraq. By Executive Orders Nos. 12722 of August 2, 1990, and 12724 of August 9, 1990 [set out below], President Bush imposed trade sanctions on Iraq and blocked Iraqi government assets. Because the Government of Iraq has continued its activities hostile to United States interests in the Middle East, the national emergency declared on August 2, 1990, and the measures adopted on August 2 and August 9, 1990, to deal with that emergency must continue in effect beyond August 2, 1994. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency with respect to Iraq.

This notice shall be published in the Federal Register and transmitted to the Congress.

WILLIAM J. CLINTON.

Prior continuations of national emergency declared by Ex. Ord. No 12722 were contained in the following: Notice of President of the United States, dated July 20, 1993, 58 F.R. 39111.

Notice of President of the United States, dated July 21, 1992, 57 F.R. 32875.

Notice of President of the United States, dated July 26, 1991, 56 F.R. 35995.

EXECUTIVE ORDER NO. 12723

Ex. Ord. No. 12723, Aug. 2, 1990, 55 F.R. 31805, which directed Secretary of the Treasury to block all property

and interests in Kuwaiti Government property that are in the United States or within possession or control of United States persons, was revoked by Ex. Ord. No. 12771, July 25, 1991, 56 F.R. 35993, set out below.

EX. ORD. NO. 12724. BLOCKING IRAQI GOVERNMENT PROPERTY AND PROHIBITING TRANSACTIONS WITH IRAO

Ex. Ord. No. 12724, Aug. 9, 1990, 55 F.R. 33089, provided: By the authority vested in me as President by the Constitution and laws of the United States of America. including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emer-gencies Act (50 U.S.C. 1601 et seq.), section 301 of title 3 of the United States Code, and the United Nations Participation Act [22 U.S.C. 287 et seq.] (22 U.S.C. 287c), in view of United Nations Security Council Resolution No. 661 of August 6, 1990, and in order to take additional steps with respect to Iraq's invasion of Kuwait and the national emergency declared in Executive Order No. 12722 [set out above]

I, GEORGE BUSH. President of the United States of America, hereby order

SECTION 1. Except to the extent provided in regulations that may hereafter be issued pursuant to this order. all property and interests in property of the Government of Iraq that are in the United States. that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, including their overseas

branches, are hereby blocked SEC 2 The following are prohibited, except to the extent provided in regulations that may hereafter be is-

sued pursuant to this order: (a) The importation into the United States of any goods or services of Iraqi origin, or any activity that (b) The exportation to Iraq, or to any entity operated

from Iraq, or owned or controlled by the Government of Iraq, directly or indirectly, of any goods, technology (including technical data or other information), or services either (i) from the United States, or (ii) requiring the issuance of a license by a Federal agency, or any activity that promotes or is intended to promote such exportation, except donations of articles intended to relieve human suffering, such as food and supplies intended strictly for medical purposes;

(c) Any dealing by a United States person related to property of Iraqi origin exported from Iraq after Au-gust 6, 1990, or property intended for exportation from Iraq to any country, or exportation to Iraq from any country, or any activity of any kind that promotes or is intended to promote such dealing;

(d) Any transaction by a United States person relat-ing to travel by any United States citizen or permanent resident alien to Iraq, or to activities by any such person within Iraq, after the date of this order, other than transactions necessary to effect (i) such person's depar-ture from Iraq, (ii) travel and activities for the conduct of the official business of the Federal Government or the United Nations, or (iii) travel for journalistic activity by persons regularly employed in such capacity by

a news-gathering organization; (e) Any transaction by a United States person relating to transportation to or from Iraq; the provision of transportation to or from the United States by any Iraqi person or any vessel or aircraft of Iraqi registration; or the sale in the United States by any person holding authority under the Federal Aviation Act of 1958, as amended (49 U.S.C. 1301 *et seq.*) [now 49 U.S.C 40101 et seq.], of any transportation by air that includes any stop in Iraq: (f) The performance by any United States person of

any contract, including a financing contract, in sup-port of an industrial, commercial, public utility, or governmental project in Iraq,

(g) Except as otherwise authorized herein, any com-mitment or transfer, direct or indirect, of funds, or other financial or economic resources by any United States person to the Government of Iraq or any other person in Iraq:

(h) Any transaction by any United States person that evades or avoids, or has the purpose of evading or avoiding, any of the prohibitions set forth in this order.

SEC. 3. For purposes of this order: (a) the term "United States person" means any United States citizen, permanent resident alien, juridical person organized under the laws of the United States (including foreign branches), or any person in

the United States, and vessels of U.S. registration. (b) the term "Government of Iraq" includes the Gov-ernment of Iraq, its agencies, instrumentalities and controlled entities, and the Central Bank of Iraq. SEC. 4. This order is effective immediately.

SEC. 5. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of this order. Such actions may include prohibiting or regulating payments or transfers of any property or any transactions involving the transfer of anything of economic value by any United States person to the Government of Iraq, or to any Iraqi national or entity owned or controlled, directly or indirectly, by the Government of Iraq or Iraqi nationals. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the Federal Government. All agencies of the Federal Government are directed to take all appropriate measures within their authority to carry out the provisions of this order, including the suspension or termination of licenses or other authorizations in effect as of the date of this order.

SEC. 6. Executive Order No. 12722 of August 2, 1990 [set out above], is hereby revoked to the extent inconsist-ent with this order. All delegations, rules, regulations, orders, licenses, and other forms of administrative action made, issued, or otherwise taken under Executive Order No. 12722 and not revoked administratively shall remain in full force and effect under this order until amended, modified, or terminated by proper authority. The revocation of any provision of Executive Order No. 12722 pursuant to this section shall not affect any violation of any rules, regulations, orders, licenses, or other forms of administrative action under that order during the period that such provision of that order was in effect.

This order shall be transmitted to the Congress and published in the Federal Register

GEORGE BUSH.

EXECUTIVE ORDER NO. 12725

Ex. Ord. No. 12725, Aug. 9, 1990, 55 F.R. 33091, which di-rected Secretary of the Treasury to block all property and interests in Kuwaiti Government property that are in the United States or within possession or control of United States persons and which prohibited transactions with Kuwait, was revoked by Ex Ord. No. 12771, July 25, 1991, 56 F.R. 35993, set out below.

EXECUTIVE ORDER NO. 12730

Ex. Ord. No. 12730, Sept. 30, 1990, 55 F.R. 40373, which continued effectiveness of the Export Administration Act of 1979, 50 App. U.S.C. 2401 et seq., and of the orders, rules and regulations promulgated thereunder, was re-voked by Ex. Ord. No. 12867, §1, Sept. 30, 1993, 58 F.R. 51747, set out below.

Continuations of national emergency declared by Ex. Ord. No. 12730 were contained in the following.

Notice of President of the United States, dated Sept. 25, 1992, 57 F.R. 44649.

Notice of President of the United States, dated Sept. 26, 1991, 56 F.R. 49385.

EXECUTIVE ORDER NO. 12735

Ex. Ord. No. 12735, Nov. 16, 1990, 55 F.R. 48587, which declared a national emergency to deal with threat of proliferation of chemical and biological weapons and imposed controls on exports that would assist a country in developing, stockpiling, delivering, or using

chemical or biological weapons and associated sanctions, was revoked by Ex. Ord. No. 12938, §10, Nov. 14, 1994, 59 F.R. 59099, set out below

Continuations of national emergency declared by Ex. Ord. No. 12735 were contained in the following Notice of President of the United States, dated Nov.

12, 1993, 58 F.R. 60361. Notice of President of the United States, dated Nov.

11, 1992, 57 F.R. 53979. Notice of President of the United States, dated Nov.

14, 1991, 56 F.R. 58171. EX. ORD. NO. 12771. REVOKING EARLIER ORDERS WITH

RESPECT TO KUWAIT Ex Ord. No. 12771, July 25, 1991, 56 F.R. 35993, pro-

vided: By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Eco-nomic Powers Act (50 U.S.C.1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), section 301 of title 3 of the United States Code, and United Nations Participation Act [22 U.S C 287 et seq.] (22 U.S.C. 287c). I, GEORGE BUSH, President of the United States of

America, find that the expulsion from Kuwait of Iraq's occupation forces, the restoration of Kuwait to its citizens, and the reinstatement of the lawful Government of Kuwait eliminate the need for Executive Order No. 12723 of August 2, 1990, entitled "Blocking Kuwaiti Gov-ernment Property," and Executive Order No. 12725 of August 9, 1990, entitled "Blocking Kuwaiti Government Property and Prohibiting Transactions With Kuwait." Those orders were issued to protect the assets of the Government of Kuwait which were subject to United States jurisdiction, and to prevent the transfer of benefits by United States persons to Iraq based upon its invasion of Kuwait. Those orders also implemented the foreign policy and protected the national security of the United States, in conformity with applicable resolutions of the United Nations Security Council. Finding continuation of these orders unnecessary. I hereby

SECTION 1. Executive Order No 12723 and Executive Order No. 12725 are hereby revoked. This revocation shall not affect the national emergency declared in Executive Order No. 12722 [set out above] to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States posed by the policies and action of the Government of Iraq.

SEC. 2. This revocation shall not affect:

(a) any action taken or proceeding pending and not finally concluded or determined on the effective date of this order:

(b) any action or proceeding based on any act committed prior to the effective date of this order; or (c) any rights or duties that matured or penalties

that were incurred prior to the effective date of this order.

SEC. 3. This order shall take effect immediately.

GEORGE BUSH.

EXECUTIVE ORDER NO. 12775

Ex Ord. No 12775, Oct. 4, 1991, 56 F.R. 50641, which declared a national emergency to deal with Republic of Haiti, directed Secretary of Treasury to block all property and interests in property of Government of Haiti that were in United States or within possession or conof United States persons, and prohibited transtrol actions with Halti, was revoked. and such national emergency terminated, by Ex. Ord. No. 12932, Oct. 14, 1994, 59 F.R. 52403, set out below.

Continuations of national emergency declared by Ex. Ord. No. 12775 were contained in the following:

Notice of President of the United States, dated Sept 30, 1994, 59 F.R. 50479.

Notice of President of the United States, dated Sept. 30, 1993, 58 F.R. 51563.

Notice of President of the United States, dated Sept. 30, 1992, 57 F.R. 45557.

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EXECUTIVE ORDER NO. 12779

Ex. Ord. No. 12779, Oct. 28, 1991, 56 F.R. 55975, which directed Secretary of the Treasury to block all prop erty and interests in property of Government of Halti that were in United States or within possession or control of United States persons and which prohibited transactions with Haiti and most imports from and exports to Halti, was revoked by Ex. Ord. No. 12932, Oct. 14. 1994, 59 F.R. 52403, set out below.

EX. ORD. NO. 12801. BARRING OVERFLIGHT, TAKEOFF, AND LANDING OF AIRCRAFT FLYING TO OR FROM LIBYA

Ex. Ord. No. 12801, Apr. 15, 1992, 57 F R. 14319, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701, *et seq.*), the National Emergencies Act (50 U.S.C. 1601, *et seq.*), section 1114 of the Federal Aviation Act of 1958, as amended (49 U.S.C. App. 1514) [now 49 U.S.C. 40106(b)], section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C 287c), and section 301 of title 3 of the United States Code, in view of United Nations Security Council Resolutions Nos. 731 of January 21, 1992, and 748 of March 31, 1992, and in order to take additional steps with respect to Libya's continued support for inter-national terrorism and the national emergency de-clared in Executive Order No. 12543 of January 7, 1986 [set out above]. it is hereby ordered that:

SECTION 1. Except to the extent provided in regula-tions, orders, directives, authorizations, or licenses that may hereafter be issued pursuant to this order, and notwithstanding the existence of any rights or ob-ligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted before the effective date of this order, the granting of permission to any aircraft to order, the granting of permission to any aircraft to take off from, land in, or overfly the United States, if the aircraft, as part of the same flight or as a continu-ation of that flight, is destined to land in or has taken off from the territory of Libya, is hereby prohibited. SEC. 2. The Secretary of the Treasury, in consultation with the Secretary of Transportation, is hereby author-ized to take model and any destination.

ized to take such actions. including the promulgation of rules and regulations, as may be necessary to carry out the provisions of section 1 of this order. The Secretary of the Treasury may redelegate the authority set forth in this order to other officers in the Depart-ment of the Treasury and may confer or impose such authority upon any other officer of the United States, with the consent of the head of the department or agency within which such officer is serving. All executive branch agencies of the Federal Government hereby affected are directed to consult as appropriate on the implementation of this order and to take all necessary measures within their authority to carry out the provisions of this order, including the suspension or termination of licenses or other authorizations in effect as of the date of this order.

SEC. 3. Nothing contained in this order shall confer any substantive or procedural right or privilege on any person or organization, enforceable against the United States, its agencies or instrumentalities, its officers, or its employees.

SEC. 4 This order is effective 11.59 p.m. eastern daylight time, April 15, 1992. SEC. 5. This order shall be transmitted to the Con-

gress and published in the Federal Register.

GEORGE BUSH.

EX. ORD. NO. 12808. BLOCKING "YUGOSLAV GOVERNMENT" PROPERTY AND PROPERTY OF GOVERNMENTS OF SERBIA AND MONTENEGRO

Ex. Ord. No. 12808, May 30, 1992, 57 F.R. 23299, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701, et seq.), the National Emergencies Act (50 U.S.C. 1601, et seq.), and section 301 of title 3 of the United States Code, I, GEORGE BUSH, President of the United States of

America, find that the actions and policies of the Gov-ernments of Serbia and Montenegro, acting under the name of the Socialist Federal Republic of Yugoslavia or the Federal Republic of Yugoslavia, in their involvement in and support for groups attempting to seize ter-ritory in Croatia and Bosnia-Hercegovina by force and violence utilizing, in part, the forces of the so-called Yugoslav National Army, constitute an unusual and ex-traordinary threat to the national security, foreign policy, and economy of the United States, and hereby declare a national emergency to deal with that threat. I hereby order:

SECTION 1. Except to the extent provided in regula-tions, orders, directives, or licenses which may hereafter be issued pursuant to this order, all property and interests in property of the Government of Serbia and the Government of Montenegro that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, including their over-seas branches, are hereby blocked.

SEC. 2. Except to the extent provided in regulations, orders, directives, or licenses which may hereafter be issued pursuant to this order, all property and interests in property in the name of the Government of the So-cialist Federal Republic of Yugoslavia or the Government of the Federal Republic of Yugoslavia that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, including their overseas branches, are hereby blocked

SEC. 3. Any transaction by any United States person that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibi-

tions set forth in this order is prohibited. SEC. 4. For the purposes of this order: (a) The term "United States person" means any United States citizen, permanent resident alien, juridi-cal person organized under the laws of the United States (including foreign hereabed) or person in the States (including foreign branches), or person in the United States:

(b) The terms "Government of Serbia" and "Govern-ment of Montenegro" include the governments of Serbia and Montenegro, including any subdivisions thereof or local government therein, their respective agencies, instrumentalities and controlled entities, and any persons acting or purporting to act for or on behalf of any of the foregoing, including the National Bank of Serbia, the Serbian Chamber of Economy, the National Bank of Montenegro, and the Montenegrin Chamber of Economy;

(c) The terms "Government of the Socialist Federal Republic of Yugoslavia" and "Government of the Federal Republic of Yugoslavia" include the government of the former Socialist Federal Republic of Yugoslavia, the government of the newly constituted Federal Republic of Yugoslavia, their respective agencies, instrumentalities and controlled entities, and any persons acting or purporting to act for or on behalf of any of the foregoing, including the National Bank of Yugo-slavia, the Yugoslav National Army, and the Yugoslav Chamber of Economy.

SEC. 5. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by the International Emergency Eco-nomic Powers Act [50 U.S.C. 1701 et seq.], as may be necessary to carry out the purposes of this order. Such actions may include prohibiting or regulating pay-ments or transfers of any property, or any transactions involving the transfer of anything of economic value by any United States person to the Government of the Socialist Federal Republic of Yugoslavia, the Government of the Federal Republic of Yugoslavia, the Government of Serbia, the Government of Montenegro, any person

in Serbia or Montenegro, or any person or entity acting for or on behalf of, or owned or controlled, directly or indirectly, by any of the foregoing. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government, all agencies of which are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order, including suspen-sion or termination of licenses or other authorizations in effect as of the date of this order.

SEC. 6. Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

SEC. 7. (a) This order shall take effect at 11:59 p.m. Eastern Daylight Time, May 30, 1992. (b) This order shall be transmitted to the Congress

and published in the Federal Register.

GEORGE BUSH.

CONTINUATION OF NATIONAL EMERGENCY DECLARED BY EX. ORD. NO. 12808

Notice of President of the United States, dated May

25. 1994, 59 F.R. 27429, provided: On May 30, 1992, by Executive Order No. 12808 [set out above], President Bush declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States constituted by the actions and policies of the Governments of Serbia and Montenegro, blocking all property and interests in property of those Governments. The President took additional measures to prohibit trade and other transactions with the Federal Republic of Yugoslavia (Serbia and Montenegro) by Executive Orders Nos. 12810, 12831, and 12846 [set out below], issued on June 5, 1992, January 15, 1993, and April 25, 1993, respectively. Because the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro) has continued its actions and policies in support of groups seizing and attempting to seize territory in Croatia and Bosnia-Herzegovina by force and violence, the national emergency declared on May 30, 1992, and the measures adopted pursuant thereto to deal with that emergency, must continue in effect beyond May 30, 1994. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency with respect to the Federal Republic of Yugoslavia (Serbia and Montenegro).

This notice shall be published in the Federal Register and transmitted to the Congress.

WILLIAM J. CLINTON

Prior continuation of national emergency declared by Ex. Ord. No. 12808 was contained in the following

Notice of President of the United States, dated May 25, 1993, 58 F.R. 30693.

EX. ORD. NO. 12810. BLOCKING PROPERTY OF AND PROHIB-ITING TRANSACTIONS WITH FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA AND MONTENEGRO)

Ex. Ord. No. 12810, June 5, 1992, 57 F.R. 24347, as amended by Ex. Ord. No. 12831, §4, Jan. 15, 1993, 58 F.R. 5253, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701. *et seq.*), the National Emergencies Act (50 U.S.C. 1601, *et seq.*), section 1114 of the Federal Aviation Act of 1958, as amended (49 U.S.C. App. 1514), section 5 of the United Nations Participa-tion Act of 1945, as amended (22 U.S C. 287c), and section 301 of title 3 of the United States Code, in view of United Nations Security Council Resolution No. 757 of May 30, 1992, and in order to take additional steps with respect to the actions and policies of the Federal Re-public of Yugoslavia (Serbia and Montenegro) and the national emergency described and declared in Executive Order No. 12808 [set out above],

I, GEORGE BUSH, President of the United States of America, hereby order: SECTION 1. Except to the extent provided in regula-

tions, orders, directives, or licenses which may here after be issued pursuant to this order, and notwith-standing the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted before the effective date of this order, all property and interests in property of the Government of the Federal Republic of Yugoslavia (Serbia and Monte-negro), and property and interests in property held in the name of the Government of the Federal Republic of Yugoslavia or of the former Government of the Social-ist Federal Republic of Yugoslavia, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the posses-sion or control of United States persons, including their overseas branches, are blocked.

SEC. 2. The following are prohibited, notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted before the effective date of this order, except to the ex-tent provided in regulations, orders, directives, or licenses which may hereafter be issued pursuant to this order (a) The importation into the United States of any

goods originating in, or services performed in. the Federal Republic of Yugoslavia (Serbia and Montenegro). exported from the Federal Republic of Yugoslavia (Serbia and Montenegro) after May 30, 1992, or any activity that promotes or is intended to promote such importation

(b) The exportation to the Federal Republic of Yugoslavia (Serbia and Montenegro), or to any entity oper-ated from the Federal Republic of Yugoslavia (Serbia and Montenegro), or owned or controlled by the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), directly or indirectly, of any goods. technology (including technical data or other information controlled for export pursuant to the Export Ad-ministration Regulations, 15 C.F.R. Parts 768, et seq.). or services, either (i) from the United States. (ii) requiring the issuance of a license by a Federal agency, or (iii) involving the use of U.S -registered vessels or aircraft, or any activity that promotes or is intended

to promote such exportation: (c) Any dealing by a United States person related to property originating in the Federal Republic of Yugoslavia (Serbia and Montenegro) exported from the Federal Republic of Yugoslavia (Serbia and Montenegro) after May 30, 1992, or property intended for exportation from the Federal Republic of Yugoslavia (Serbla and Montenegro) to any country, or exportation to the Federal Republic of Yugoslavia (Serbia and Montenegro) from any country, or any activity of any kind that pro-motes or is intended to promote such dealing;

(d) Any transaction by a United States person, or in-volving the use of U.S.-registered vessels and aircraft, relating to transportation to or from the Federal Republic of Yugoslavia (Serbia and Montenegro), the provision of transportation to or from the United States by any person in the Federal Republic of Yugoslavia (Serbia and Montenegro) or any vessel or aircraft reg-istered in the Federal Republic of Yugoslavia (Serbia and Montenegro), or the sale in the United States by any person holding authority under the Federal Avia-tion Act of 1958, as amended (49 U.S.C. 1301, *et seq.*) [now 49 U.S.C. 40101 et seq.]. of any transportation by air that includes any stop in the Federal Republic of Yugoslavia (Serbia and Montenegro);

(e) The granting of permission to any aircraft to take off from, land in, or overfly the United States, if the aircraft, as part of the same flight or as a continuation of that flight, is destined to land in or has taken off from the territory of the Federal Republic of Yugo-slavia (Serbia and Montenegro); (f) The performance by any United States person of

any contract, including a financing contract, in sup-

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port of an industrial, commercial, public utility, or governmental project in the Federal Republic of Yugoslavia (Serbia and Montenegro);

(g) Any commitment or transfer, direct or indirect, of funds, or other financial or economic resources by any United States person to or for the benefit of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro) or any other person in the Federal Republic of Yugoslavia (Serbia and Montenegro);
(h) Any transaction in the United States or by a

(h) Any transaction in the United States or by a United States person related to participation in sporting events in the United States by persons or groups representing the Federal Republic of Yugoslavia (Serbia and Montenegro);

(1) [Revoked by Ex. Ord. No. 12831, §4, Jan. 15, 1993, 58 F.R. 5253.]

SEC. 3. Nothing in this order shall apply to (i) the transshipment through the Federal Republic of Yugoslavia (Serbia and Montenegro) of commodities and products originating outside the Federal Republic of Yugoslavia (Serbia and Montenegro) and temporarily present in the territory of the Federal Republic of Yugoslavia (Serbia and Montenegro) only for the purpose of such transshipment, and (ii) activities related to the United Nations Protection Force (UNPROFOR), the Conference on Yugoslavia, or the European Community Monitor Mission.

SEC. 4. Any transaction by any United States person that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate. any of the prohibitions set forth in this order is prohibited.

SEC. 5. For the purposes of this order (a) The term "United States person"

(a) The term "United States person" means any United States citizen, permanent resident allen, juridical person organized under the laws of the United States (including foreign branches), or any person in the United States, and vessels and aircraft of U.S. registration;

(b) The term "the Federal Republic of Yugoslavia (Serbia and Montenegro)" means the territory of Serbia and Montenegro:

(c) Dia and Montenegro; means the territory of Selbia and Montenegro; (c) The term "the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro)" includes the government of the newly constituted Federal Republic of Yugoslavia, the Government of Serbia, and the Government of Montenegro, including any subdivisions thereof or local governments therein, their respective agencies, instrumentalities and controlled entitles, and any persons acting or purporting to act for or on behalf of any of the foregoing, including the National Bank of Yugoslavia, the Yugoslav National Army, and the Yugoslav Chamber of Economy, the National Bank of Serbia, the Serbian Chamber of Economy, the National Bank of Montenegro, and the Montenegrin Chamber of Economy.

Ship, the value of Economy. SEC. 6. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the Fresident by the International Emergency Economic Powers Act [50 U.S.C 1701 et seq.] and the United Nations Participation Act [22 U.S.C 287 et seq.], as may be necessary to carry out the purposes of this order. Such actions may include prohibiting or regulating payments or transfers of any property, or any transactions involving the transfer of anything of economic value by the [sic] any United States person to the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), any person in the Federal Republic of Yugoslavia (Serbia and Montenegro), or any person or entity acting for or on behalf of, or owned or controlled, directly or indirectly, by any of the foregoing. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government, all agencies of which are hereby directed to take all appropriate measures within their authorizations in effect as of the date of this order, including suspension or termination of licenses or other authorizations in effect as of the date of this order. SEC. 7. All delegations, rules, regulations, orders, licenses, and other forms of administrative action made, issued, or otherwise taken under Executive Order No. 12808 (set out above) and not revoked administratively shall remain in full force and effect under this order until amended, modified, or terminated by proper authority: SEC. 8. Nothing contained in this order shall create

SEC. 8. Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

SEC. 9 (a) This order is effective immediately.

(b) This order shall be transmitted to the Congress and published in the Federal Register.

GEORGE BUSH.

EX. ORD. NO. 12817. TRANSFER OF CERTAIN IRAQI

GOVERNMENT ASSETS HELD BY DOMESTIC BANKS

Ex. Ord. No. 12817. Oct. 21, 1992, 57 F.R. 48433, provided.

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U S.C. 1701 *et seq.*), the National Emergencies Act (50 U S.C. 1601 *et seq.*), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c), and section 301 of title 3 of the United States Code. in order to apply in the United States measures adopted in United Nations Security Council Resolution No. 778 of October 2, 1992, and in order to take additional steps with respect to the actions and policies of the Government of Iraq and the national emergency described and declared in Executive Order No 12722 [set out above].

I, GEORGE BUSH, President of the United States of America, hereby order:

SECTION 1. The Secretary of the Treasury is authorized and directed to take all actions necessary to carry out the provisions of United Nations Security Council Resolution No. 778 with respect to blocked funds and other assets described in section 2 of this order, or funds and other assets received from the United Nations in repayment of funds and assets transferred pursuant to section 2 of this order. For this purpose, the Secretary of the Treasury is delegated and authorized to exercise all authorities vested in the President by sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C 1702 and 1704) and section 5 of the United Nations Participation Act (22 U.S.C. 287c).

SEC.2. Upon a determination by the Secretary of the Treasury that funds or other assets in which the Government of Iraq or its agencies, instrumentalities, or controlled entities have an interest represent the proceeds of the sale of Iraqi petroleum or petroleum products, paid for by or on behalf of the purchaser on or after August 6, 1990, each and every United States financial institution is directed and compelled to transfer such funds or assets held by it or carried on its books to the Federal Reserve Bank of New York, when, to the extent, and in the manner required by the Secretary of the Treasury. SEC 3. The Federal Reserve Bank of New York, as fis-

SEC 3. The Federal Reserve Bank of New York, as fiscal agent of the United States, is authorized, directed, and compelled to receive funds and other assets in which the Government of Iraq or its agencies, instrumentalities, or controlled entities have an interest, and to hold. invest, or transfer such funds and assets, and any earnings thereon, when, to the extent, and in the manner required by the Secretary of the Treasury in order to fulfill the rights and obligations of the United States under United Nations Security Council Resolution No. 778.

SEC.4. Compliance with this order, or any regulation, instruction, or direction issued under this order, licensing, authorizing, directing, or compelling the transfer of the blocked funds and other assets described in section 2 of this order, or funds and other assets received §1701

from the United Nations in repayment of funds and assets transferred pursuant to section 2 of this order. shall, to the extent thereof, be a full acquittance and discharge for all purposes of the obligation of the per-son making the transfer. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, this order or any regulation, instruction, or direction issued hereunder. The operation of this order shall have no effect on rights, debts, and claims existing with respect to funds or other assets prior to their transfer to the Fed-

eral Reserve Bank of New York. SEC. 5. For the purposes of this order, the term "United States financial institution" means any United States clizen, permanent resident allen, juridi-cal person organized under the laws of the United States, or any person located in the United States, which is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, or purchasing or selling foreign exchange or securities, including, but not limited to, de-pository institutions, banks, saving banks, trust companies, securities brokers and dealers. clearing corporations, investment companies, and U.S. holding compa-nies, U.S. affiliates, or U.S. subsidiaries of the foregoing. This term includes branches. offices, and agencies of foreign financial institutions which are located in the United States.

SEC. 6. The Secretary of the Treasury, in consultation with the Secretary of State, is authorized to take such actions, including the issuance of directive licenses, out the purposes of this order The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the Federal Government. All agencies of the Federal Government are directed to take all appropriate measures within their authority to carry out the provisions of this order.

SEC. 7. Nothing contained in this order shall create any right or benefit, substantive or procedural, enforce-able by any party (other than the United States) against the United States, its agencies or instrumen-talities, its officers or employees, or any other person. SEC. 8

(a) This order is effective immediately.(b) This order shall be transmitted to the Congress and published in the Federal Register.

GEORGE BUSH.

EX. ORD. NO. 12831. ADDITIONAL MEASURES WITH RE-SPECT TO FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA AND MONTENEGRO)

Ex. Ord. No. 12831, Jan. 15, 1993, 58 F.R. 5253, provided. By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c), and section 301 of title 3 of the United States Code, in view of United Nations Security Coun-cil Resolutions No. 757 of May 30, 1992, and No. 787 of November 16, 1992, and in order to take additional steps with respect to the actions and policies of the Federal Republic of Yugoslavia (Serbia and Montenegro) and the national emergency described and declared in Exec-utive Order No. 12808 [set out above] and expanded in Executive Order No. 12810 [set out above].

I, GEORGE BUSH, President of the United States of America, hereby order

SECTION 1. The following are prohibited, except to the extent provided in regulations, orders, directives, or licenses which may hereafter be issued pursuant to this order, and notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted before the effective date of this order:

(a) Any transaction within the United States or by a United States person related to the transshipment of commodities or products through the Federal Republic of Yugoslavia (Serbia and Montenegro); and

(b) Any transaction within the United States or by a United States person relating to any vessel in which a majority or controlling interest is held by a person or entity in, or operating from, the Federal Republic of Yugoslavia (Serbia and Montenegro) regardless of the flag under which the vessel sails.

SEC. 2. Any vessel in which a majority or controlling interest is held by a person or entity in, or operating from, the Federal Republic of Yugoslavia (Serbia and Montenegro) shall be considered as a vessel of the Federal Republic of Yugoslavia (Serbia and Montenegro) regardless of the flag under which the vessel sails.

SEC. 3. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by the International Emergency Eco-nomic Powers Act [50 U.S.C. 1701 et seq.] and the United Nations Participation Act [22 U.S.C. 287 et seq.], as may be necessary to carry out the purpose of this order. Such actions may include prohibiting or regulating trade and financial transactions involving any areas of the territory of the former Socialist Federal Republic of Yugoslavia as to which there is inadequate assurance that such transactions will not be diverted to the benefit of the Federal Republic of Yugoslavia (Serbia and Montenegro). The Secretary of the Treasury may redelegate the authority set forth in this order to other officers and agencies of the United States Government. all agencies of which are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order, including suspension or termination of licenses or other authorizations in effect as of the date of this order.

SEC. 4. Section 3[2](i) of Executive Order No. 12810 [set out abovel is hereby revoked.

SEC. 5. The definitions contained in Section 5 of Executive Order No. 12810 [set out above] apply to the terms used in this order.

SEC 6. Nothing contained in this order shall create any right or benefit, substantive or procedural, enforce-able by any party against the United States, its agencles or instrumentalities. its officers or employees, or any other person

SEC. 7 (a) This order is effective immediately.

(b) This order shall be transmitted to the Congress and published in the Federal Register.

GEORGE BUSH

EX. ORD. NO. 12846. ADDITIONAL MEASURES WITH RE-SPECT TO FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA AND MONTENEGRO)

Ex. Ord. No. 12846, Apr. 25, 1993, 58 F.R. 25771, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c), and section 301 of title 3, United States Code, in view of United Nations Security Council Reso-lution No. 757 of May 30, 1992, No. 787 of November 16. 1992, and No. 820 of April 17, 1993, and in order to take additional steps with respect to the actions and policies of the Federal Republic of Yugoslavia (Serbia and Montenegro) and the national emergency described and declared in Frequenting Order No. 1990s [set out above] and expanded in Executive Order No. 12810 [set out above] and expanded in Executive Order No. 12810 [set out above] and No. 12831 [set out above],

I, WILLIAM J. CLINTON, President of the United States of America, hereby order: SECTION 1. Notwithstanding the existence of any

rights or obligations conferred or imposed by any international agreement or any contract entered into or any Page 201

license or permit granted before the effective date of this order, except to the extent provided in regulations, orders, directives, or licenses which may hereafter be issued pursuant to this order.

(a) All property and interests in property of all commercial, industrial, or public utility undertakings or entities organized or located in the Federal Republic of Yugoslavia (Serbia and Montenegro), including, without limitation, the property and interests in property of entities (wherever organized or located) owned or controlled by such undertakings or entities, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, including their overseas branches, are hereby blocked; (b) All expenses incident to the blocking and mainte-

(b) All expenses incident to the blocking and maintenance of property blocked under Executive Order Nos. 12808, 12810, 12831 [set out above] or this order shall be charged to the owners or operators of such property, which expenses shall not be met from blocked funds. Such property may also be sold or liquidated and the proceeds placed in a blocked interest-bearing account in the name of the owner; (c) All vessels, freight vehicles, rolling stock, aircraft

(c) All vessels, freight vehicles, rolling stock, aircraft and cargo that are within or hereafter come within the United States and are not subject to blocking under Executive Order Nos. 12808, 12810, 12831 or this order. but which are suspected of a violation of United Nations Security Council Resolution Nos. 713, 757, 787 or 820, shall be detained pending investigation and, upon a determination by the Secretary of the Treasury that they have been in violation of any of these resolutions, shall be blocked. Such blocked conveyances and cargo may also be sold or liquidated and the proceeds placed in a blocked interest-bearing account in the name of the owner:

(d) No vessel registered in the United States or owned or controlled by United States persons, other than a United States naval vessel, may enter the territorial waters of the Federal Republic of Yugoslavia (Serbia and Montenegro); and (e) Any dealing by a United States person relating to

(e) Any dealing by a United States person relating to the importation from. exportation to, or transshipment through the United Nations Protected Areas in the Republic of Croatia and those areas of the Republic of Bosnia-Hercegovina under the control of Bosnian Serb forces, or activity of any kind that promotes or is intended to promote such dealing, is prohibited.

lorces, or activity of any kind that promotes or is intended to promote such dealing, is prohibited. SEO. 2. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by the International Emergency Economic Powers Act [50 U.S.C. 1701 et seq.] and the United Nations Participation Act [22 U.S.C. 287 et seq.] as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate the authority set forth in this order to other officers and agencies of the Federal Government, all agencies of which are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order, including suspension or termination of licenses or other authorizations in effect as of the date of this order. SEC. 3 Nothing in this order shall apply to activities

SEC. 3 Nothing in this order shall apply to activities related to the United Nations Protection Force, the International Conference on the Former Yugoslavia, and the European Community Monitor Mission.

SEC. 4. The definitions contained in section 5 of Executive Order No. 12810 [set out above] apply to the terms used in this order.

SEO. 5. Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

SEC. 6. This order shall not affect the provisions of licenses and authorizations issued pursuant to Executive Order Nos. 12808, 12810, 12831 [set out above] and in force on the effective date of this order, except as such licenses or authorization may hereafter be terminated, modified or suspended by the issuing federal agency.

SEC. 7. (a) This order shall take effect at 12:01 a.m. Eastern Daylight Time, April 26, 1993. (b) This order shall be transmitted to the Congress

and published in the Federal Register. WILLIAM J. CLINTON.

EXECUTIVE ORDER NO. 12853

ALCOTIVE ORDER NO. 12003

Ex. Ord. No. 12853, June 30, 1993, 58 F.R. 35843, which directed Secretary of the Treasury to block all property and interests in property of Government of Haiti and the de facto regime in Haiti or controlled directly or indirectly by either that were in United States or within possession or control of United States persons and which prohibited sale or supply to Haiti of petroleum or arms and related materiel by United States persons or from United States or using U.S.-registered vessels or aircraft, was revoked by Ex. Ord. No. 12932, Oct. 14, 1994, 59 F.R. 52403, set out below.

EX. Ord. No. 12865. PROHIBITING CERTAIN TRANSACTIONS WITH RESPECT TO UNITA

Ex. Ord. No. 12865, Sept. 26, 1993, 58 F.R. 51005, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c), and section 301 of title 3, United States Code, and in view of United Nations Security Council Resolution No. 864 of September 15, 1993, I, WILLIAM J. CLINTON, President of the United

I, WILLIAM J. CLINTON, President of the United States of America, take note of the United Nations Security Council's determination that, as a result of UNITA's military actions, the situation in Angola constitutes a threat to international peace and security, and find that the actions and policies of UNITA, in continuing military actions, repeated attempts to seize additional territory and failure to withdraw its troops from locations that it has occupied since the resumption of hostilities, in repeatedly attacking United Nations personnel working to provide humanitarian assistance, in holding foreign nationals against their will, in refusing to accept the results of the democratic elections held in Angola in 1992, and in failing to abide by the "Acordos de Paz." constitute an unusual and extraordinary threat to the foreign policy of the United States, and hereby declare a national emergency to deal with that threat.

I hereby order:

SECTION 1. The following are prohibited, notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or contract entered into or any license or permit granted before the effective date of this order, except to the extent provided in regulations, orders, directives, or licenses which may hereafter be issued pursuant to this order:

(a) The sale or supply by United States persons or from the United States, or using U.S.-registered vessels or aircraft, of arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment and spare parts for the aforementioned, as well as petroleum and petroleum products, regardless of origin:

(1) to UNITA,

(2) to the territory of Angola, other than through points of entry to be designated by the Secretary of the Treasury, or any activity by United States persons or in the United States which promotes or is calculated to promote such sale or supply.

(b) Any transaction by any United States person that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order.

SEC. 2. For purposes of this order:

(a) The term "United States person" means any United States citizen permanent resident allen, juridi-cal person organized under the laws of the United States (including foreign branches), or person in the United States;

(b) The term "UNITA" includes:

(1) the Uniao Nacional para a Independencia Total de Angola (UNITA), known in English as the "National Union for the Total Independence of Angola;'

(2) the Forcas Armadas para a Liberacao de Angola (FALA), known in English as the "Armed Forces for the Liberation of Angola;" and

(3) any person acting or purporting to act for or on behalf of any of the foregoing, including the Free Angola Information Service, Inc.

SEC. 3 The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by the International Emergency Eco-nomic Powers Act [50 U.S.C. 1701 et seq.] and the United Nations Participation Act [22 U.S.C. 287 et seq.] as may be necessary to carry out the purpose of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government.

SEC. 4. Nothing contained in the order shall be construed to supersede the requirements established under the Arms Export Control Act (22 U.S.C. 2751 et seq.) and the Export Administration Act (50 U.S.C. App. 2401 et seq.) to obtain licenses for the exportation from the United States or from a third country of any goods, data, or services subject to the export jurisdiction of the Department of State or the Department of Commerce.

SEC. 5. All Federal agencies are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order, including suspen-sion or termination of licenses or other authorizations in effect as of the date of this order.

SEC. 6. Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

SEC. 7. (a) This order shall take effect immediately (b) This order shall be transmitted to the Congress and published in the Federal Register.

WILLIAM J. CLINTON.

CONTINUATION OF NATIONAL EMERGENCY DECLARED BY EX. ORD. NO. 12865

Notice of President of the United States, dated Aug 17. 1994, 59 F.R. 42749, provided:

On September 26, 1993, by Executive Order No. 12865 [set out above], I declared a national emergency to deal with the unusual and extraordinary threat to the foreign policy of the United States constituted by the ac-tions and policies of the National Union for the Total Independence of Angola ("UNITA"), prohibiting the sale or supply by United States persons or from the United States, or using U.S. registered vessels or aircraft, of arms and related material of all types, and petroleum and petroleum products to the territory of An-gola, other than through designated points of entry. The order also prohibits the sale or supply of such commodities to UNITA. Because of our continuing inter-national obligations and because of the prejudicial effect that discontinuation of the sanctions would have on the Angolan peace process, the national emergency declared on September 26, 1993, and the measures adopted pursuant thereto to deal with that emergency, must continue in effect beyond September 26, 1994. Therefore. in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the na-tional emergency with respect to UNITA. This notice shall be published in the Federal Register

and transmitted to the Congress.

WILLIAM J. CLINTON

EX. ORD. NO. 12867. TERMINATION OF EMERGENCY AUTHORITY FOR CERTAIN EXPORT CONTROLS

Ex. Ord. No 12867, Sept 30, 1993, 58 F.R. 51747, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702) ("the IEEPA"), the National Emergencies Act (50 U.S.C 1601 Let rA , the Export Administration Act of 1979, as amended (50 U.S.C. App. 2401 *et seq.*) ("the Act"), and section 301 of title 3 of the United States Code, it is hereby ordered as follows:

SECTION 1 In view of the extension of the Act by Pub-lic Law 103-10 (March 27, 1993) [amending 50 App. U.S.C. 2419], Executive Order No. 12730 of September 30, 1990, which continued the effect of export control regula-tions under the IEEPA, is revoked, and the declaration of economic emergency is rescinded, as provided in this order.

SEC. 2. The revocation of Executive Order No. 12730 shall not affect any violation of any rules, regulations, orders, locenses, and other forms of administrative ac-tion under that Order that occurred during the period the order was in effect. All rules and regulations issued or continued in effect under the authority of the IEEPA and Executive Order No. 12735. including those codified at 15 CFR Sections 768-799 (1993), and all or-ders. regulations, licenses, and other forms of adminis-trative action issued, taken, or continued in effect pursuant thereto, shall remain in full force and effect, as if issued, taken, or continued in effect pursuant to and as authorized by the Act or by other appropriate au-thority until amended or revoked by the proper authority. Nothing in this order shall affect the continued applicability of the provision for the administration of the Act and delegations of authority set forth in Executive Order No. 12002 of July 7, 1977, Executive Order No. 12214 of May 2, 1980 [50 App. U.S.C. 2403 notes], and Ex-ecutive Order No. 12735 of November 16, 1990. SEC. 3. All rules, regulations, orders, licenses, and other forms of administrative action issued, taken, or

continued in effect pursuant to the authority of the IEEPA and Executive Order No. 12730 relating to the administration of Section 38(e) of the Arms Export Control Act (22 U.S C 2778(e)) shall remain in full force and effect until amended or revoked under proper authority. SEC. 4. This order shall take effect immediately.

WILLIAM J. CLINTON. EXECUTIVE ORDER NO. 12868

Ex Ord. No. 12868, Sept. 30, 1993, 58 F.R. 51749, which directed Secretary of Commerce to regulate activities of United States persons to prevent participation in weapons proliferation activities. was revoked, with savings provision, by Ex. Ord. No. 12930. §3, Sept. 29, 1994, 59 F.R. 50475, formerly set out below.

EXECUTIVE ORDER NO. 12872

Ex. Ord. No. 12872, Oct. 18, 1993, 58 F.R. 54029, which directed Secretary of the Treasury to block property of persons obstructing democratization in Haiti, was revoked by Ex. Ord No. 12932, Oct. 14, 1994, 59 F.R. 52403, set out below.

EXECUTIVE ORDER NO. 12914

Ex. Ord. No. 12914, May 7, 1994, 59 F.R. 24339, which di-rected Secretary of the Treasury to block all funds and financial resources of officers and employees of Haltlan military, including police, and of all major participants in coup d'état in Haiti of 1991 and in illegal governments that followed, and which prohibited air travel between United States territory and Haiti except regularly scheduled commercial passenger flights, was re-voked by Ex. Ord. No. 12932, Oct. 14. 1994, 59 F.R. 52403. set out below.

EXECUTIVE ORDER NO. 12917

Ex. Ord No. 12917, May 21, 1994, 59 F.R. 26925, which prohibited imports into United States from Haiti and

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activity by United States persons or in United States promoting or dealing in Haitian exports, with certain exceptions, was revoked by Ex. Ord No. 12932. Oct. 14, 1994, 59 F.R. 52403, set out below.

EXECUTIVE ORDER NO. 12920

Ex. Ord. No. 12920, June 10, 1994, 59 F.R. 30501, which prohibited payment or transfer of funds or other financial or investment assets or credits to Haiti from or through United States or from Haiti to or through United States and the sale, supply, or exportation of goods, technology, or services to Haiti or promotion of such activity, with certain exceptions, was revoked by Ex. Ord No. 12932, Oct. 14, 1994, 59 F.R. 52403, set out below.

EXECUTIVE ORDER NO. 12922

Ex. Ord. No. 12922, June 21, 1994, 59 F.R. 32645, which directed Secretary of the Treasury to block property and interests in property of Haitian national residents in Haiti and to continue blocking property of certain other persons that were in United States or within possession and control of United States persons, was revoked by Ex. Ord. No. 12932, Oct. 14, 1994, 59 F.R. 52403, set out below.

EXECUTIVE ORDER NO. 12923

Ex Ord. No. 12923, June 30, 1994, 59 F.R. 34551, which continued effectiveness of the Export Administration Act of 1979, 50 App. U.S.C. 2401 et seq., and of the orders, rules and regulations promulgated thereunder, was revoked by Ex. Ord. No 12924, §4. Aug. 19, 1994, 59 F.R. 43438, set out below.

EX. ORD NO. 12924. CONTINUATION OF EXPORT CONTROL REGULATIONS

Ex. Ord. No. 12924, Aug. 19, 1994, 59 F.R. 43437, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including but not limited to section 203 of the International Emergency Economic Powers Act ("Act") (50 U.S.C. 1702), I, WILLIAM J. CLINTON, President of the United States of America, find that the unrestricted access of foreign parties to U.S goods, technology, and technical data and the existence of certain boycott practices of foreign nations. in light of the expiration of the Export Administration Act of 1979, as amended (50 U.S.C. App 2401 *et seq.*), constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States and hereby declare a national emergency with respect to that threat.

Accordingly, in order (a) to exercise the necessary vigilance over exports and activities affecting the national security of the United States: (b) to further significantly the foreign policy of the United States, including its policy with respect to cooperation by U.S. persons with certain foreign boycott activities, and to fulfill its international responsibilities, and (c) to protect the domestic economy from the excessive drain of scarce materials and reduce the serious economic impact of foreign demand, it is hereby ordered as follows:

SECTION 1. To the extent permitted by law, the provisions of the Export Administration Act of 1979, as amended, and the provisions for administration of the Export Administration Act of 1979, as amended, shall be carried out under this order so as to continue in full force and effect and amend, as necessary, the export control system heretofore maintained by the Export Administration regulations issued under the Export Administration Act of 1979, as amended. The delegations of authority set forth in Executive Order No. 12002 of July 7, 1977 [50 App. U.S.C. 2403 note], as amended by Executive Order No. 12755 of March 12, 1991; Executive Order No. 12735 of November 16, 1990 [50 U.S.C. 1701 note]; and Executive Order No. 12831 of June 11, 1993 [22 U.S.C. 2797 note], shall be incorporated in this order and shall apply to the exercise of authorities under this order.

SEC. 2. All rules and regulations issued or continued in effect by the Secretary of Commerce under the authority of the Export Administration Act of 1979, as amended [50 App, U.S.C. 2401 et seq.], including those published in Title 15, Subtitle B, Chapter VII, Subchapter C, of the Code of Federal Regulations, Parts 768 through 799, and all orders, regulations, licenses, and other forms of administrative action issued, taken, or continued in effect pursuant thereto, shall, until amended or revoked by the Secretary of Commerce, remain in full force and effect as if issued or taken pursuant to this order, except that the provisions of sections 203(b)(2) and 206 of the Act (50 U S.C. 1702(b)(2) and 1705) shall control over any inconsistent provisions in the regulations. Nothing in this section shall affect the continued applicability of administrative sanctions provided for by the regulations described above.

SEC. 3. Provisions for administration of section 38(e)of the Arms Export Control Act (22 U.S C. 2778(e)) may be made and shall continue in full force and effect until amended or revoked under the authority of section 203 of the Act (50 U.S.C. 1702). To the extent permitted by law, this order also shall constitute authority for the issuance and continuation in full force and effect of all rules and regulations by the President or his delegate, and all orders. licenses, and other forms of administrative actions issued, taken, or continued in effect pursuant thereto, relating to the administration of section 38(e).

SEC. 4. Executive Order No. 12923 of June 30, 1994, is revoked, and that declaration of emergency is rescinded. The revocation of Executive Order No. 12923 shall not affect any violation of any rules, regulations, orders, licenses, and other forms of administrative action under that order that occurred during the period the order was in effect.

SEC. 5. This order shall be effective as of midnight between August 20, 1994, and August 21, 1994, and shall remain in effect until terminated.

WILLIAM J. CLINTON.

EXECUTIVE ORDER NO. 12930

Ex. Ord. No. 12930, Sept. 29, 1994, 59 F.R. 50475, which directed Secretary of Commerce to take measures to restrict participation by United States persons in weapons proliferation activities, was revoked by Ex. Ord. No 12938, §10. Nov. 14, 1994. 59 F.R. 59099, set out below.

EX. ORD. NO. 12932. TERMINATION OF EMERGENCY WITH RESPECT TO HAITI

Ex. Ord. No. 12932, Oct. 14, 1994, 59 F.R. 52403, provided:

By the authority vested in me as President by the Constitution and laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act ("NEA") (50 U.S.C. 1601 *et seq.*), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c), and section 301 of title 3, United States Code, and taking into consideration United Nations Security Council Resolution 944 of September 29, 1994.

I. WILLIAM J CLINTON, President of the United States of America, find that the restoration of a democratically elected government in Haiti has ended the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States previously posed by the policies and actions of the *de facto* regime in Haiti and the need to continue the national emergency declared in Executive Order No. 12775 of October 4, 1991, to deal with that threat.

I hereby revoke Executive Order Nos. 12775, 12779, 12853, 12872, 12914, 12917, 12920, and 12922 and terminate the national emergency declared in Executive Order No. 12775 with respect to Haiti. Pursuant to section 202 of the NEA (50 U.S.C. 1622),

Pursuant to section 202 of the NEA (50 U.S.C. 1622), termination of the national emergency with respect to Haiti shall not affect any action taken or proceeding pending not finally concluded or determined as of the effective date of this order, or any action or proceeding based on any act committed prior to the effective date of this order, or any rights or duties that matured or penalties that were incurred prior to the effective date of this order.

This order shall take effect at 12:01 a.m. eastern daylight time on October 16, 1994.

WILLIAM J. CLINTON.

EX. ORD. NO. 12934. BLOCKING PROPERTY AND ADDITIONAL MEASURES WITH RESPECT TO BOSNIAN SERB-CON-TROLLED AREAS OF REPUBLIC OF BOSNIA AND HERZE-GOVINA

Ex. Ord. No. 12934, Oct. 25, 1994, 59 F.R. 54117, provided.

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Eco-nomic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c), and section 301 of title 3, United States Code, in view of United Nations Security Council Resolution 942 of September 23. 1994, and in order to take additional steps with respect to the crisis in the former Yugoslavia. I hereby expand the scope of the national emergency declared in Executive Order No. 12808 [set out above] to address the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States posed by the actions and policies of the Bosnian Serb forces and the authorities in the territory that they control, including their refusal to accept the proposed territorial settlement of the conflict in the Republic of Bosnia and Herzegovina. I. WILLIAM J. CLINTON, President of the United

States of America, hereby order:

SECTION 1. Notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted before the effective date of this order, except to the extent provided in regulations, orders, directives, or licenses, which may hereafter be issued pursuant to this order, all property and interests in property of: (a) the Bosnian Serb military and paramilitary forces and the authorities in those areas of the Republic of Bosnia and Herzegovina under the control of those forces:

(b) any entity, including any commercial, industrial, or public utility undertaking, organized or located in those areas of the Republic of Bosnia and Herzegovina under the control of Bosnian Serb forces;

(c) any entity, wherever organized or located, which is owned or controlled directly or indirectly by any person in, or resident in, those areas of the Republic of Bosnia and Herzegovina under the control of Bosnian Serb forces:

(d) any person acting for or on behalf of any person included within the scope of paragraph (a), (b), or (c) of this section; that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, including their overseas branches, are blocked.

SEC. 2. Notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted before the effective date of this order, except to the extent provided in regulations, orders. directives, or licenses, which may hereafter be is-sued pursuant to this order: (a) the provision or exportation of services to those areas of the Republic of Bosnia and Herzegovina under the control of Bosnian Serb forces, or to any person for the purpose of any business carried on in those areas, either from the United States or by a United States person, is prohibited; and (b) no vessel registered in the United States or owned

or controlled by a United States person, other than a

United States naval vessel, may enter the riverine ports of those areas of the Republic of Bosnia and Herzegovina under the control of Bosnian Serb forces.

SEC. 3. Any transaction by any United States person that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order is prohibited

SEC. 4. The Secretary of the Treasury. in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to me by the International Emergency Economic Powers Act [50 U.S.C. 1701 et seq.] and the United Nations Par-ticipation Act of 1945 [22 U.S.C. 287 et seq.], as amended, as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate the authority set forth in this order to other officers and agencies of the United States Government, all agencies of which are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order, including suspension or termination of licenses or other authorizations in effect as of the date of this order

SEC. 5. Nothing in this order shall apply to activities related to the United Nations Protection Force, the International Conference on the Former Yugoslavia, or the European Community Monitoring Missions

SEC. 6. For the purposes of this order:

(a) The term "person" means an individual or entity;
(b) The term "entity" means a corporation, partner-

(c) The term "United States person" is as defined in section 5 of Executive Order No. 12810 [set out above].

SEC. 7. Nothing contained in this order shall create any right or benefit, substantive or procedural, enforce-able by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person. SEC. 8 (a) This order shall take effect at 11:59 p.m.

eastern daylight time on October 25, 1994.

(b) This order shall be transmitted to the Congress and published in the Federal Register.

WILLIAM J. CLINTON.

EX. ORD. NO. 12938. PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

Ex. Ord. No. 12938, Nov. 14, 1994, 59 F.R. 59099, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), the Arms Export Control Act, as amended (22 U.S.C. 2751 et seq.), Executive Orders Nos. 12851 [22 U.S.C. 2797 note] and 12924 [set out above], and section 301 of title 3, United States Code.

WILLIAM J. CLINTON, President of the United I. States of America, find that the proliferation of nu-clear, biological, and chemical weapons ("weapons of mass destruction") and of the means of delivering such weapons, constitutes an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, and hereby declare a national emergency to deal with that threat.

Accordingly, I hereby order:

SECTION 1. International Negotiations. It is the policy of the United States to lead and seek multilaterally coordinated efforts with other countries to control the proliferation of weapons of mass destruction and the means of delivering such weapons. Accordingly, the Secretary of State shall cooperate in and lead multilateral efforts to stop the proliferation of weapons of mass destruction and their means of delivery.

SEC. 2. Imposition of Controls. As provided herein, the Secretary of State and the Secretary of Commerce shall use their respective authorities, including the Arms Export Control Act [22 U.S.C. 2751 et seq.] and the International Emergency Economic Powers Act [50 Page 205

U.S.C 1701 et seq.], to control any exports, to the extent they are not already controlled by the Department of Energy and the Nuclear Regulatory Commission, that either Secretary determines would assist a country in acquiring the capability to develop, produce, stockpile, deliver, or use weapons of mass destruction or their means of delivery. The Secretary of State shall pursue early negotiations with foreign governments to adopt effective measures comparable to those imposed under this order.

SEC. 3. Department of Commerce Controls. (a) The Secretary of Commerce shall prohibit the export of any goods, technology, or services subject to the Secretary's export jurisdiction that the Secretary of Commerce determines, in consultation with the Secretary of State. the Secretary of Defense, and other appropriate officials, would assist a foreign country in ac-quiring the capability to develop, produce, stockpile, deliver, or use weapons of mass destruction or their means of delivery. The Secretary of State shall pursue early negotiations with foreign governments to adopt effective measures comparable to those imposed under this section.

(b) Subsection (a) of this section will not apply to exports relating to a particular category of weapons of mass destruction (i.e., nuclear, chemical, or biological weapons) if their destination is a country with whose government the United States has entered into a bilateral or multilateral arrangement for the control of that category of weapons of mass destruction-related goods (including delivery systems) and technology, or maintains domestic export controls comparable to controls that are imposed by the United States with respect to that category of goods and technology, or that are

otherwise deemed adequate by the Secretary of State. (c) The Secretary of Commerce shall require vali-dated licenses to implement this order and shall coordinate any license applications with the Secretary of (d) The Secretary of Commerce, in consultation with

the Secretary of State, shall take such actions, includ-ing the promulgation of rules, regulations, and amendments thereto. as may be necessary to continue to regulate the activities of United States persons in order to prevent their participation in activities that could contribute to the proliferation of weapons of mass destruction or their means of delivery, as provided in the Export Administration Regulations, set forth in Title 15, Chapter VII, Subchapter C, of the Code of Federal Regulations, Parts 768 to 799 inclusive. SEC. 4. Sanctions Against Foreign Persons. (a) In addi-

tion to the sanctions imposed on foreign persons as pro-vided in the National Defense Authorization Act for Fiscal Year 1991 [Pub. L. 101-510, see Tables for classification] and the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 [22 U.S.C. 5601 et seq.], sanctions also shall be imposed on a for-eign person with respect to chemical and biological weapons proliferation if the Secretary of State determines that the foreign person on or after the effective date of this order or its predecessor, Executive Order No. 12735 of November 16, 1990, knowingly and materi-ally contributed to the efforts of any foreign country, project, or entity to use, develop, produce, stockpile, or

otherwise acquire chemical or biological weapons. (b) No department or agency of the United States Government may procure, or enter into any contract for the procurement of, any goods or services from any foreign person described in subsection (a) of this section. The Secretary of the Treasury shall prohibit the importation into the United States of products pro-

duced by that foreign person. (c) Sanctions pursuant to this section may be termi-nated or not imposed against foreign persons if the Sec-retary of State determines that there is reliable evidence that the foreign person concerned has ceased all activities referred to in subsection (a)

(d) The Secretary of State and the Secretary of the Treasury may provide appropriate exemptions for pro-curement contracts necessary to meet U.S. operational military requirements or requirements under defense production agreements, sole source suppliers, spare parts, components, routine servicing and maintenance of products, and medical and humanitarian items. They may provide exemptions for contracts in existence on the date of this order under appropriate circumstances.

SEC. 5. Sanctions Against Foreign Countries. (a) In addition to the sanctions imposed on foreign countries as provided in the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 [22 U.S.C. 5601 et seq.], sanctions also shall be imposed on a foreign country as specified in subsection (b) of this section, if the Secretary of State determines that the foreign country has, on or after the effective date of this order or its predecessor. Executive Order No. 12735 of November 16, 1990, (1) used chemical or biological weapons in violation of international law; (2) made substantial preparations to use chemical or biological weapons in violation of international law; or (3) developed, produced, stockpiled, or otherwise acquired chemical or biological weapons in violation of international law. (b) The following sanctions shall be imposed on any

foreign country identified in subsection (a)(1) of this section unless the Secretary of State determines, on grounds of significant foreign policy or national security, that any individual sanction should not be ap-plied. The sanctions specified in this section may be made applicable to the countries identified in subsections (a)(2) or (a)(3) when the Secretary of State de-termines that such action will further the objectives of this order pertaining to proliferation. The sanctions specified in subsection (b)(2) below shall be imposed with the concurrence of the Secretary of the Treasury.

(1) Foreign Assistance. No assistance shall be provided to that country under the Foreign Assistance Act of 1961 [22 U.S.C. 2151 et seq.], or any successor act, or the Arms Export Control Act [22 U.S.C. 2751 et seq.], other than assistance that is intended to benefit the people of that country directly and that is not channeled through governmental agencies or entities of that country

(2) Multilateral Development Bank Assistance The United States shall oppose any loan or financial or technical assistance to that country by international financial institutions in accordance with section 701 of the International Financial Institutions Act (22 U.S.C. 262d)

(3) Denial of Credit or Other Financial Assistance. The United States shall deny to that country any credit or

Onlied States shall defy to that country any credit or financial assistance by any department, agency, or in-strumentality of the United States Government. (4) Prohibition of Arms Sales. The United States Gov-ernment shall not, under the Arms Export Control Act, sell to that country any defense articles or defense services or issue any license for the export of items on the United States Munitives List

the United States Munitions List. (5) Exports of National Security-Sensitive Goods and Technology No exports shall be permitted of any goods or technologies controlled for national security reasons under the Export Administration Regulations.

(6) Further Export Restrictions. The Secretary of Com merce shall prohibit or otherwise substantially restrict exports to that country of goods, technology, and services (excluding agricultural commodities and products

otherwise subject to control). (7) Import Restrictions. Restrictions shall be imposed on the importation into the United States of articles (that may include petroleum or any petroleum product) that are the growth, product. or manufacture of that country.

(8) Landing Rights. At the earliest practicable date, the Secretary of State shall terminate, in a manner consistent with international law, the authority of any air carrier that is controlled in fact by the government of that country to engage in air transportation (as de-

fined in section 101(10) of the Federal Aviation Act of 1958 (49 U.S.C. App 1301(10) [see 49 U.S.C. 40102(5)]). SEC. 6. Duration. Any sanctions imposed pursuant to sections 4 or 5 of this order shall remain in force until the Secretary of State determines that lifting any

sanction is in the foreign policy or national security interests of the United States or, as to sanctions under section 4 of this order, until the Secretary has made the determination under section 4(c).

SEC. 7. Implementation. The Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce are hereby authorized and directed to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of this order. These actions, and in particular those in sections 4 and 5 of this order, shall be made in consultation with the Secretary of Defense and, as appropriate, other agency heads and shall be implemented in accordance with procedures established pursuant to Executive Order No. 12851 [22 U.S.C. 2797 note] The Secretary concerned may redelegate any of these functions to other officers in agencies of the Federal Government. All heads of departments and agencies of the United States Government are directed to take all appropriate measures within their authority to carry out the provisions of this order, including the suspension or termination of licenses or other authorizations.

termination of licenses or other authorizations. SEC. 8. Preservation of Authorities. Nothing in this order is intended to affect the continued effectiveness of any rules, regulations, orders. licenses, or other forms of administrative action issued, taken, or continued in effect heretofore or hereafter under the authority of the International Economic Emergency Powers Act [International Economic Emergency Powers Act [International Emergency Economic Powers Act, 50 U.S.C. 1701 et seq.], the Export Administration Act [50 App. U.S.C. 2401 et seq.], the Arms Export Control Act [22 U.S.C. 2401 et seq.], the Nuclear Non-proliferation Act [22 U.S.C. 3201 et seq.], Executive Order No. 12730 of September 30, 1990 [50 U.S.C. 1701 note], Executive Order No. 12735 of November 16, 1990, Executive Order No. 12924 of August 18, 1994 [50 U.S.C. 1701 note], and Executive Order No. 12930 of September 29, 1994.

SEC. 9. Judicial Review. This order is not intended to create, nor does it create, any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, officers, or any other person.

SEC. 10. Revocation of Executive Orders Nos. 12735 and 12930 Executive Order No. 12735 of November 16, 1990, and Executive Order No. 12930 of September 29, 1994, are hereby revoked.

SEC. 11. Effective Date. This order is effective immediately.

This order shall be transmitted to the Congress and published in the Federal Register.

WILLIAM J. CLINTON.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1702 of this title.

§1702. Presidential authorities

(a)(1) At the times and to the extent specified in section 1701 of this title, the President may, under such regulations as he may prescribe, by means of instructions, licenses, or otherwise—

(A) investigate, regulate, or prohibit—

(i) any transactions in foreign exchange,(ii) transfers of credit or payments be-

(1) transfers of credit or payments between, by, through, or to any banking institution, to the extent that such transfers or payments involve any interest of any foreign country or a national thereof,

(iii) the importing or exporting of currency or securities; and

(B) investigate, regulate, direct and compel. nullify, void. prevent or prohibit, any acquisition, holding, withholding, use, transfer, withdrawal, transportation, importation or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest;

by any person, or with respect to any property, subject to the jurisdiction of the United States.

(2) In exercising the authorities granted by paragraph (1), the President may require any person to keep a full record of. and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in paragraph (1) either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which any foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of such paragraph. In any case in which a report by a person could be required under this paragraph, the President may require the production of any books of account, records, contracts, letters, memoranda, or other papers, in the custody or control of such person.

(3) Compliance with any regulation, instruction, or direction issued under this chapter shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, this chapter, or any regulation, instruction, or direction issued under this chapter.

(b) The authority granted to the President by this section does not include the authority to regulate or prohibit, directly or indirectly—

(1) any postal, telegraphic, telephonic, or other personal communication, which does not involve a transfer of anything of value;

(2) donations, by persons subject to the jurisdiction of the United States, of articles, such as food, clothing, and medicine, intended to be used to relieve human suffering, except to the extent that the President determines that such donations (A) would seriously impair his ability to deal with any national emergency declared under section 1701 of this title, (B) are in response to coercion against the proposed recipient or donor, or (C) would endanger Armed Forces of the United States which are engaged in hostilities or are in a situation where imminent involvement in hostilities is clearly indicated by the circumstances; or¹

(3) the importation from any country, or the exportation to any country, whether commercial or otherwise, regardless of format or medium of transmission. of any information or informational materials, including but not limited to, publications, films, posters, phonorecords. photographs. microfilms, graph microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds. The exports exempted from regulation or prohibition by this paragraph do not include those which are otherwise controlled for export under section 2404 of the Appendix to this title, or under section 2405 of the Appendix to this title to the extent that such controls promote the non-

¹So in original The word "or" probably should not appear

Vol. 83, No. 152

Tuesday, August 7, 2018

Title 3—

The President

Presidential Documents

Executive Order 13846 of August 6, 2018

Reimposing Certain Sanctions With Respect to Iran

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*) (NEA), the Iran Sanctions Act of 1996 (Public Law 104–172) (50 U.S.C. 1701 note), as amended (ISA), the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195) (22 U.S.C. 8501 *et seq.*), as amended (CISADA), the Iran Threat Reduction and Syria Human Rights Act of 2012 (Public Law 112–158) (TRA), the Iran Freedom and Counter-Proliferation Act of 2012 (subtitle D of title XII of Public Law 112–239) (22 U.S.C. 8801 *et seq.*) (IFCA), section 212(f) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1182(f)), and section 301 of title 3, United States Code, in order to take additional steps with respect to the national emergency declared in Executive Order 12957 of March 15, 1995,

I, DONALD J. TRUMP, President of the United States of America, in light of my decision on May 8, 2018, to cease the participation of the United States in the Joint Comprehensive Plan of Action of July 14, 2015 (JCPOA), and to re-impose all sanctions lifted or waived in connection with the JCPOA as expeditiously as possible and in no case later than 180 days from May 8, 2018, as outlined in the National Security Presidential Memorandum-11 of May 8, 2018 (Ceasing United States Participation in the Joint Comprehensive Plan of Action and Taking Additional Action to Counter Iran's Malign Influence and Deny Iran All Paths to a Nuclear Weapon), and to advance the goal of applying financial pressure on the Iranian regime in pursuit of a comprehensive and lasting solution to the full range of the threats posed by Iran, including Iran's proliferation and development of missiles and other asymmetric and conventional weapons capabilities, its network and campaign of regional aggression, its support for terrorist groups, and the malign activities of the Islamic Revolutionary Guard Corps and its surrogates, hereby order as follows:

Section 1. Blocking Sanctions Relating to Support for the Government of Iran's Purchase or Acquisition of U.S. Bank Notes or Precious Metals; Certain Iranian Persons; and Iran's Energy, Shipping, and Shipbuilding Sectors and Port Operators. (a) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to impose on a person the measures described in subsection (b) of this section upon determining that:

(i) on or after August 7, 2018, the person has materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the purchase or acquisition of U.S. bank notes or precious metals by the Government of Iran;

(ii) on or after November 5, 2018, the person has materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, the National Iranian Oil Company (NIOC), Naftiran Intertrade Company (NICO), or the Central Bank of Iran;

(iii) on or after November 5, 2018, the person has materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of:

(A) any Iranian person included on the list of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control (SDN List) (other than an Iranian depository institution whose property and interests in property are blocked solely pursuant to Executive Order 13599 of February 5, 2012); or

(B) any other person included on the SDN List whose property and interests in property are blocked pursuant to subsection (a) of this section or Executive Order 13599 (other than an Iranian depository institution whose property and interests in property are blocked solely pursuant to Executive Order 13599); or

(iv) pursuant to authority delegated by the President and in accordance with the terms of such delegation, sanctions shall be imposed on such person pursuant to section 1244(c)(1)(A) of IFCA because the person:

(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 a person determined under section 1244(c)(2)(A) of IFCA to be a part of the energy, shipping, or shipbuilding sectors of Iran; a person determined under section 1244(c)(2)(B) of IFCA to operate a port in Iran; or an Iranian person included on the SDN List (other than a person described in section 1244(c)(3) of IFCA).

(b) With respect to any person determined by the Secretary of the Treasury in accordance with this section to meet any of the criteria set forth in subsections (a)(i)-(a)(iv) of this section, all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person of such person are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(c) The prohibitions in subsection (b) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order or, where specifically provided, the effective date of the prohibition.

Sec. 2. Correspondent and Payable-Through Account Sanctions Relating to Iran's Automotive Sector; Certain Iranian Persons; and Trade in Iranian Petroleum, Petroleum Products, and Petrochemical Products. (a) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to impose on a foreign financial institution the sanctions described in subsection (b) of this section upon determining that the foreign financial institution has knowingly conducted or facilitated any significant financial transaction:

(i) on or after August 7, 2018, for the sale, supply, or transfer to Iran of significant goods or services used in connection with the automotive sector of Iran;

(ii) on or after November 5, 2018, on behalf of any Iranian person included on the SDN List (other than an Iranian depository institution whose property and interests in property are blocked solely pursuant to Executive Order 13599) or any other person included on the SDN List whose property and interests in property are blocked pursuant to subsection 1(a) of this order or Executive Order 13599 (other than an Iranian depository institution whose property and interests in property are blocked solely pursuant to Executive Order 13599);

(iii) on or after November 5, 2018, with NIOC or NICO, except for a sale or provision to NIOC or NICO of the products described in section 5(a)(3)(A)(i) of ISA provided that the fair market value of such products is lower than the applicable dollar threshold specified in that provision;

(iv) on or after November 5, 2018, for the purchase, acquisition, sale, transport, or marketing of petroleum or petroleum products from Iran; or

(v) on or after November 5, 2018, for the purchase, acquisition, sale, transport, or marketing of petrochemical products from Iran.

(b) With respect to any foreign financial institution determined by the Secretary of the Treasury in accordance with this section to meet any of the criteria set forth in subsections (a)(i)-(a)(v) of this section, the Secretary of the Treasury may 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 such foreign financial institution.

(c) Subsections (a)(ii)-(a)(iv) of this section shall apply with respect to a significant financial transaction conducted or facilitated by a foreign financial institution for the purchase of petroleum or petroleum products from Iran only if:

(i) the President determines under subparagraphs (4)(B) and (C) of subsection 1245(d) of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112-81) (2012 NDAA) (22 U.S.C. 8513a) 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; and

(ii) an exception under subparagraph 4(D) of subsection 1245(d) of the 2012 NDAA from the imposition of sanctions under paragraph (1) of that subsection does not apply.

(d) Subsection (a)(ii) of this section shall not apply with respect to a significant financial transaction conducted or facilitated by a foreign financial institution for the sale, supply, or transfer to or from Iran of natural gas only if the financial transaction is solely for trade between the country with primary jurisdiction over the foreign financial institution and Iran, and 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) Subsections (a)(ii)-(a)(v) of this section shall not apply with respect to any person for conducting or facilitating a transaction for the provision (including any sale) of agricultural commodities, food, medicine, or medical devices to Iran.

(f) The prohibitions in subsection (b) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order or, where specifically provided, the effective date of the prohibition.

Sec. 3. "Menu-based" Sanctions Relating to Iran's Automotive Sector and Trade in Iranian Petroleum, Petroleum Products, and Petrochemical Products. (a) The Secretary of State, in consultation with the Secretary of the Treasury, the Secretary of Commerce, the Secretary of Homeland Security, and the United States Trade Representative, and with the President of the Export-Import Bank, the Chairman of the Board of Governors of the Federal Reserve System, and other agencies and officials as appropriate, is hereby authorized to impose on a person any of the sanctions described in section 4 or 5 of this order upon determining that the person:

(i) on or after August 7, 2018, knowingly engaged in a significant transaction for the sale, supply, or transfer to Iran of significant goods or services used in connection with the automotive sector of Iran;

(ii) on or after November 5, 2018, knowingly engaged in a significant transaction for the purchase, acquisition, sale, transport, or marketing of petroleum or petroleum products from Iran;

(iii) on or after November 5, 2018, knowingly engaged in a significant transaction for the purchase, acquisition, sale, transport, or marketing of petrochemical products from Iran;

(iv) is a successor entity to a person determined by the Secretary of State in accordance with this section to meet any of the criteria set forth in subsections (a)(i)-(a)(iii) of this section;

(v) owns or controls a person determined by the Secretary of State in accordance with this section to meet any of the criteria set forth in subsections (a)(i)-(a)(iii) of this section, and had knowledge that the person engaged in the activities referred to in those subsections; or

(vi) is owned or controlled by, or under common ownership or control with, a person determined by the Secretary of State in accordance with this section to meet any of the criteria set forth in subsections (a)(i)-(a)(iii) of this section, and knowingly participated in the activities referred to in those subsections.

(b) Subsection (a)(ii) of this section shall apply with respect to a person only if:

(i) the President determines under subparagraphs (4)(B) and (C) of subsection 1245(d) of the 2012 NDAA 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; and

(ii) an exception under subparagraph 4(D) of subsection 1245(d) of the 2012 NDAA from the imposition of sanctions under paragraph (1) of that subsection does not apply.

Sec. 4. Agency Implementation Authorities for "Menu-based" Sanctions. When the Secretary of State, in accordance with the terms of section 3 of this order, has determined that a person meets any of the criteria described in subsections (a)(i)-(a)(vi) of that section and has selected any of the sanctions set forth below to impose on that person, the heads of relevant agencies, in consultation with the Secretary of State, as appropriate, shall take the following actions where necessary to implement the sanctions imposed by the Secretary of State:

(a) the Board of Directors of the Export-Import Bank of the United States shall deny approval of the issuance of any guarantee, insurance, extension of credit, or participation in an extension of credit in connection with the export of any goods or services to the sanctioned person;

(b) agencies shall not issue any specific license or grant any other specific permission or authority under any statute or regulation that requires the prior review and approval of the United States Government as a condition for the export or reexport of goods or technology to the sanctioned person;

(c) with respect to a sanctioned person that is a financial institution: (i) the Chairman of the Board of Governors of the Federal Reserve System and the President of the Federal Reserve Bank of New York shall take such actions as they deem appropriate, including denying designation, or terminating the continuation of any prior designation of, the sanctioned person as a primary dealer in United States Government debt instruments; or

(ii) agencies shall prevent the sanctioned person from serving as an agent of the United States Government or serving as a repository for United States Government funds;

(d) agencies shall not procure, or enter into a contract for the procurement of, any goods or services from the sanctioned person;

(e) the Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any alien that the Secretary of State determines is a corporate officer or principal of, or a shareholder with a controlling interest in, a sanctioned person; or (f) the heads of the relevant agencies, as appropriate, shall impose on the principal executive officer or officers, or persons performing similar functions and with similar authorities, of a sanctioned person the sanctions described in subsections (a)-(e) of this section, as selected by the Secretary of State.

(g) The prohibitions in subsections (a)-(f) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order or, where specifically provided, the effective date of the prohibition.

Sec. 5. Additional Implementation Authorities for "Menu-based" Sanctions. (a) When the President, or the Secretary of State or the Secretary of the Treasury pursuant to authority delegated by the President and in accordance with the terms of such delegation, has determined that sanctions described in section 6(a) of ISA shall be imposed on a person pursuant to ISA, CISADA, TRA, or IFCA and has selected one or more of the sanctions set forth below to impose on that person or when the Secretary of State, in accordance with the terms of section 3 of this order, has determined that a person meets any of the criteria described in subsections (a)(i)-(a)(vi) of that section and has selected one or more of the sanctions set forth below to impose on that person, the Secretary of the Treasury, in consultation with the Secretary of State, shall take the following actions where necessary to implement the sanctions selected and maintained by the President, the Secretary of State, or the Secretary of the Treasury:

(i) prohibit any United States financial institution from making loans or providing credits to the 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;

(ii) 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;

(iii) 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;

(iv) block all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person of the sanctioned person, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in;

(v) prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person;

(vi) restrict or prohibit imports of goods, technology, or services, directly or indirectly, into the United States from the sanctioned person; or

(vii) impose on the principal executive officer or officers, or persons performing similar functions and with similar authorities, of a sanctioned person the sanctions described in subsections (a)(i)-(a)(vi) of this section, as selected by the President or Secretary of State or the Secretary of the Treasury, as appropriate.

(b) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order or, where specifically provided, the effective date of the prohibition. Sec. 6. Sanctions Relating to the Iranian Rial. (a) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to impose on a foreign financial institution the sanctions described in subsection (b) of this section upon determining that the foreign financial institution has, on or after August 7, 2018:

(i) knowingly conducted or facilitated any significant transaction related to the purchase or sale of Iranian rials or a derivative, swap, future, forward, or other similar contract whose value is based on the exchange rate of the Iranian rial; or

(ii) maintained significant funds or accounts outside the territory of Iran denominated in the Iranian rial.

(b) With respect to any foreign financial institution determined by the Secretary of the Treasury in accordance with this section to meet the criteria set forth in subsection (a)(i) or (a)(ii) of this section, the Secretary of the Treasury may:

(i) 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 such foreign financial institution; or

(ii) block all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person of such foreign financial institution, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(c) The prohibitions in subsection (b) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order or, where specifically provided, the effective date of the prohibition.

Sec. 7. Sanctions with Respect to the Diversion of Goods Intended for the People of Iran, the Transfer of Goods or Technologies to Iran that are Likely to be Used to Commit Human Rights Abuses, and Censorship. (a) The Secretary of the Treasury, in consultation with or at the recommendation of the Secretary of State, is hereby authorized to impose on a person the measures described in subsection (b) of this section upon determining that the person:

(i) has engaged, on or after January 2, 2013, in corruption or other activities relating to the diversion of goods, including agricultural commodities, food, medicine, and medical devices, intended for the people of Iran;

(ii) has engaged, on or after January 2, 2013, in corruption or other activities relating to the misappropriation of proceeds from the sale or resale of goods described in subsection (a)(i) of this section;

(iii) has knowingly, on or after August 10, 2012, transferred, or facilitated the transfer of, goods or technologies 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, that 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;

(iv) has knowingly, on or after August 10, 2012, provided services, including services relating to hardware, software, or specialized information or professional consulting, engineering, or support services, with respect to goods or technologies that have been transferred to Iran and that 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;

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(v) has engaged in censorship or other activities with respect to Iran on or after June 12, 2009, that prohibit, limit, or penalize the exercise of freedom of expression or assembly by citizens of Iran, or that 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 the Government of Iran that would jam or restrict an international signal;

(vi) has materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the activities described in subsections (a)(i)-(a)(v) of this section or any person whose property and interests in property are blocked pursuant to this section; or

(vii) is owned or controlled by, or has acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to this section.

(b) With respect to any person determined by the Secretary of the Treasury in accordance with this section to meet any of the criteria set forth in subsections (a)(i)-(a)(vii) of this section, all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person of such person are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in.

(c) The prohibitions in subsection (b) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order or, where specifically provided, the effective date of the prohibition.

Sec. 8. Entities Owned or Controlled by a United States Person and Established or Maintained Outside the United States. (a) No entity owned or controlled by a United States person and established or maintained outside the United States may knowingly engage in any transaction, directly or indirectly, with the Government of Iran or any person subject to the jurisdiction of the Government of Iran, if that transaction would be prohibited by Executive Order 12957, Executive Order 12959 of May 6, 1995, Executive Order 13059 of August 19, 1997, Executive Order 13599, or sections 1 or 15 of this order, or any regulation issued pursuant to the foregoing, if the transaction were engaged in by a United States person or in the United States.

(b) Penalties assessed for violations of the prohibition in subsection (a) of this section, and any related violations of section 15 of this order may be assessed against the United States person that owns or controls the entity that engaged in the prohibited transaction.

(c) The prohibitions in subsection (a) of this section apply, except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order or, where specifically provided, the effective date of the prohibition, except to the extent provided in subsection 20(c) of this order.

Sec. 9. Revoking and Superseding Prior Executive Orders. The following Executive Orders are revoked and superseded:

(a) Executive Order 13628 of October 9, 2012 (Authorizing the Implementation of Certain Sanctions Set Forth in the Iran Threat Reduction and Syria Human Rights Act of 2012 and Additional Sanctions With Respect to Iran); and

(b) Executive Order 13716 of January 16, 2016 (Revocation of Executive Orders 13574, 13590, 13622, and 13645 With Respect to Iran, Amendment

of Executive Order 13628 With Respect to Iran, and Provision of Implementation Authorities for Aspects of Certain Statutory Sanctions Outside the Scope of U.S. Commitments Under the Joint Comprehensive Plan of Action of July 14, 2015).

Sec. 10. Natural Gas Project Exception. Subsections 1(a), 2(a)(ii)-(a)(v), 3(a)(ii)-(a)(iii), and, with respect to a person determined by the Secretary of State in accordance with section 3 to meet the criteria of 3(a)(ii)-(iii), 3(a)(iv)-(vi) of this order shall not apply with respect to any person for conducting or facilitating a transaction involving a project described in subsection (a) of section 603 of TRA to which the exception under that section applies.

Sec. 11. Donations. I hereby determine that, to the extent section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) may apply, the making of donations of the types of articles specified in such section by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order would seriously impair my ability to deal with the national emergency declared in Executive Order 12957, and I hereby prohibit such donations as provided by subsections 1(b), 5(a)(iv), 6(b)(ii), and 7(b) of this order.

Sec. 12. Prohibitions. The prohibitions in subsections 1(b), 5(a)(iv), 6(b)(ii), and 7(b) of this order include:

(a) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to this order; and

(b) the receipt of any contribution or provision of funds, goods, or services from any such person.

Sec. 13. Entry into the United States. The unrestricted immigrant and nonimmigrant entry into the United States of aliens determined to meet one or more of the criteria in subsections 1(a), 3(a), and 7(a) of this order would be detrimental to the interests of the United States, and the entry of such persons into the United States, as immigrants or nonimmigrants, is hereby suspended. Such persons shall be treated as persons covered by section 1 of Proclamation 8693 of July 24, 2011 (Suspension of Entry of Aliens Subject to United Nations Security Council Travel Bans and International Emergency Economic Powers Act Sanctions).

Sec. 14. General Authorities. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including adopting rules and regulations, to employ all powers granted to me by IEEPA and sections 6(a)(6), 6(a)(7), 6(a)(8), 6(a)(9), 6(a)(11), and 6(a)(12) of ISA, and to employ all powers granted to the United States Government by section 6(a)(3) of ISA, as may be necessary to carry out the purposes of this order, other than the purposes described in sections 3, 4, and 13 of this order. The Secretary of the Treasury may, consistent with applicable law, redelegate any of these functions within the Department of the Treasury. All agencies of the United States shall take all appropriate measures within their authority to implement this order.

Sec. 15. Evasion and Conspiracy. (a) Any transaction that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in this order or in Executive Order 12957, Executive Order 12959, Executive Order 13059, or Executive Order 13599 is prohibited.

(b) Any conspiracy formed to violate any of the prohibitions set forth in this order or in Executive Order 12957, Executive Order 12959, Executive Order 13059, or Executive Order 13599 is prohibited.

Sec. 16. Definitions. For the purposes of this order:

(a) the term "automotive sector of Iran" means the manufacturing or assembling in Iran of light and heavy vehicles including passenger cars, trucks, buses, minibuses, pick-up trucks, and motorcycles, as well as original equipment manufacturing and after-market parts manufacturing relating to such vehicles;

(b) the term "entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(c) the term "financial institution" includes (i) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act) (12 U.S.C. 1813(c)(1)), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978) (12 U.S.C. 3101(7)); (ii) a credit union; (iii) a securities firm, including a broker or dealer; (iv) an insurance company, including an agency or underwriter; and (v) any other company that provides financial services;

(d) the term "foreign financial institution" means any foreign entity that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, or purchasing or selling foreign exchange, securities, commodity futures or options, or procuring purchasers and sellers thereof, as principal or agent. It includes, but is not limited to, depository institutions, banks, savings banks, money service businesses, trust companies, securities brokers and dealers, commodity futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, dealers in precious metals, stones, or jewels, and holding companies, affiliates, or subsidiaries of any of the foregoing. The term does not include the international financial institutions identified in 22 U.S.C. 262r(c)(2), the International Fund for Agricultural Development, the North American Development Bank, or any other international financial institution so notified by the Secretary of the Treasury;

(e) the term "Government of Iran" includes the Government of Iran, any political subdivision, agency, or instrumentality thereof, including the Central Bank of Iran, and any person owned or controlled by, or acting for or on behalf of, the Government of Iran;

(f) the term "Iran" means the Government of Iran and the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the Government of Iran claims sovereignty, sovereign rights, or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to international arrangements;

(g) the term "Iranian depository institution" means any entity (including foreign branches), wherever located, organized under the laws of Iran or any jurisdiction within Iran, or owned or controlled by the Government of Iran, or in Iran, or owned or controlled by any of the foregoing, that is engaged primarily in the business of banking (for example, banks, savings banks, savings associations, credit unions, trust companies, and bank holding companies);

(h) the term "Iranian person" means an individual who is a citizen or national of Iran or an entity organized under the laws of Iran or otherwise subject to the jurisdiction of the Government of Iran;

(i) the terms "knowledge" and "knowingly," with respect to conduct, a circumstance, or a result, mean that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result;

(j) the terms "Naftiran Intertrade Company" and "NICO" mean the Naftiran Intertrade Company Ltd. and any entity owned or controlled by, or operating for or on behalf of, the Naftiran Intertrade Company Ltd.;

(k) the terms "National Iranian Oil Company" and "NIOC" mean the National Iranian Oil Company and any entity owned or controlled by, or operating for or on behalf of, the National Iranian Oil Company;

the term "person" means an individual or entity;

(m) the term "petrochemical products" includes any aromatic, olefin, and synthesis gas, and any of their derivatives, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea;

(n) the term "petroleum" (also known as crude oil) means a mixture of hydrocarbons that exists in liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities;

(o) the term "petroleum products" includes unfinished oils, liquefied petroleum gases, pentanes plus, aviation gasoline, motor gasoline, naphtha-type jet fuel, kerosene-type jet fuel, kerosene, distillate fuel oil, residual fuel oil, petrochemical feedstocks, special naphthas, lubricants, waxes, petroleum coke, asphalt, road oil, still gas, and miscellaneous products obtained from the processing of: crude oil (including lease condensate), natural gas, and other hydrocarbon compounds. The term does not include natural gas, liquefied natural gas, biofuels, methanol, and other non-petroleum fuels;

(p) the term "sanctioned person" means a person that the President, or the Secretary of State or the Secretary of the Treasury pursuant to authority delegated by the President and in accordance with the terms of such delegation, has determined is a person on whom sanctions described in section 6(a) of ISA shall be imposed pursuant to ISA, CISADA, TRA, or IFCA, and on whom the President, the Secretary of State, or the Secretary of the Treasury has imposed any of the sanctions in section 6(a) of ISA or a person on whom the Secretary of State, in accordance with the terms of section 3 of this order, has decided to impose sanctions pursuant to section 3 of this order;

(q) the term "subject to the jurisdiction of the Government of Iran" means a person organized under the laws of Iran or any jurisdiction within Iran, ordinarily resident in Iran, or in Iran, or owned or controlled by any of the foregoing;

(r) the term "United States financial institution" means a financial institution as defined in subsection (c) of this section (including its foreign branches) organized under the laws of the United States or any jurisdiction within the United States or located in the United States; and

(s) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

Sec. 17. Notice. For those persons whose property and interests in property are blocked pursuant to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or other assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render those measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in Executive Order 12957, there need be no prior notice of a listing or determination made pursuant to subsections 1(b), 5(a)(iv), 6(b)(ii), and 7(b) of this order.

Sec. 18. Delegation to Implement Section 104A of CISADA. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including adopting rules and regulations, and to employ all powers granted to me by IEEPA, as may be necessary to carry out section 104A of CISADA (22 U.S.C. 8513b). The Secretary of the Treasury may, consistent with applicable law, redelegate any of these functions within the Department of the Treasury.

Sec. 19. *Rights.* This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

Sec. 20. Effect on Actions or Proceedings, Blocked Property, and Regulations, Orders, Directives, and Licenses. (a) Pursuant to section 202 of the NEA (50 U.S.C. 1622), the revocation of Executive Orders 13716 and 13628 as set forth in section 9 of this order, shall not affect any action taken or proceeding pending not finally concluded or determined as of the effective date of this order, or any action or proceeding based on any act committed prior to the effective date of this order, or any rights or duties that matured or penalties that were incurred prior to the effective date of this order.

(b) Except to the extent provided in statutes or regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order, the following are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in: all property and interests in property that were blocked pursuant to Executive Order 13628 and remained blocked immediately prior to the effective date of this order.

(c) Except to the extent provided in regulations, orders, directives, or licenses that may be issued pursuant to this order, all regulations, orders, directives, or licenses that were issued pursuant to Executive Order 13628 and remained in effect immediately prior to the effective date of this order are hereby authorized to remain in effect—subject to their existing terms and conditions—pursuant to this order, which continues in effect certain sanctions set forth in Executive Order 13628.

Sec. 21. Relationship to Algiers Accords. The measures taken pursuant to this order are in response to actions of the Government of Iran occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those later actions.

Sec. 22. Effective Date. This order is effective 12:01 a.m. eastern daylight time on August 7, 2018.

Andromm

THE WHITE HOUSE, August 6, 2018.

[FR Doc. 2018-17068 Filed 8-6-18; 2.00 pm] Billing code 3295-F8-P

Annex 37

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115th Congress, 1st Session - - - - - - - - - House Document 115-32

A LETTER CERTIFYING THAT THE CONDITIONS OF SECTION 135(d)(6) OF THE ATOMIC ENERGY ACT OF 1954, AS AMENDED, HAVE BEEN MET

COMMUNICATION

FROM

THE SECRETARY, THE DEPARTMENT OF STATE

TRANSMITTING

A LETTER CERTIFYING THAT THE CONDITIONS OF SECTION 135(d)(6) OF THE ATOMIC ENERGY ACT OF 1954, AS AMENDED, INCLUDING AS AMENDED BY THE IRAN NUCLEAR AGREEMENT REVIEW ACT OF 2015 (PUBLIC LAW 114-17), HAVE BEEN MET AS OF APRIL 18, 2017



APRIL 27, 2017.-Referred jointly to the Committees on Foreign Affairs, Financial Services, the Judiciary, Oversight and Government Reform, and Ways and Means and ordered to be printed

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69-011

THE SECRETARY OF STATE, Washington, April 24, 2017.

Hon. PAUL D. RYAN, Speaker of the House of Representatives,

Washington, DC.

DEAR MR. SPEAKER: This letter certifies that the conditions of Section 135(d)(6) of the Atomic Energy Act of 1954 (AEA), as amended, including as amended by the Iran Nuclear Agreement Review Act of 2015 (Public Law 114–17), enacted May 22, 2015, are met as of April 18, 2017.

Notwithstanding, Iran remains a leading state sponsor of terror through many platforms and methods. President Donald J. Trump has directed a National Security Council-led interagency review of the Joint Comprehensive Plan of Action (JCPOA) that will evaluate whether suspension of sanctions related to Iran pursuant to the JCPOA is vital to the national security interests of the United States. When the interagency review is completed, the administration looks forward to working with Congress on this issue.

Sincerely,

REX W. TILLERSON, Secretary of State.

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DIGEST OF UNITED STATES PRACTICE IN INTERNATIONAL LAW

2017

CarrieLyn D. Guymon Editor

Office of the Legal Adviser United States Department of State This resolution calls upon Iran to not undertake any activity related to ballistic missiles designed to be capable of delivering nuclear weapons, including launches using such technology like this launch. Space launch vehicles use technologies that are closely related to those of ballistic missiles development, in particular to those of Intercontinental Ballistic Missiles.

This step follows missile launches into Syria on 18 June and the test of a medium range ballistic missile on 4 July.

Iran's program to develop ballistic missiles continues to be inconsistent with UNSCR 2231 and has a destabilizing impact in the region. We call on Iran not to conduct any further ballistic missile launches and related activities. We are writing to the UN Secretary General with our concerns. The governments of France, Germany and the United Kingdom are discussing these issues bilaterally with Iran and are raising their concerns.

On October 13, 2017, Secretary Tillerson sent a letter to Congress regarding the administration's review of Iran policy and the JCPOA. That congressional correspondence follows.

* * * *

As you know, President Donald J. Trump has long maintained that the Joint Comprehensive Plan of Action (JCPOA) is a bad deal for the United States. As I reported to you in July, Iran has repeatedly tested the boundaries of the deal—twice exceeding the cap on its heavy water stocks, and also pushing the number of advanced centrifuges it may operate. Outside the narrow parameters of the nuclear deal, moreover, Iran has not moderated, but rather accelerated its malign activities in the region and beyond, in ways that threaten our interests and our allies.

Upon entering office, the President directed his national security team to undertake a comprehensive review of our Iran strategy and of the JCPOA's place within that strategy. Our review is now complete, and he has now approved a new U.S. strategy on Iran that will include concerted efforts, with our allies, to:

- Address the threat of the Iranian regime's destabilizing activities in the broader Middle East, including giving various forms of support to militant proxies and terrorists;
- Rebuild our regional alliances and bolster our allies' capacity to encourage a more stable balance of power in the region;
- Draw attention to the malignant role played by the Islamic Revolutionary Guard Corps (IRGC), both inside and outside Iran, including the use of Iran's wealth to sustain the IRGC's bloody and destabilizing proxy wars and support for terrorism;
- Counter the Iranian regime's proliferation of missiles and advanced conventional weapons that threaten Iran's neighbors, global trade, and freedom of navigation;
- Communicate clearly with the Iranian people that their legitimate aspirations are impeded by the actions of unaccountable regime elements whose greed, corruption, and disregard for human rights have led them to abandon their responsibility to provide for the Iranian people; and
- Deny the Iranian regime all paths to a nuclear weapon.

Given all of the regime's malign activities outside the scope of the deal, it is clear that Iran continues to undermine the expectation set out in the JCPOA that the deal would positively contribute to regional and international peace and security.

However, the JCPOA itself is also flawed, most notably because key restrictions sunset over time, eventually leaving Iran free to openly pursue industrial-scale uranium enrichment. This would allow Tehran to decrease the amount of time it would need to make enough fissile material for a nuclear weapon, should it choose to violate its commitments under the Non- Proliferation Treaty and do so.

Based on these considerations, this Administration has concluded following our comprehensive review that the sanctions relief Iran received as part of the deal is not proportionate to the specific, limited-duration measures Iran took with respect to terminating its illicit nuclear program. Accordingly, I am unable to certify that the condition in Section 135(d)(6)(A)(iv)(I) of the Atomic Energy Act of 1954 (AEA), as amended, including as amended by the Iran Nuclear Agreement Review Act (INARA) of 2015 (Public Law 114-17) is met as of October 15, 2017.

This conclusion does not mean that it is impossible to fix the flaws of the JCPOA or that it is time for us to leave the deal. Rather than take up legislation under the procedures set forth in Section 135(e) of the AEA, the President has requested that Congress instead work with the Administration to directly address the JCPOA's flaws by amending and strengthening the relevant portions of the AEA, as added by INARA, while we continue to hold Iran accountable for its current commitments. We should work together toward a solution that prevents the emergence of a nuclear-armed Iran and prevents Iran from further developing intercontinental ballistic missiles that undermine regional and international peace and security.

It is only right that we face the Iranian threat as Americans united across the political spectrum and across the branches of our government. This Administration will not allow a singular focus on Iran's nuclear program to blind us to, or distract us from addressing, the regime's many other malign activities, especially its ongoing role in fomenting and perpetuating regional conflicts. We look forward to working with Congress, as well as our allies and partners, to address the full range of Iran's malign activities.

* * * *

c. Kazakhstan

As discussed in *Digest 2015* at 822, the Agreement Continuing the International Science and Technology Center ("ISTC") was signed on December 9, 2015, relocating the ISTC from Russia to Kazakhstan and broadening the scope of ISTC activities. On December 14, 2017, the final instrument of ratification of the Agreement was deposited with the ISTC Secretariat, bringing the Agreement into force in accordance with its terms.

d. Norway

On January 19, 2017, the Agreement for Cooperation between the Government of the United States of America and the Government of the Kingdom of Norway concerning Peaceful Uses of Nuclear Energy, signed at Washington on June 11, 2016, entered into



Distr.: General 8 December 2017

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Fourth report of the Secretary-General on the implementation of Security Council resolution 2231 (2015)

I. Introduction

1. Almost two years after Implementation Day (16 January 2016), I continue to believe that the Joint Comprehensive Plan of Action is the best way to ensure the exclusively peaceful nature of the nuclear programme of the Islamic Republic of Iran and to realize the aspirations of the Iranian people. The Plan constitutes a major achievement in nuclear non-proliferation and diplomacy in addressing issues that could have an impact on regional and international peace and security, and it is my hope that it will be preserved.

2. Since 16 January 2016, the International Atomic Energy Agency has reported nine times to the Security Council that the Islamic Republic of Iran is implementing its nuclear-related commitments under the Joint Comprehensive Plan of Action. In its most recent quarterly reports (S/2017/777 and S/2017/994), the Agency again reported that it continued to verify the non-diversion of declared nuclear material and that its evaluations regarding the absence of undeclared nuclear material and activities for the Islamic Republic of Iran remained ongoing. The Agency also reported that the Islamic Republic of Iran continued to provisionally apply the Additional Protocol to its Safeguards Agreement, pending its entry into force, and to apply the transparency measures contained in the Plan. In its latest report, the Agency further indicated that it had conducted complementary accesses under the Additional Protocol to all the sites and locations in the Islamic Republic of Iran that it needed to visit.

3. Against this backdrop of diplomatic achievement, compliance and robust verification, the decision of 13 October by the President of the United States of America not to certify that the suspension of its national sanctions pursuant to the agreement is "appropriate and proportionate to the specific and verifiable measures taken by Iran with respect to terminating its illicit nuclear programme", and the potential legislative actions that the Congress of the United States may take to reimpose those national sanctions, have regrettably created considerable uncertainty regarding the future of the Joint Comprehensive Plan of Action. At present, these national executive actions do not affect the validity of the Plan or the respective commitments of the participants contained therein. I am reassured that the United States has expressed its commitment to stay in the Joint Comprehensive Plan of Action for now.

4. I call upon all participants to remain steadfast in their commitment to the full implementation of the agreement and to work through differences and challenges in



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17-21508 (E) 141217 * 1 7 2 1 5 0 8 * a spirit of cooperation and compromise, good faith and reciprocity. It is important that the Plan continue to work for all its participants, including by delivering benefits to the Iranian people.

5. I encourage all Member States and regional and international organizations to act in accordance with and support the implementation of this historic agreement, which is in the interest of the international community at large. I welcome the commitment of the European Union to the continued full and effective implementation of all parts of the Joint Comprehensive Plan of Action. I also welcome the affirmative statements by China, the Russian Federation and numerous other Member States in support of the Plan. I encourage the United States to maintain its commitments to the Plan and to consider the broader implications for the region and beyond before taking any further steps. Similarly, I encourage the Islamic Republic of Iran to carefully consider the concerns raised by other participants in the Plan.

6. The present report, the fourth on the implementation of resolution 2231 (2015), provides an assessment of the implementation of the resolution, including findings and recommendations, since the issuance of the third report of the Secretary-General (S/2017/515), on 20 June 2017. Consistent with previous reports, the focus of the present report is on the provisions set forth in annex B to resolution 2231 (2015), which include restrictions applicable to nuclear-related transfers, ballistic missile-related transfers and arms-related transfers to or from the Islamic Republic of Iran, as well as asset freeze and travel ban provisions.

II. Key findings and recommendations

7. Since 16 January 2016, the Secretariat has not received any reports on the supply, sale, transfer or export to the Islamic Republic of Iran of nuclear or dual-use items, materials, equipment, goods or technology undertaken contrary to paragraph 2 of annex B to resolution 2231 (2015). In relation to alleged inconsistent Iranian procurement activities in Germany, the Government of Germany confirmed to the Secretariat in November 2017 that it had no indications of any activities inconsistent with paragraph 2 of annex B and had no evidence of any transfers or activities inconsistent with paragraph 4 of annex B.

8. Since 20 June 2017, eight additional proposals to participate in or permit activities with the Islamic Republic of Iran for nuclear or non-nuclear civilian end uses have been submitted to the Security Council for approval through the Procurement Channel.¹

9. On the basis of interactions that took place during outreach activities carried out by the Secretariat, it appears that there remains a general lack of understanding of resolution 2231 (2015), especially in the private sector. This lack of understanding, coupled with a sense of political uncertainty, appears to have adversely affected the decisions of some Member States and private sector entities to engage in activities requiring prior approval from the Security Council. Member States should undertake greater efforts to promote awareness and understanding of the specific restrictions, in particular the Procurement Channel, the procedures for the submission of proposals and the process for review. The Secretariat stands ready to assist Member States in such efforts, in line with the arrangements and procedures outlined in the note by the President of the Council dated 16 January 2016 (S/2016/44).

10. Regarding the emerging information on the possible transfer by the Islamic Republic of Iran of ballistic missiles, parts thereof or related technology to the

¹ All nuclear-related proposals and other documents related to the Procurement Channel are treated as confidential.

Houthis in Yemen that may have been used in the ballistic missile launches aimed at the territory of Saudi Arabia on 22 July and 4 November 2017, the Secretariat has examined the debris of the missiles launched at Yanbu' and Riyadh and is carefully reviewing all the information and material available. The Security Council should consider a joint meeting of the Security Council Committee established pursuant to resolution 2140 (2014) and the Council in the "2231 format", to be jointly briefed by the Panel of Experts on Yemen and the Secretariat on their respective findings at the appropriate time.

11. The Secretariat was provided with an opportunity to examine the arms and related materiel seized by the United States aboard a dhow in the vicinity of the Gulf of Oman in March 2016 (see S/2016/589, paras. 29–31). The Secretariat is confident that close to 900 of the assault rifles seized by the United States are identical to those seized by France, also in March 2016, which the Secretariat had assessed to be of Iranian origin and to have been shipped from the Islamic Republic of Iran (see S/2017/515, para. 10).

12. The Defence Industries Organisation, an entity on the list maintained pursuant to resolution 2231 (2015),² participated in a foreign exhibition, the International Aviation and Space Salon, held in Zhukovsky, Russian Federation, in July 2017. In November, the Permanent Mission of the Russian Federation to the United Nations informed the Secretariat that an investigation into the issue had found no action inconsistent with resolution 2231 (2015).

13. Since the issuance of my previous report, Major General Qasem Soleimani has continued to travel to Iraq and the Syrian Arab Republic, despite the travel ban provision of resolution 2231 (2015) and previous reporting to the Security Council on this issue. The Council should call upon the Government of the relevant Member States in the region, including the Islamic Republic of Iran, to take the steps necessary to ensure proper implementation of the travel ban and other provisions of annex B to resolution 2231 (2015).

14. The list maintained pursuant to resolution 2231 (2015) has not been reviewed or updated by the Security Council since 17 January 2016. To ensure proper implementation of the asset freeze and travel ban provisions, I recommend that the Council review and update the list as appropriate and consider appropriate options for delisting processes.

15. In a letter dated 28 August 2017 addressed to me (S/2017/739), the Permanent Representative of the Islamic Republic of Iran to the United Nations stated that the Countering America's Adversaries through Sanctions Act, signed into law on 2 August 2017, violated the terms of paragraphs 3, 4 and 5 of annex B to resolution 2231 (2015). While the allegations raised in the letter have been duly considered, it is my assessment that this information does not fall within the scope of the present report, unless guidance to the contrary is provided by the Security Council.

² Available from www.un.org/en/sc/2231/list.shtml. The list maintained pursuant to resolution 2231 (2015) includes the individuals and entities specified on the list established under resolution 1737 (2006) and maintained by the Security Council Committee established pursuant to resolution 1737 (2006), as at the date of adoption of resolution 2231 (2015), with the exception of 36 individuals and entities specified in the attachment to annex B to resolution 2231 (2015), who were delisted on Implementation Day. The Council can delist individuals or entities and list additional individuals and entities found to meet certain designation criteria defined by resolution 2231 (2015). There are currently 23 individuals and 61 entities on the list maintained pursuant to resolution 2231 (2015).

III. Implementation of nuclear-related provisions

16. In resolution 2231 (2015), the Security Council endorsed the establishment of a dedicated Procurement Channel, under the Joint Comprehensive Plan of Action, to review proposals by States seeking to engage in certain transfers of nuclear or dual-use goods, technology and/or related services to the Islamic Republic of Iran. Through this Channel, the Council reviews and decides on recommendations from the Joint Commission established under the Plan regarding proposals by States to participate in or permit activities set out in paragraph 2 of annex B to resolution 2231 (2015).

17. Since 20 June 2017, 8 new proposals to participate in or permit the activities set forth in paragraph 2 of annex B to resolution 2231 (2015) have been submitted to the Security Council, bringing to 24 the total number of proposals submitted since Implementation Day for approval through the Procurement Channel. At the time of reporting, 16 proposals had been approved by the Council, 3 had not been approved, and 5 had been withdrawn by the proposing States.

18. In addition, the Security Council received four new notifications pursuant to paragraph 2 of annex B to resolution 2231 (2015) for certain nuclear-related activities that do not require approval but require a notification to the Council or to both the Council and the Joint Commission.

19. During the reporting period, following the publication of German domestic intelligence reports, various media outlets alleged that Iranian entities might have attempted to procure nuclear or dual-use items, materiel, goods and technology in Germany outside the Procurement Channel. In its interactions with the Secretariat, including during meetings in Berlin in early November 2017, the Government of Germany recalled the 2016 report of the Federal Office for the Protection of the Constitution according to which, as far as the Federal Office was able to verify such evidence, it did not reveal any violation of the Joint Comprehensive Plan of Action. On 27 November 2017, the Government of Germany informed the Secretariat that it had no indications of any activities inconsistent with paragraph 2 of annex B to resolution 2231 (2015) conducted in Germany by the Islamic Republic of Iran. It was also reiterated that German authorities would continue to rigorously explore and assess any possible activities inconsistent with paragraph 2 of annex B to resolution 2231 (2015).

IV. Implementation of ballistic missile-related provisions

A. Restrictions on ballistic missile-related activities by the Islamic Republic of Iran

20. In paragraph 3 of annex B to resolution 2231 (2015), the Security Council called upon the Islamic Republic of Iran not to undertake any activity related to ballistic missiles designed to be capable of delivering nuclear weapons, including launches using such ballistic missile technology.

21. On 2 August 2017, I received a joint letter from France, Germany, the United Kingdom of Great Britain and Northern Ireland and the United States on the launch by the Islamic Republic of Iran of a Simorgh space launch vehicle on 27 July 2017. Those States underscored that the phrase "ballistic missile designed to be capable of delivering nuclear weapons" in paragraph 3 of annex B to resolution 2231 (2015) included all Missile Technology Control Regime Category I systems — defined as those capable of delivering at least a 500 kg payload to a range of at least 300 km — that are inherently capable of delivering nuclear weapons and other weapons of mass

destruction. They noted that space launch vehicles such as the Simorgh were "inherently capable of delivering a 500 kg payload to a range of at least 300 km if configured as a ballistic missile" and "inherently capable of delivering nuclear weapons". Therefore, those States considered that the launch was inconsistent with paragraph 3 of annex B to resolution 2231 (2015).

22. Through a letter dated 16 August 2017 addressed to me (S/2017/720), the Permanent Representative of the Russian Federation to the United Nations transmitted a position paper in which it was underscored that there was "no legal prohibition on the development by the Islamic Republic of Iran of missile and space programmes", as resolution 2231 (2015) contained only a call, which was "by all means not a prohibition", to refrain from activities related to ballistic missiles that were designed to be capable of carrying nuclear weapons. It was also stated in the paper that there was no information that Iranian ballistic missiles were specifically designed to carry nuclear weapons and that, as verified by the International Atomic Energy Agency, "Tehran does not possess nuclear weapons, and it does not carry out work on the development thereof". The Russian Federation also noted that "no prohibition on cooperation with the Islamic Republic of Iran on missile-related items" was in existence, but that there was the requirement for Member States to seek prior approval of the Security Council for the activities set forth in paragraph 4 of annex B to resolution 2231 (2015).

23. In a letter dated 23 August 2017 addressed to me (S/2017/731), the Permanent Representative of the Islamic Republic of Iran underscored that the launch of a Simorgh space launch vehicle on 27 July 2017 was "part of a scientific and technological activity related to the use of space technology" and that the Islamic Republic of Iran was "determined to continue to exercise this right for its socioeconomic interests". He also stated that the definition of the Missile Technology Control Regime was not an internationally agreed definition and that the "technical characteristics and operational requirements of the satellite launch vehicles clearly make them distinct from ballistic missile systems". The Permanent Representative concluded that the test launch could not be regarded as inconsistent with the resolution.

24. The Security Council discussed the launch of the Simorgh space launch vehicle on 8 September 2017. There was no consensus among Council members on how that launch related to resolution 2231 (2015). The fourth six-month report of the facilitator for the implementation of Security Council resolution 2231 (2015) will provide the details of Council deliberations on this issue.

25. In addition to the above, several launches of ballistic missiles by the Islamic Republic of Iran were brought to my attention. In identical letters dated 28 June 2017 addressed to me and the President of the Security Council (S/2017/555), the Permanent Representative of Israel to the United Nations brought to my attention information that had reportedly recently come to light regarding the flight test of a Qiam ballistic missile on 15 November 2016 that used a Star of David as the intended target. In the same letter, the Permanent Representative referred to the ballistic missiles reportedly launched by the Islamic Republic of Iran at targets in the Syrian Arab Republic on 18 and 19 June 2017. He considered that the test-firing of those ballistic missiles, all of which were Missile Technology Control Regime Category I systems, was in violation of resolution 2231 (2015). A joint statement by France, Germany, the United Kingdom and the United States, issued on 28 July 2017, referred to the same launches at targets in the Syrian Arab Republic, as well as to an alleged flight test of a medium-range ballistic missile on 4 July 2017.

26. In identical letters dated 17 August 2017 addressed to me and the President of the Security Council (S/2017/719), the Permanent Representative of the Islamic Republic

of Iran stated that the claim made "regarding the test launch of a ballistic missile on 15 November 2016 and the use of a specific marking as target practice is a sheer falsehood". He also underscored that "Iranian military capabilities, including ballistic missiles, have not been designed to be capable of delivering nuclear weapons" and were thus "outside the purview of the Security Council resolution". In addition, he referred to the terrorist attacks by Islamic State in Iraq and the Levant (ISIL, also known as Da'esh) in Tehran on 7 June 2017 and to the determination of the Islamic Republic of Iran to fight terrorism and violent extremism.

B. Restrictions on ballistic missile related-transfers or activities with the Islamic Republic of Iran

27. Pursuant to paragraph 4 of annex B to resolution 2231 (2015), all States, provided that they have obtained prior approval from the Security Council on a case-by-case basis, may participate in and permit the supply, sale or transfer to or from the Islamic Republic of Iran of certain ballistic missile-related items, materials, equipment, goods and technology,³ the provision of various services or assistance, and the acquisition by the Islamic Republic of Iran of an interest in certain commercial ballistic missile activities. At the time of reporting, no proposal had been submitted to the Council pursuant to that paragraph.

28. In identical letters dated 7 November 2017 addressed to me and the President of the Security Council (S/2017/937), the Permanent Representative of Saudi Arabia to the United Nations stated that the authorities of Saudi Arabia had confirmed, through the examination of the debris of the missiles launched from within Yemeni territory on 22 July and 4 November 2017 at Yanbu[•] and at Riyadh, respectively, "the role of the Iranian regime in manufacturing the missiles". He also stated that this was "a flagrant violation of Security Council resolutions 2216 (2015) and 2231 (2015)". In a letter also dated 7 November 2017 addressed to me and the President of the Security Council (S/2017/936), the Permanent Representative of the Islamic Republic of Iran stated that "the Islamic Republic of Iran categorically rejects such baseless and unfounded accusations".

29. In October and November 2017, the authorities of Saudi Arabia invited the Secretariat to examine the debris of the ballistic missiles launched at its territory on 22 July and 4 November 2017. During those visits, the authorities of Saudi Arabia indicated that, according to their assessment, those missiles were Iranian Qiam-1 ballistic missiles (a variant of the Scud missile). The Secretariat observed that the diameter of both missiles was consistent with that of the Scud family and that the missiles had similar structural and manufacturing features, which suggested a common origin. The Secretariat noted that markings found on the missiles indicated that the oxidizer tank was situated above the fuel tank. The Secretariat also observed that, under the blue overpaint, the missile launched on 4 November had paint and markings resembling those of the one launched on 22 July. The Secretariat was informed that no tail fins had been recovered in either instance. The Secretariat observed remnants of mounting plates on the tail unit of the missile of 22 July, which suggest that the missile was finless. The Secretariat also observed three actuators that bore the castings of a logo similar to that of the Shahid Bagheri Industrial Group, an entity on the list maintained pursuant to resolution 2231 (2015) and a subordinate to the Aerospace Industries Organization of the Islamic Republic of Iran. According to

³ The items, materials, equipment, goods and technology concerned are those set out in the Missile Technology Control Regime list (see S/2015/546, annex) and any items, materials, equipment, goods and technology that the State determines could contribute to the development of nuclear-weapon delivery systems.

Saudi authorities, the actuators belonged to the missile of 4 November. The Secretariat is still analysing the information collected and will report back to the Security Council, as appropriate, in due course.

30. During the reporting period, following the publication of German domestic intelligence reports, various media outlets alleged that Iranian entities might also have attempted to procure ballistic missile-related items, materials, equipment, goods or technology in Germany. On 27 November 2017, the Government of Germany informed the Secretariat that it had no evidence of any transfers or activities inconsistent with paragraph 4 of annex B to resolution 2231 (2015) conducted by the Islamic Republic of Iran in Germany. It was also reiterated that German authorities would continue to rigorously explore and assess any possible transfers or activities inconsistent with paragraph 4 of annex B to resolution 2231 (2015).

V. Implementation of arms-related provisions

31. As stipulated in paragraph 5 of annex B to resolution 2231 (2015), all States, provided that they have obtained prior approval from the Security Council on a caseby-case basis, may participate in and permit the supply, sale or transfer to the Islamic Republic of Iran of any battle tanks, armoured combat vehicles, large-calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems, as defined for the purpose of the Register of Conventional Arms, or related materiel, including spare parts. Prior approval from the Council is also required for the provision to the Islamic Republic of Iran of technical training, financial resources or services, advice, other services or assistance related to the supply, sale, transfer, manufacture, maintenance or use of those arms and related materiel. At the time of reporting, no proposal had been approved by the Council pursuant to that paragraph.

32. In paragraph 6 (b) of annex B to resolution 2231 (2015), the Security Council decided that all States were to take the necessary measures to prevent, except as decided otherwise by the Council in advance on a case-by-case basis, the supply, sale or transfer of arms or related materiel from the Islamic Republic of Iran. At the time of reporting, no proposal had been submitted to the Council pursuant to that paragraph.

33. In June 2016, the United States brought to the attention of my predecessor information on the seizure, on 28 March 2016, of an arms shipment on board a dhow, the Adris, transiting international waters in the vicinity of the Gulf of Oman (see S/2016/589, paras. 29–31). According to the assessment of the United States, the arms shipment had originated in the Islamic Republic of Iran. In October 2017, United States authorities invited the Secretariat to examine the arms and related materiel seized, consisting of 1,500 AKM type assault rifles, 200 rocket propelled grenade launchers, 21 heavy machine guns and miscellaneous other items. The Secretariat could independently ascertain that close to 900 of the assault rifles and the 21 machine guns were in new condition. The 900 assault rifles were identical to those seized by France in March 2016, which had characteristics of the Iranian-produced KLS 7.62 x 39 mm (furnishing made of dark brown synthetic material, fire selector and rear sight markings, slanted screw-on compensator and dot-peen marking style), which the Secretariat has assessed were of Iranian origin and shipped from the Islamic Republic of Iran (see S/2017/515, paras. 10 and 31). In addition, the serial numbers of the assault rifles seized by France and the United States fall within the same production batch and include sequential numbers. More than 100 of the grenade launchers appeared to have characteristics similar to Iranian-produced launchers (for example, paint markings and heat shields). Among the miscellaneous items examined by the Secretariat, which included gun covers, tools and cleaning kits, were two foreignmade neodymium sirens that appeared to have been modified after sale by the addition of a cable, bearing markings indicating Iranian manufacture, with a military-type electrical connector. An identical siren was also observed by the Secretariat in a separate incident (see para. 34 below), as well as a fuse plate and a detonation device booster identical to those seen in photographs taken on board the *Adris* and provided to the Secretariat by United States authorities. The Secretariat is still analysing the remaining information, and I will report back to the Council accordingly as additional information becomes available.

34. During its visits to Saudi Arabia in October and November 2017, the Secretariat received information on unmanned surface vessels laden with explosives allegedly used against the Saudi-led coalition. Saudi authorities indicated that one such vessel had been recovered by the armed forces of the United Arab Emirates in Yemeni waters. Reportedly, the vessel itself and the explosives were from Yemen, but parts of the guidance and detonation systems had been supplied by the Islamic Republic of Iran. In November 2017, the Secretariat examined parts of the detonation and guidance systems. It observed that the computer terminal (part of the guidance system) had a dual English/Farsi keyboard and characteristics (design and construction features, graphical user interface and programme icon) similar to those of terminals produced by an Iranian company. The Secretariat also observed that some of the electrical cables bore markings indicating Iranian manufacture and that the detonation system included a neodymium siren, a fuse plate and a detonation device booster identical to those seized on board the dhow Adris (see para. 33 above). The Secretariat was also presented with a selection of photographs and geographical coordinates reportedly extracted from the guidance system computer. At the time of reporting, the Secretariat had not been able to independently confirm the authenticity of the photographs and geographical coordinates. The Secretariat is still analysing the available information and will provide an update to the Council in due course.

35. Also during its visits to Saudi Arabia, the Secretariat was given the opportunity to examine two unmanned aerial vehicles reportedly recovered in Yemen after Implementation Day. Saudi authorities determined that one was an Iranian-made unmanned aerial vehicle of the Ababil-II family. The Secretariat observed that the vehicle appeared to have characteristics (for example, design and construction features, serial number prefixes and engine) identical to those of others reportedly seized or recovered in Yemen after Implementation Day that had been brought to its attention by the Permanent Representative of the United Arab Emirates to the United Nations in letters dated 18 May 2017 (see S/2017/515, para. 34) and 8 November 2017. The Secretariat is still analysing the information provided by the Government of Saudi Arabia and looks forward to the opportunity to examine the other unmanned aerial vehicles reportedly seized or recovered by the Presidential Guard forces of the United Arab Emirates, in order to independently ascertain their origin.

VI. Implementation of the asset freeze provisions

36. Pursuant to paragraph 6 (c) and (d) of annex B to resolution 2231 (2015), all States shall freeze the funds, other financial assets and economic resources of the individuals and entities on the list maintained pursuant to resolution 2231 (2015) and ensure that no funds, financial assets or economic resources are made available to those individuals and entities.

37. It appears that the Defence Industries Organisation, an entity presently on the list maintained pursuant to resolution 2231 (2015), once again participated in a foreign exhibition, the International Aviation and Space Salon held in Zhukovsky, Russian Federation, in July 2017. Its name is on the list of exhibitors released by the organizers and, according to images released by Iranian and Russian media outlets, its official company logo appears on several visual displays next to exhibited items.

38. The Secretariat raised this issue with the Permanent Mission of the Russian Federation. In November, the Permanent Mission informed the Secretariat that an investigation into the issue had found no action inconsistent with resolution 2231 (2015). The Permanent Mission indicated that no financial transactions had been carried out with the Defence Industries Organisation because no fee had been charged to Iranian participants by the hosts. The Permanent Mission also indicated that all samples of Iranian-made military equipment exhibited were mock-ups that had been returned to the Islamic Republic of Iran after the exhibition.

VII. Implementation of the travel ban provision

39. Pursuant to paragraph 6 (e) of annex B to resolution 2231 (2015), all States are to take the measures necessary to prevent the entry into or transit through their territories of the individuals on the list maintained pursuant to resolution 2231 (2015). At the time of reporting, no travel exemption requests had been received or granted by the Security Council in relation to individuals presently on the list.

40. Since the issuance of my previous report, additional information has surfaced regarding travel by Major General Qasem Soleimani. In mid-June, pictures of the General on a pilgrimage to the holy shrine of Imam Husayn in the city of Karbala', Iraq, were published by Iraqi media outlets. In October, pictures of him visiting the tomb of the former President of Iraq, Jalal Talabani, in Sulaymaniyah, Iraq, were also published by Iraqi media outlets. In addition, according to media from the Kurdish region of Iraq, the General reportedly visited Iraqi Kurdistan several times in September and October.

41. Furthermore, in mid-June, pictures showing Major General Soleimani in the Syrian Arab Republic, allegedly with members of the Afghan militia known as the Fatemiyoun Division along the border with Iraq, were published by Iranian media outlets. In early November, pictures of the General, allegedly with members of the Syrian militia known as the Baqir Brigade, in Dayr al-Zawr, Syrian Arab Republic, were reproduced by Arab media outlets. In mid-November, the Iraqi militia known as Harakat Hizbullah al-Nujaba published pictures of the General posing with militia members in the vicinity of Albu Kamal, Syrian Arab Republic. In late November, video footage of him in Albu Kamal after its liberation from ISIL (Da'esh) was reproduced by Arab media outlets.

42. The Secretariat raised the topic of travel by Major General Soleimani with the Permanent Missions of Iraq and the Syrian Arab Republic to the United Nations. In November 2017, the Permanent Representative of the Syrian Arab Republic informed the Secretariat that his Government had not granted the General any visas to enter the territory of the Syrian Arab Republic.

VIII. List maintained pursuant to resolution 2231 (2015)

43. During the reporting period, the Secretariat was provided with information on an individual who may be acting in support of a designated entity on the list maintained pursuant to resolution 2231 (2015). The Secretariat was also provided with information indicating that another designated entity on the list had used subsidiaries to circumvent the asset freeze provision of annex B to the resolution. The Secretariat is seeking further information and will report to the Security Council in due course. An updated list would facilitate the implementation of the restrictive measures.

IX. Secretariat support provided to the Security Council and its facilitator for implementation of resolution 2231 (2015)

44. The Security Council Affairs Division of the Department of Political Affairs continued to support the work of the Security Council, in close cooperation with the facilitator for the implementation of resolution 2231 (2015). The Division also continued to liaise with the Procurement Working Group of the Joint Commission on all matters related to the Procurement Channel. In addition, the Division provided induction briefings for the incoming facilitator and members of the Security Council, to assist them in their work on the implementation of resolution 2231 (2015).

45. The Division continued to promote publicly available information on the restrictions imposed by resolution 2231 (2015) through the Security Council website.⁴ Relevant documents were regularly added to the website and updated in all official languages. The Division also continued to use outreach opportunities to promote information on the resolution, in particular the Procurement Channel, in line with paragraph 6 (e) of the note by the President of the Council dated 16 January 2016. In October 2017, the Division participated in two forums organized by the World Export Controls Review, held in London and Washington, D.C. Also in October 2017, the Secretariat participated in a public awareness-raising workshop on resolution 2231 (2015) and the Procurement Channel, held in Seoul and organized by the International Institute for Strategic Studies. The interactions of the Division with representatives of Member States and private sector entities at these events showed that there remains a general lack of understanding of resolution 2231 (2015), of the restrictive measures that came into force on 16 January 2016, in particular the Procurement Channel process, and of the respective roles of the Joint Commission, the Security Council and its facilitator and the Secretariat. This lack of understanding, as well as a sense of political uncertainty, appears to have adversely affected the decisions of some Member States and private entities to re-engage with the Islamic Republic of Iran in trade activities relating to items, materials, equipment, goods and technology requiring the prior approval of the Security Council.

46. During the reporting period, the Division continued to respond to queries from Member States and to provide relevant support to Member States regarding the provisions of resolution 2231 (2015), in particular on the procedures for the submission of nuclear-related proposals and the review process.

⁴ See www.un.org/en/sc/2231.

World

Israel says it holds a trove of documents from Iran's secret nuclear weapons archive

By Loveday Morris and Karen DeYoung April 30, 2018

JERUSALEM — Israel's Prime Minister Benjamin Netanyahu on Monday said Israel is in possession of tens of thousands of documents and discs that prove that Iran lied about the history of its nuclear weapons program when it signed the 2015 nuclear deal.

In a televised speech from Tel Aviv, Netanyahu dramatically pulled a curtain away from a shelf of files that he said were copies of some of the 55,000 documents that Israel had obtained from Iran's secret nuclear archive. Most of the documents, as described, dated from 2003 and before, when Iran had a clandestine weapons development program dubbed "Project Amad."

The speech came at a critical time for the nuclear deal, just ahead of a May 12 deadline for President Trump to decide whether to continue to waive statutory sanctions that were lifted as part of the agreement.

In his remarks, Netanyahu said the cache confirmed something that has not been in dispute among signatories of the deal — that Iran has lied about its past nuclear efforts. He has waged a fierce campaign for the pact to be changed or scrapped, often repeating the mantra "fix it or nix it" — concerned that it will enable Israel's archrival to come closer to developing a nuclear weapon.

Trump, speaking at a Washington news conference with the president of Nigeria, said Netanyahu's revelations "showed that I've been 100 percent right" in describing the nuclear agreement as the "worst deal" ever signed. "We'll see what happens," he said of the coming deadline.

Richard Nephew, a former senior State Department official who was part of the U.S. team that negotiated the deal implemented in January 2016, said Netanyahu's revelations were "interesting, and important for building a history of [Iran's] program. But it is not a new revelation, at least in terms of where the program was when we were negotiating."

"To put it another way," he said, "it is why we negotiated the JCPOA," or Joint Comprehensive Plan of Action.

"What he is revealing with all this detail is not news," said Daryl Kimball, executive director of the Arms Control Association. "The fact that Iran has experimented with nuclear warhead designs, and had at one point

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an active weapons program, makes it all the more essential that the JCPOA remains in place to prevent Iran from quickly amassing enough fissile material for even one bomb."

"It is ludicrous to recommend . . . that the deal should be dismantled, which would open a pathway for Iran to pursue" a nuclear weapon, Kimball said.

Iranian officials have said that if the deal is canceled, they would quickly increase both the quantity and quality of centrifuges, now restricted under the deal, which would allow them theoretically to produce weapons-grade uranium.

Secretary of State Mike Pompeo said that the administration had known about the documents for "a while," and said "I can confirm...these documents are real...they're authentic."

Speaking to reporters aboard his aircraft returning from an overseas trip that included a Sunday stop in Israel, Pompeo agreed that existence of the Iranian program Netanyahu described "has been known for quite some time." But, he said, the documents provided "new information" about the "scope and the scale of the program." He said the administration had been given a copy of the material but had not yet gone through all of it yet.

He said that the Iranians kept the documents "for a purpose," but did not speculate on what it was. In his confirmation testimony in mid-April, Pompeo agreed that the International Atomic Energy Agency had so far concluded Iran was in compliance with the terms of the deal, and that he did not believe Tehran had been, or would be, in a "rush" to build a nuclear weapon, regardless of what Trump decided to do.

The White House, which initially issued a statement saying that the information showed Iran "has a robust, clandestine nuclear weapons program," quickly issued a clarification indicating the use of the present tense was a "clerical error." A spokesman for the National Security Council said that the Israeli presentation described "an Iranian effort from 1999-2003 to develop nuclear weapons."

Netanyahu's statement "adds new and compelling details" on the past Iranian program, according to the spokesperson, who spoke on the condition of anonymity under White House ground rules.

In a dramatic presentation, Netanyahu stood on a stage with a pointer. To one side was a bookcase filled with shelves of files that he said were Iran's secret nuclear records, apparently obtained through a covert operation by Israeli intelligence. Next to it was a display cabinet of compact discs.

Standing in front of a screen, Netanyahu displayed slides from the files that revealed the breadth of the Iranian nuclear program. Showing excerpts from what he said was "half a ton" of documents on a screen behind him, Netanyahu said they demonstrated conclusively that Iran had not "come clean" on its program. Iran has repeatedly insisted that it never has had and never would have a weapons program.

The documents indicated that Iran had been proceeding with "five key elements of a nuclear weapons program," he said, including designing a weapon, developing nuclear cores and building implosion systems, preparing test sites and integrating nuclear warheads on ballistic missiles.

"These files conclusively prove that Iran is brazenly lying when it says it never had a nuclear weapons program," Netanyahu said. "This is just a fraction of the total material we have," he said.

Iranian Foreign Minister Mohammad Javad Zarif mocked Netanyahu as the "boy who can't stop crying wolf," tweeting a picture of the Israeli prime minister holding up a diagram of a cartoonlike bomb that he used to illustrate the Iranian nuclear threat during a speech to the U.N. General Assembly in 2012.

"Trump is jumping on a rehash of old allegations already dealt with by the IAEA to 'nix' the deal," Zarif added, referring to the International Atomic Energy Agency. "How convenient."

The timing of Netanyahu's presentation seemed designed for maximum impact on Trump's decision.

"I am sure this was all fully coordinated with the Trump administration," said former U.S. ambassador to Israel Dan Shapiro, a fellow at the Institute for National Security Studies. He said the information was "not new" but described the retrieval of so many files from Iran as an "intelligence coup."

Trump has specifically cited the sunset clauses in the agreement, its monitoring and verification provisions, and its failure to address Iran's ballistic missile program as flaws that must be "fixed."

European allies that signed the deal — along with Russia and China — have been negotiating with the State Department on supplemental agreements to address Trump's concerns without changing the nuclear agreement itself. In visits to Washington last week, French President Emmanuel Macron and German Chancellor Angela Merkel appealed to Trump to keep the deal in place.

Pompeo said that conversations with the Europeans were ongoing, and "we know what it is they're hoping to achieve." Even if Trump decides to pull out of the deal, he said, "I'm confident that we will continue to have good relations with our European partners."

"I've been a longtime advocate of fixing" flaws in the deal rather than tearing it up, said Mark Dubowitz, CEO of the Foundation for Defense of Democracies. "Today's revelations just make that much more difficult," he

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said. "Not because [Netanyahu] revealed anything we didn't know about Iran's nuclear program. What he revealed is that Iran took all the instructions for making a nuclear bomb and buried them deep away from the prying eyes of the IAEA and Western intelligence"

As the May 12 U.S. deadline approaches, Netanyahu said he is sure Trump will "do the right thing for the United States, the right thing for Israel and the right thing for the peace of the world." His announcement was made largely in English, a sign that he wanted his message spread to an international audience.

Tensions between Iran and Israel have significantly ratcheted up in recent weeks. The announcement came just a day after a set of airstrikes in Syria that a monitoring group and some pro-Syrian media blamed on Israel.

Israeli officials have declined to comment but admitted to hitting more than 100 targets inside Syria over the course of the civil war there. Israel has said it will not allow Iran or its proxies to build a military presence in Syria.

Shortly after Netanyahu spoke on Monday, Israel's parliament voted to expand his powers to declare war, allowing him to do so with only the approval of the defense minister in "extreme situations."

DeYoung reported from Washington. Ruth Eglash in Jerusalem contributed to this report.

Loveday Morris

Loveday Morris is The Washington Post's Jerusalem bureau chief. She was previously based in Baghdad and Beirut for The Post. Follow 🞔

Karen DeYoung

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Iran Atomic Archive
PRESS STATEMENT
MICHAEL R. POMPEO, SECRETARY OF STATE
APRIL 30, 2018
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Press Statement
Mike Pompeo
Secretary of State

Secretary of State Washington, DC April 30, 2018

For many years, the Iranian regime has insisted to the world that its nuclear program was peaceful. The documents obtained by Israel from inside of Iran show beyond any doubt that the Iranian regime was not telling the truth. I have personally reviewed many of the Iranian files. Our nonproliferation and intelligence officials have been analyzing tens of thousands of pages and translating them from Farsi. This analytical work will continue for many months. We assess that the documents we have reviewed are authentic.

The documents show that Iran had a secret nuclear weapons program for years. Iran sought to develop nuclear weapons and missile delivery systems. Iran hid a vast atomic archive from the world and from the IAEA — until today.

Among the flaws of the Iran nuclear deal was the whitewashing of Iran's illicit activities related to its military nuclear program. Iran had many opportunities over the years to turn over its files to international inspectors from the IAEA and admit its nuclear weapons work. Instead, they lied to the IAEA repeatedly. They also lied about their program to the six nations who negotiated the Iran nuclear deal. What this means is the deal was not constructed on a foundation of good faith or transparency. It was built on Iran's lies. Iran's nuclear deception is inconsistent with Iran's pledge in the nuclear deal "that under no circumstances will Iran ever seek, develop, or acquire any nuclear weapons."

We are therefore assessing what the discovery of Iran's secret nuclear files means for the future of the JCPOA. Allowing restrictions on Iran's nuclear program to sunset was a mistake. One has to ask: Why exactly was Iran hiding half a ton of nuclear weaponization files while implementing the Iran deal? It is worth recalling that from 2006-2015, Iran was prohibited by Security Council resolutions from enriching any nuclear material. Now that the world knows Iran has lied and is still lying, it is time to revisit the question of whether Iran can be trusted to enrich or control any nuclear material. As the President's May 12 deadline to fix the Iran deal approaches, I will be consulting with our European allies and other nations on the best way forward in light of what we now know about Iran's past pursuit of nuclear weapons and its systematic deception of the world.

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STATEMENTS & RELEASES

Text of a Letter from the President to the Speaker of the House of Representatives and the President of the Senate

- FOREIGN POLICY

Issued on: August 6, 2018

Dear Mr. Speaker: (Dear Mr. President:)

Pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA), I hereby report that I have issued an Executive Order (the "order") with respect to Iran that takes additional steps with respect to the national emergency declared in Executive Order 12957 of March 15, 1995, and implements certain statutory requirements of the Iran Sanctions Act of 1996 (Public Law 104-172) (50 U.S.C. 1701 note), as amended (ISA), the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111-195) (22 U.S.C. 8501 et seq.), as amended (CISADA), the Iran Threat Reduction and Syria Human Rights Act of 2012 (Public Law 112 158) (TRA), and the Iran Freedom and Counter-Proliferation Act of 2012 (subtitle D of title XII of Public Law 112-239) (22 U.S.C. 8801 et seq.) (IFCA).

In Executive Order 12957 of March 15, 1995, the President found that the actions and policies of the Government of Iran threaten the national security, foreign policy, and economy of the United States. To deal with that threat, the President declared a national emergency and imposed prohibitions on certain transactions with respect to the development of Iranian petroleum resources. To further respond to that threat and to provide implementation authority for Iran-related legislation — including ISA and certain statutory requirements of CISADA, TRA, and IFCA — the President issued Executive Order 12959 of May 6, 1995, Executive Order 13059 of August 19,

1997, Executive Order 13553 of September 28, 2010, Executive Order 13574 of May 23, 2011, Executive Order 13590 of November 20, 2011, Executive Order 13606 of April 22, 2012, Executive Order 13608 of May 1, 2012, Executive Order 13622 of July 30, 2012, Executive Order 13628 of October 9, 2012, and Executive Order 13645 of June 3, 2013.

In order to give effect to the commitments of the United States with respect to sanctions described in the Joint Comprehensive Plan of Action of July 14, 2015 (JCPOA), the President issued Executive Order 13716 of January 16, 2016, which revoked Executive Orders 13574, 13590, 13622, and 13645, amended Executive Order 13628, and continued implementation authorities for certain provisions of IFCA that were outside the scope of the JCPOA.

On May 8, 2018, in recognition of Iran's escalating campaign of regional destabilization, the threat that Iran's malign behavior continues to pose to the national security, foreign policy, and economy of the United States, and the JCPOA's failure to address the totality of the concerns of the United States about Iran's behavior, I announced my decision to cease the participation of the United States in the JCPOA and to reimpose all sanctions lifted or waived in connection with the JCPOA. Iran remains the world's leading state sponsor of terrorism, and provides assistance to Lebanese Hizballah, Hamas, Kata'ib Hizballah, the Taliban, al-Qa'ida, and other terrorist networks. Iran also continues to fuel sectarian tension in Iraq, and support vicious civil wars in Yemen and Syria. It commits grievous human rights abuses, and arbitrarily detains foreigners, including United States citizens, on spurious charges without due process of law.

It is the policy of the United States that Iran be denied all paths to develop or acquire a nuclear weapon; that Iran's network and campaign of regional aggression be neutralized and constrained; to disrupt, degrade, or deny the Islamic Revolutionary Guards Corps and its surrogates access to the resources that sustain their destabilizing activities; and to impede Iran's aggressive development of longer-range missiles, including intercontinental ballistic missiles, and other asymmetric and conventional weapons capabilities. I have determined that these circumstances, in the context of the national emergency declared in Executive Order 12957, necessitate the exercise of my authority under IEEPA.

Sections 1-6 of the order that I have issued reimpose and extend the sanctions that were lifted pursuant to Executive Order 13716, including implementation authorities for IFCA. In addition, these sections continue in effect certain implementation authorities for ISA, CISADA, and TRA

previously provided for in Executive Order 13628. The measures in these sections will take effect following a previously announced 90 day or 180-day wind down period, as appropriate.

Section 7 of the order continues in effect authorities contained in sections 2 and 3 of Executive Order 13628 and subsection 3(c) of Executive Order 13716 targeting the diversion of goods intended for the people of Iran, the transfer of goods or technologies to Iran that are likely to be used to commit human rights abuses, and persons who engage in censorship.

Section 8 of the order continues in effect and extends prohibitions contained in section 4 of Executive Order 13628 relating to entities owned or controlled by a United States person and established or maintained outside the United States, which were required by section 218 of the TRA.

Section 9 of the order revokes Executive Orders 13628 and 13716 and clarifies that the provisions of the order supersede those earlier orders.

I have delegated to the Secretary of the Treasury, in consultation with the Secretary of State, the authority to take such actions, including adopting rules and regulations, to employ all powers granted to me by IEEPA and the relevant provisions of ISA, and to employ all powers granted to the United States Government by the relevant provisions of ISA and CISADA, as may be necessary to carry out the purposes of the order.

I am enclosing a copy of the Executive Order I have issued.

Sincerely,

DONALD J. TRUMP

* * *

Moving American Policy Forward in the Aftermath of the Iran Nuclear Deal

REMARKS

BUREAU OF INTERNATIONAL SECURITY AND NONPROLIFERATION

JULY 25, 2018

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Remarks Dr. Christopher Ashley Ford Assistant Secretary, Bureau of International Security and Nonproliferation DACOR Bacon House Washington, DC July 25, 2018

As Prepared

Good afternoon, everyone. Thank you to DACOR Bacon House Foundation and its members for the warm welcome and kind introduction. I am grateful for the opportunity to speak with you here today, and it's a pleasure to help offer some insight into the Administration's views on where we go from here with Iran. We have been very clear about the multitude of problems that were left unsolved, exacerbated, or even created by the Joint Comprehensive Plan of Action (JCPOA) nuclear deal with Iran – problems which led the President to withdraw the United States from participation. It's useful to recap them, however – and with a special focus upon nuclear proliferation risks – because understanding these problems points not just to why this administration took the decision it did, but also to the need for a more comprehensive and enduring solution.

So let me start by highlighting the degree to which the JCPOA – and the concessions it embodied in providing legitimacy to and facilitating Iran's provocative nuclear program – not only did not lead to *improvements* in Iran's regional behavior, but in fact led to this behavior *worsening*. The lifting of sanctions and Iran's degree of re-integration into the global economy that the deal permitted both enriched and emboldened Iran, making it a more dangerous regional actor than before.

Iran's defense budget has risen significantly since 2015, and its malign activities in destabilizing the Middle East have only increased. Iran's sinister Qods Force became even more deeply involved in the Syrian civil war and now serves as what is essentially an occupying force in parts of Syria. Its development of a huge arsenal of ever more sophisticated ballistic missiles continues, and it has been proliferating missiles and missile production technology to terrorist clients such as Lebanese Hizbollah and the Houthis in Yemen. Its support for international terrorism has continued, and even accelerated, and its human rights abuses at home remain unabated.

Since 2012, Iran has spent in excess of \$16 billion propping up the Assad regime in Syria, and is supporting its other destabilizing regional partners and proxies in Syria, Iraq, and Yemen. Lebanese Hizbollah receives perhaps \$700 million from Iran every year, and that's not counting something on the order of \$100 million a year to Palestinian groups such as Hamas and Palestinian Islamic Jihad. Despite the earnest expectations of the Obama Administration – as expressed in the preface of the nuclear deal itself – that "full implementation of this JCPOA will positively contribute to regional and international peace and security," Iran was only empowered and emboldened in its malign activities.

Worse still, the JCPOA actually got in the way of international efforts to push back against all of Iran's destabilizing provocations, by limiting the degree to which sanctions that had been lifted by the JCPOA could be reimposed against Iranian entities in response to these malign activities. Even where sanctions pressures were not formally ruled out by JCPOA commitments to lift them, any suggestion of serious sanctions pushback against Iran for its behavior invariably engendered resistance from partners who feared that efforts to punish Iran for *non*-nuclear provocations would lead Tehran to pull out of the nuclear deal.

The JCPOA, in other words, both facilitated Iranian misbehavior *and* made it more difficult for us to respond to these problems. As I have pointed out repeatedly, the JCPOA became – to some extent – an altar on which were sacrificed other critical aspects of U.S. Iran strategy. The nuclear tail, as it were, was very much wagging the Iran policy dog.

Nor, ironically, did the JCPOA even really do the one thing that its defenders advanced as its major selling point. It conspicuously failed to permanently address Iranian nuclear proliferation threats.

The Iranian regime began secretly trying to develop nuclear weapons at least as early as the mid-1980s, embarking upon a weapons effort that included two prongs: (1) work specifically on nuclear weaponization; and (2) work to produce the fissile materials that would be needed to actually construct a weapon. According to the U.S. intelligence community, Iran suspended its weaponization work in 2003 – at a time when our moves against Iraq seemed to send a clear signal that engaging in such weapons of mass destruction work might be, one might say, exceedingly unwise. Iran did *not*, however, stop its effort to produce fissile materials.

Indeed, despite public revelations of its previously secret fissile material production effort, Iran doubled down. After its work was exposed, Iran simply *declared* to the International Atomic Energy Agency (IAEA) the uranium enrichment program that it had been caught illegally pursuing, pretended that this made everything alright, and proceeded full speed ahead.

The international community tried to persuade Iran to stop, but it could never put sufficient pressures on the regime in Tehran. The world did not exactly *fail* to respond, mind you, but it always responded too late, and with too little. Indeed, U.S. officials had openly assessed as early as 1991 that Iran was seeking to develop nuclear weapons, but even after Iran's hitherto secret enrichment program was publicly revealed in August of 2002, and Iran admitted the existence of this effort, the first United Nations sanctions were not imposed until late 2006 – by which point the unlawful enrichment plant at Natanz had gone from being just a big hole in the ground to being a facility stocked with spinning centrifuges enriching uranium.

It was not until 2015 that the JCPOA purported to offer a solution to this problem, and it wasn't much of an answer. Indeed, the nuclear deal accepted and legitimized the fissile material production program that Iran had illegally undertaken in flagrant violation of its IAEA safeguards obligations, Article II of the Nuclear Nonproliferation Treaty, and multiple legally binding U.N. Security Council resolutions adopted under Chapter VII of the United Nations Charter. And the JCPOA only temporarily constrained the size and scope of this dangerous program, expressly *phasing out* all of restrictions on Iran's enrichment capacity, enrichment purity, and uranium stockpiles over periods ranging from 10-15 years. This was the so-called "sunset clause" problem.

The main accomplishment of the JCPOA, in other words, was merely to kick the proliferation can a bit further down the road – just by coincidence (I hope), to a point in time just beyond that at which President Obama's anticipated successor Hillary Clinton would have been finishing a presumed second term. After that, Iran would be free to build up the massive enrichment capacity that Supreme Leader Ali Khameini has repeatedly identified as his objective, thus positioning Iran dangerously close to extraordinarily rapid weaponization were it to resume the work suspended in 2003. (Iran even proclaimed itself interested in developing a nuclear-powered submarine, apparently hoping to take advantage of a provision in traditional nuclear safeguards agreements that allows nuclear material to be removed from safeguards while it is being used for naval propulsion.)

So this was the JCPOA's answer to the Iran nuclear problem. We in the current administration, however, did not see this as much of a solution – especially as it became clear that the deal facilitated Iranian misbehavior in *non*-nuclear arenas and impeded efforts to punish Iran for such malign acts.

Accordingly, we tried very hard to achieve a better answer. We reached out to partners on Capitol Hill, working closely with them in an effort to develop legislation that would mandate the reimposition of full sanctions if Iran expanded its nuclear capabilities beyond those to which the JCPOA currently restricts it. And we worked with our European partners for months in an effort to find a similar diplomatic understanding.

In neither case, however, would our interlocutors commit to taking steps to penalize Iran for expanding its nuclear capacities and shortening the assessed "breakout time" in which the regime in Tehran would be able to produce enough fissile material for a nuclear weapon. Neither Congress nor our British, French, and German partners would commit to placing any additional restriction upon the future size and scope of the Iranian nuclear program absent agreement by Iran to do so.

And then came the public revelation that Israel had acquired a massive collection of documents from Iran's past nuclear weapons work, a development that highlighted the dangers inherent in the JCPOA's "sunsetting" of restrictions on the size of Iran's enrichment capacity and stocks of fissile material. Rather than putting its past nuclear weapons program emphatically and demonstrably behind it, it turns out that Iran had been carefully *preserving* documentation and research on nuclear weapons designs.

The regime in Tehran had promised in the JCPOA that "under no circumstances will Iran ever seek, develop or acquire any nuclear weapons." If it had *meant* this, one might perhaps have expected that Iran would have admitted its past weapons work – much of which had, in any event, already been extensively documented by the IAEA – and destroyed or turned over all this documentation. Instead, however, Iran seems, as it were, to have hidden its weapons research away for a rainy day – perhaps in anticipation of a potential future decision to reconstitute full-scope weapons development once the "sunset" of JCPOA restrictions had allowed it to amass a large enough stockpile of enriched uranium and advanced centrifuges to permit a rapid sprint to weaponization. Almost nothing could better highlight the problem of the JCPOA "sunset clause."

As a result of all this, we left the JCPOA in order to start over. We now aim to use the reimposition of full sanctions in a new "maximum pressure"-style campaign against Iran as a catalyst for bringing international partners – and eventually Iran itself – back to the table to negotiate a *permanent* solution to these problems. We need these pressures to help provide incentives to find a negotiated answer that puts enduring limits on Iran's nuclear capacities, rather than temporary ones, and which thus permanently denies Iran a pathway to nuclear weapons. We also need to address Iran's missile development and proliferation threats, its support for terrorism and its destabilization of its neighbors.

Secretary Pompeo spelled out the full range of our negotiating objectives in his remarks at the Heritage Foundation on May 21. Notably, however, our approach is not just about sanctions pressures. As Secretary Pompeo also made clear, if Iran agrees to a new and better deal that comprehensively addresses our concerns, we would support Iran's full reintegration, politically and economically, into the community of nations. This would include the establishment of

diplomatic relations, lifting *all* our sanctions against Iran – not just some of them, as the JCPOA did – and supporting Iran's reintegration into the global economy and community of nations.

Normal nations do not engage in prolonged proxy wars against their neighbors, continue destabilizing behavior with persistent ballistic missile testing and proliferation, and posture themselves for illegal nuclear weaponization breakout. If Iran abandons such behaviors and thus comes to act like a normal nation, U.S. officials have indicated that they would be willing to *treat* it as a normal nation in every way. That is our hope, and that is our negotiating objective.

This is a huge project, but we are fully invested and ready to put in the sustained and serious effort required to get an outcome that provides lasting security for the region and the world. And we're also prepared to lean hard on our partners and the international community to get it done.

We are not naive enough to think that achieving a comprehensive new deal will be easy. It won't. But we are confident that friends and allies will eventually join us in demanding that Iranian behavior and conduct be normalized and made non-threatening, so that Iran can in turn enjoy truly normalized relations and commerce with the international community – benefitting, in the end, the Iranian people themselves perhaps most of all.

So that, then, is what I would offer for discussion regarding our path forward. We obviously face great challenges with Iran, but these problems demand from us an approach that seeks to reshape the security environment and starts anew toward a comprehensive and lasting solution. If we are realistic, creative, and diligent, I believe that such an answer is indeed possible – and I promise you we will be working very hard to achieve it.

Thank you for your time this afternoon. I look forward to your questions.

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Joint statement from Prime Minister Theresa May, Chancellor Angela Merkel and President Emmanuel Macron following President Trump's statement on Iran.

Published 8 May 2018

From:

Prime Minister's Office, 10 Downing Street (https://www.gov.uk/government/organisations/prime-ministers-office-10-downing-street) and The Rt Hon Theresa May MP (https://www.gov.uk/government/people/theresa-may)



It is with regret and concern that we, the Leaders of France, Germany and the United Kingdom take note of President Trump's decision to withdraw the United States of America from the Joint Comprehensive Plan of Action.

Together, we emphasise our continuing commitment to the JCPoA. This agreement remains important for our shared security. We recall that the JCPoA was unanimously endorsed by the UN Security Council in resolution 2231. This resolution remains the binding international legal framework for the resolution of the dispute about the Iranian nuclear programme. We urge all sides to remain committed to its full implementation and to act in a spirit of responsibility.

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According to the IAEA, Iran continues to abide by the restrictions set out by the JCPoA, in line with its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons. The world is a safer place as a result. Therefore we, the E3, will remain parties to the JCPoA. Our governments remain committed to ensuring the agreement is upheld, and will work with all the remaining parties to the deal to ensure this remains the case including through ensuring the continuing economic benefits to the Iranian people that are linked to the agreement.

We urge the US to ensure that the structures of the JCPoA can remain intact, and to avoid taking action which obstructs its full implementation by all other parties to the deal. After engaging with the US Administration in a thorough manner over the past months, we call on the US to do everything possible to preserve the gains for nuclear non-proliferation brought about by the JCPoA, by allowing for a continued enforcement of its main elements.

We encourage Iran to show restraint in response to the decision by the US; Iran must continue to meet its own obligations under the deal, cooperating fully and in a timely manner with IAEA inspection requirements. The IAEA must be able to continue to carry out its long-term verification and monitoring programme without restriction or hindrance. In turn, Iran should continue to receive the sanctions relief it is entitled to whilst it remains in compliance with the terms of the deal.

There must be no doubt: Iran's nuclear program must always remain peaceful and civilian. While taking the JCPOA as a base, we also agree that other major issues of concern need to be addressed. A long-term framework for Iran's nuclear programme after some of the provisions of the JCPOA expire, after 2025, will have to be defined. Because our commitment to the security of our allies and partners in the region is unwavering, we must also address in a meaningful way shared concerns about Iran's ballistic missile programme and its destabilising regional activities, especially in Syria, Iraq and Yemen. We have already started constructive and mutually beneficial discussions on these issues, and the E3 is committed to continuing them with key partners and concerned states across the region.

We and our Foreign Ministers will reach out to all parties to the JCPoA to seek a positive way forward.

Published 8 May 2018

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Under Secretary Thomas A. Shannon Senate Foreign Relations Committee Hearing on Iran's Recent Actions and Implementation of the JCPOA Tuesday, April 5, 2016

Chairman Corker, Ranking Member Cardin, and distinguished members of the Committee, I am pleased to appear before you to discuss U.S. policy toward Iran. Thank you for the opportunity.

The successful negotiation of the Joint Comprehensive Plan of Action (JCPOA) with Iran created a framework whereby we and our P5+1 partners could pursue a common goal of ensuring that Iran does not obtain a nuclear weapon. Reaching that goal however, will depend on how the JCPOA is implemented and whether Iran lives up to its international commitments. So far implementation is proceeding well. Should Iran continue along this path, we believe that, through the JCPOA, we can achieve our goal. Indeed, the significant nuclear steps Iran has already taken have put it much further away from a bomb than before this deal was in place.

While we are encouraged by Iran's adherence to its nuclear commitments thus far, I assure you that the Administration shares your concerns about the government of Iran's actions beyond the nuclear issue, including its destabilizing activities in the Middle East and its human rights abuses at home. Iran's support for terrorist groups like Hizballah, its assistance to the Asad regime in Syria and the Houthi rebels in Yemen, and its ballistic missile program are at odds with U.S. interests, and pose fundamental threats to the region and beyond. Iran continues to violate fundamental rights of its citizens by suppressing dissent, restricting freedom of expression, and torturing prisoners, among other abuses.

It is my purpose today to talk about our progress since JCPOA Implementation Day and the path forward for the coming years. We have several key objectives in our policy toward Iran: First, to ensure Iran's adherence to the JCPOA, which will prevent Iran from developing a nuclear weapon and guarantees that its nuclear program remains exclusively peaceful. Second, to counter Iran's support for terrorism and other destabilizing activities, while also working diplomatically to encourage Iran to play a more constructive role in the region. Third, to promote respect for human rights in Iran. Let me speak briefly to each of these efforts.

JCPOA Implementation

On January 16, the International Atomic Energy Agency (IAEA) verified that Iran had completed the nuclear-related steps necessary to reach JCPOA Implementation Day. This meant Iran had dismantled two-thirds of its installed uranium enrichment capacity, going from over 19,000 centrifuges before the JCPOA to just 5,060. In addition, Iran terminated all uranium enrichment at, and removed all nuclear material from, its underground Fordow facility. Reaching Implementation Day also meant Iran had shipped out 98 percent of its enriched uranium stockpile, reducing it from roughly 12,000 kilograms before the deal, to no more than 300 kilograms of up to 3.67 percent enriched uranium hexafluoride today, where it must stay. Iran also removed the core of the Arak Heavy Water Reactor and filled it with concrete, permanently rendering the core unusable and eliminating the nation's only source of weapons-grade plutonium, thus blocking that potential pathway to a weapon. The reactor is now being redesigned to not produce weapons-grade plutonium during standard operation and to minimize non-weapons usable plutonium production.

Additionally, Iran is now adhering to the IAEA Additional Protocol and the IAEA has put in place the JCPOA's numerous enhanced transparency measures. For example, modern technologies such as online enrichment monitors and electronic seals can detect cheating and tampering in real time. Iran's key declared nuclear facilities are now under continuous IAEA monitoring, and the IAEA also has oversight of Iran's entire nuclear fuel cycle from its uranium mines and mills to enrichment facilities.

Thanks to the JCPOA, Iran is now under the most comprehensive transparency and monitoring regime ever negotiated to monitor a nuclear program.

On March 9, the IAEA released its first monitoring report since Implementation Day. The report affirmed that Iran continues to adhere to its JCPOA commitments.

Iran has taken significant, irreversible steps that have fundamentally changed the trajectory of its nuclear program. Simply put, the JCPOA is working. It has effectively cut off all of Iran's pathways to building a nuclear weapon. This has made the United States, Israel, the Middle East, and the world safer and more secure. Before the JCPOA took effect, Iran was less than 90 days away from getting enough fissile material for a nuclear weapon. Today, thanks to the JCPOA, Iran is over a year away from being able to get that material. Any attempt to do so would be detected immediately by the international community.

This is why the United States is confident the JCPOA will ensure Iran's nuclear program is and will remain exclusively peaceful. In exchange for Iran completing its key nuclear steps, on Implementation Day the United States and the European Union (EU) lifted nuclear-related sanctions on Iran. The United States retains our ability and authorities to snap sanctions back into place should Iran walk away from the JCPOA. But as long as Iran continues to meet its commitments, the United States will continue to meet our commitments.

Regional Activity

I want to re-emphasize that the JCPOA did not resolve our profound differences with Iran. We remain clear-eyed about continued Iranian destabilizing activity. For decades, Iran's threats and actions to destabilize the Middle East have isolated it from much of the world. Over the past three decades, Iran has continued its support for terrorism and militancy, including its support for Lebanese Hizballah, Palestinian terrorist groups in Gaza, Kata'ib Hizballah and other Iraqi Shi'a militia groups in Iraq, and Shia militant groups in Syria. Iran was designated a State Sponsor of Terrorism in 1984 and remains so-designated today.

The Islamic Revolutionary Guard Corps – Qods Force (IRGC-QF) cultivates and supports militant groups around the region. Iran has been smuggling weapons to the Houthis in Yemen, fueling a brutal civil conflict in that country. Additionally, Iran sees the Asad regime in Syria as a crucial ally in the region and a key link to Iran's primary beneficiary and terrorist partner, Lebanese Hizballah. Iran provides arms, financing, and training to fighters to support the Asad regime's brutal crackdown that has resulted in the deaths of over 250,000 people in Syria.

That's why we have retained our sanctions related to Iran's destabilizing activities in the region, including its support for terrorism. We aggressively employ Executive Order (E.O.) 13224, which allows us to target terrorists and those who support them across the globe including Iranian persons and entities that provide support to terrorism. The IRGC-QF, the Iranian Ministry of Intelligence and Security, Iran's Mahan Air, Hizballah, and over 100 other Iran-related individuals and entities remain subject to sanctions under this E.O. On March 24, we designated six additional individuals and entities engaged in procurement activities for Mahan Air, which was named in 2011 as a Specially Designated Global Terrorist due to its support for the IRGC-QF.

We have found through experience that the most effective way to push back on aggressive Iranian activity is to work cooperatively with our allies to deter and disrupt Iranian threats. This is why we increased our security cooperation with the Gulf Cooperation Council – the GCC – following the Camp David summit and have provided additional assistance to Israel. We continue to interdict, and actively work with our coalition partners to interdict, Iranian weapons shipments throughout the region. Notable successes on this front include Israel's seizure of the Klos C vessel carrying weapons bound for Gaza in 2014, military and diplomatic efforts to prevent an Islamic Revolutionary Guard Corps (IRGC) naval flotilla from docking in Yemen in April 2015, and the four dhow seizures since September 2015 carrying weapons from Iran that we assess were bound for Yemen.

We take any threat to Israel extremely seriously and we understand that Iran's support for terrorism requires our strong support to one of our closest allies. This Administration has provided more than \$23.5 billion in foreign military financing for Israel under the current Memorandum of Understanding. Additionally, the United States has invested over \$3 billion – beyond our Foreign Military Financing (FMF) assistance – in the Iron Dome system and other missile defense programs for Israel. And we are currently working together on additional long-term support to Israel.

Iran's Ballistic Missile Tests

Iran's attempts to develop increasingly advanced ballistic missile systems are a threat to regional and international security. While full implementation of the JCPOA will ensure that Iran is unable to develop a nuclear warhead to place on a missile, we will continue to use all available multilateral and unilateral tools, including sanctions when appropriate, to impede Iran's ballistic missile program.

Following Iran's October 2015 missile test, we sanctioned eight individuals and three entities involved in procuring materials and other equipment for Iran's ballistic missile program. We also led an international effort at the United Nations to highlight and condemn Iran's tests, which violated the provisions of UN Security Council resolution 1929.

Iran conducted another set of dangerous and provocative missile tests in March. On March 24, we designated two Iran-based entities directly involved with Iran's ballistic missile program.

Additionally, we called for UN Security Council consultations on Iran's missile launches on March 14, where Ambassador Samantha Power condemned these launches as destabilizing and inconsistent with UN Security Council resolution (UNSCR) 2231. As a next step, on March 29, we submitted a joint letter along with France, the United Kingdom, and Germany to the UN Security Council requesting the UN Secretary-General report on Iran's ballistic missile activity as inconsistent with UNSCR 2231, and calling for additional Security Council discussions in the "2231 format" on the launches so that the Council can discuss appropriate responses. The Security Council met at experts-level in its "2231 format" on April 1, where U.S. missile experts briefed on the technical details of Iran's launches and explained why they were inconsistent with UNCR 2231.

We will also continue to work through the Missile Technology Control Regime and the Proliferation Security Initiative to prevent and interdict transfers of material and technology to Iran that would support its ballistic missile program.

In addition to our effects to enhance Israeli security, we'll also work closely with our Gulf allies, as part of the Camp David process started by the President last year, to develop missile defense capabilities and systems.

Human Rights

Iran violates fundamental human rights of its citizens by severely restricting civil liberties, including the freedoms of peaceful assembly, expression, and religion. Iran has the world's highest per capita rate of executions, which often happen after legal proceedings that do not follow Iran's constitutional guarantee of due process or international obligations and standards regarding fair trial guarantees. There are over 1,000 political prisoners in Iran, including 19 journalists. Many of them experience harsh treatment and extended pretrial detention. Women continue to face legal and social discrimination and limitations on their ability to travel, work, and access educational opportunities.

We use a variety of tools to raise awareness of these human rights violations and abuses and to hold their perpetrators accountable. This policy has not changed as a result of the JCPOA. We continue to have human rights sanctions authorities, including under the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) of 2010. Since 2010, we have imposed sanctions on 19 individuals and 17 entities that were determined to meet the CISADA criteria. Human rights-related sanctions are not subject to relief under the JCPOA, and we continue to vigorously enforce these sanctions. We are also working multilaterally to press Iran to better respect the human rights of its citizens. The United States strongly supports the annual UN General Assembly Third Committee resolution highlighting Iran's poor human rights record and calling on Iran to take measures to address its abuses. Additionally, the United States fully supports the mandate of the UN Special Rapporteur on the Situation of Human Rights in Iran, which was renewed March 23 primarily because of our aggressive lobbying campaign.

We are vocal about our concerns with Iran's ongoing repression of human rights and fundamental freedoms of its people. We document the Iranian government's human rights abuses in the annual International Religious Freedom, Human Rights, and Trafficking in Persons reports. Iran is designated as a "Country of Particular Concern" under the International Religious Freedom Act and is a Trafficking in Persons Tier 3 country.

The Way Forward

As a result of the nuclear negotiations, we have started to talk directly with Iran in ways we had not done for decades. While our concerns about Iran are substantial, we believe it is in the U.S. national interest to continue a dialogue with Iran on the issues that divide us – while we also continue to use all tools available to counter the Iranian activities we oppose.

The nuclear negotiations also opened up the opportunity to talk with Iran about U.S. citizens unjustly held in their prisons, which was done on a separate track. We had a dialogue that freed four U.S. citizens – Amir Hekmati, Saeed Abedini, Nosratollah Khosravi Roodsari, and Jason Rezaian – and Iran separately released U.S. student Matthew Trevithick. The protection of U.S. citizens is a top priority of the State Department. We will continue to hold Iran to its commitment to bilateral discussions about the whereabouts of Robert Levinson. Iran has a responsibility to assist us in locating and bringing home Mr. Levinson, as he went missing on Iran's Kish Island. And we continue to be concerned by the reports regarding the detention of U.S. citizens Siamak Namazi and his father, Baquer Namazi.

Iran also participates in the International Syria Support Group, working with over 20 other countries and international organizations to reach a political transition in Syria. We know Iran works against our interests supporting the Asad regime, but we also know we can't resolve this conflict with Iran outside the tent playing a spoiler role. We thus judge that Iran, with its close relationship with and history of

supporting Asad, needs to be a part of any lasting resolution to the conflict. This conflict has gone on far too long, and taken too many lives, to not have all the parties at the table trying to find a solution that gives the Syrian people a better future.

We know there is strong hostility towards the United States within certain Iranian quarters. We know parts of the Iranian establishment fear any relationship with United States. But we also know that millions of Iranians want to end their country's isolation while also benefitting from new economic opportunities. We now see Iran reengaging with the global community via high-level visits and trade agreements.

U.S. policy toward Iran must be calibrated to talk with Iran when it is in our interest while ensuring we address the threats to peace and security Iran continues to pose.

Congress plays an essential role in shaping this posture. The legislative and executive branches should work together, like we did to build international pressure on Iran, to now calibrate our approach such that we are simultaneously resolute when dealing with Iranian threats, while willing to engage when we think it in U.S. interests to do so. I look forward to continued consultations with Congress as we strive to find this balance.

We also must continue to make clear that our hand of friendship is open to the Iranian people despite the significant differences we have with its government. That is why President Obama and Secretary Kerry yet again this year delivered Nowruz messages addressed directly to the Iranian people, expressing the desire for stronger ties between Iranians and Americans.

It is up to Iran to decide the scope and pace of engagement. Whether Iran engages substantively with us or not, we are confident that the JCPOA makes us and our partners safer. We will continue to work with the IAEA, the EU, and the P5+1 to vigorously monitor and verify that Iran is keeping its commitments, and will continue to use all of the tools, both unilaterally and multilaterally, to address our other issues of concern with Iran.

Thank you for this opportunity to testify. I look forward to taking your questions.



REMARKS

Remarks by President Trump on the Joint Comprehensive Plan of Action

- FOREIGN POLICY

Issued on: May 8, 2018

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Diplomatic Reception Room

2:13 P.M. EDT

THE PRESIDENT: My fellow Americans: Today, I want to update the world on our efforts to prevent Iran from acquiring a nuclear weapon.

The Iranian regime is the leading state sponsor of terror. It exports dangerous missiles, fuels conflicts across the Middle East, and supports terrorist proxies and militias such as Hezbollah, Hamas, the Taliban, and al Qaeda.

Over the years, Iran and its proxies have bombed American embassies and military installations, murdered hundreds of American servicemembers, and kidnapped, imprisoned, and tortured American citizens. The Iranian regime has funded its long reign of chaos and terror by plundering the wealth of its own people.

No action taken by the regime has been more dangerous than its pursuit of nuclear weapons and the means of delivering them.

In 2015, the previous administration joined with other nations in a deal regarding Iran's nuclear program. This agreement was known as the Joint Comprehensive Plan of Action, or JCPOA.

In theory, the so-called "Iran deal" was supposed to protect the United States and our allies from the lunacy of an Iranian nuclear bomb, a weapon that will only endanger the survival of the Iranian regime. In fact, the deal allowed Iran to continue enriching uranium and, over time, reach the brink of a nuclear breakout.

The deal lifted crippling economic sanctions on Iran in exchange for very weak limits on the regime's nuclear activity, and no limits at all on its other malign behavior, including its sinister activities in Syria, Yemen, and other places all around the world.

In other words, at the point when the United States had maximum leverage, this disastrous deal gave this regime — and it's a regime of great terror — many billions of dollars, some of it in actual cash — a great embarrassment to me as a citizen and to all citizens of the United States.

A constructive deal could easily have been struck at the time, but it wasn't. At the heart of the Iran deal was a giant fiction that a murderous regime desired only a peaceful nuclear energy program.

Today, we have definitive proof that this Iranian promise was a lie. Last week, Israel published intelligence documents long concealed by Iran, conclusively showing the Iranian regime and its history of pursuing nuclear weapons.

The fact is this was a horrible, one-sided deal that should have never, ever been made. It didn't bring calm, it didn't bring peace, and it never will.

In the years since the deal was reached, Iran's military budget has grown by almost 40 percent, while its economy is doing very badly. After the sanctions were lifted, the dictatorship used its new funds to build nuclear-capable missiles, support terrorism, and cause havoc throughout the Middle East and beyond.

The agreement was so poorly negotiated that even if Iran fully complies, the regime can still be on the verge of a nuclear breakout in just a short period of time. The deal's sunset provisions are totally unacceptable. If I allowed this deal to stand, there would soon be a nuclear arms race in the Middle East. Everyone would want their weapons ready by the time Iran had theirs.

Making matters worse, the deal's inspection provisions lack adequate mechanisms to prevent, detect, and punish cheating, and don't even have the unqualified right to inspect many important

locations, including military facilities.

Not only does the deal fail to halt Iran's nuclear ambitions, but it also fails to address the regime's development of ballistic missiles that could deliver nuclear warheads.

Finally, the deal does nothing to constrain Iran's destabilizing activities, including its support for terrorism. Since the agreement, Iran's bloody ambitions have grown only more brazen.

In light of these glaring flaws, I announced last October that the Iran deal must either be renegotiated or terminated.

Three months later, on January 12th, I repeated these conditions. I made clear that if the deal could not be fixed, the United States would no longer be a party to the agreement.

Over the past few months, we have engaged extensively with our allies and partners around the world, including France, Germany, and the United Kingdom. We have also consulted with our friends from across the Middle East. We are unified in our understanding of the threat and in our conviction that Iran must never acquire a nuclear weapon.

After these consultations, it is clear to me that we cannot prevent an Iranian nuclear bomb under the decaying and rotten structure of the current agreement.

The Iran deal is defective at its core. If we do nothing, we know exactly what will happen. In just a short period of time, the world's leading state sponsor of terror will be on the cusp of acquiring the world's most dangerous weapons.

Therefore, I am announcing today that the United States will withdraw from the Iran nuclear deal.

In a few moments, I will sign a presidential memorandum to begin reinstating U.S. nuclear sanctions on the Iranian regime. We will be instituting the highest level of economic sanction. Any nation that helps Iran in its quest for nuclear weapons could also be strongly sanctioned by the United States.

America will not be held hostage to nuclear blackmail. We will not allow American cities to be threatened with destruction. And we will not allow a regime that chants "Death to America" to gain

access to the most deadly weapons on Earth.

Today's action sends a critical message: The United States no longer makes empty threats. When I make promises, I keep them. In fact, at this very moment, Secretary Pompeo is on his way to North Korea in preparation for my upcoming meeting with Kim Jong-un. Plans are being made. Relationships are building. Hopefully, a deal will happen and, with the help of China, South Korea, and Japan, a future of great prosperity and security can be achieved for everyone.

As we exit the Iran deal, we will be working with our allies to find a real, comprehensive, and lasting solution to the Iranian nuclear threat. This will include efforts to eliminate the threat of Iran's ballistic missile program; to stop its terrorist activities worldwide; and to block its menacing activity across the Middle East. In the meantime, powerful sanctions will go into full effect. If the regime continues its nuclear aspirations, it will have bigger problems than it has ever had before.

Finally, I want to deliver a message to the long-suffering people of Iran: The people of America stand with you. It has now been almost 40 years since this dictatorship seized power and took a proud nation hostage. Most of Iran's 80 million citizens have sadly never known an Iran that prospered in peace with its neighbors and commanded the admiration of the world.

But the future of Iran belongs to its people. They are the rightful heirs to a rich culture and an ancient land. And they deserve a nation that does justice to their dreams, honor to their history, and glory to God.

Iran's leaders will naturally say that they refuse to negotiate a new deal; they refuse. And that's fine. I'd probably say the same thing if I was in their position. But the fact is they are going to want to make a new and lasting deal, one that benefits all of Iran and the Iranian people. When they do, I am ready, willing, and able.

Great things can happen for Iran, and great things can happen for the peace and stability that we all want in the Middle East.

There has been enough suffering, death, and destruction. Let it end now.

Thank you. God bless you. Thank you.

(The presidential memorandum is signed.)

Q Mr. President, how does this make America safer? How does this make America safer?

THE PRESIDENT: Thank you very much. This will make America much safer. Thank you very much.

Q Is Secretary Pompeo bringing the detainees home?

THE PRESIDENT: Thank you. Secretary Pompeo is, right now, going to North Korea. He will be there very shortly in a matter of virtual — probably an hour. He's got meetings set up. We have our meeting scheduled. We have our meeting set. The location is picked — the time and the date. Everything is picked. And we look forward to having a very great success.

We think relationships are building with North Korea. We'll see how it all works out. Maybe it will, maybe it won't. But it can be a great thing for North Korea, South Korea, Japan and the entire world. We hope it all works out.

Thank you very much.

Q Are the Americans being freed?

Q Are the Americans coming home, Mr. President?

THE PRESIDENT: We'll all soon be finding out. We will soon be finding out. It would be a great thing if they are. We'll soon be finding out. Thank you very much.

END

2:25 P.M. EDT



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COMMISSION ON HUMAN RIGHTS Sub-Commission on Prevention of Discrimination and Protection of Minorities

> REPORT OF THE SUB-COMMISSION ON PREVENTION OF DISCRIMINATION AND PROTECTION OF MINORITIES ON ITS FORTY-SIXTH SESSION

> > Geneva, 1-26 August 1994

Rapporteur: Mr. Osman El-Hajjé

GE.94-14556 (E)

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United Nations system and of their families, as well as of experts and consultants, and to transmit the relevant part of their respective reports to the Secretary-General for him to include in his report to the Commission on Human Rights;

6. <u>Welcomes</u> the decision of the General Assembly, contained in its resolution 48/37 of 9 December 1993, to establish an ad hoc committee to elaborate an international convention dealing with the safety and security of United Nations and associated personnel, with particular reference to responsibility for attacks on such personnel, and expresses the hope that this convention will be adopted as soon as possible;

7. <u>Recommends</u> that the Commission on Human Rights continue to keep under review the human rights situation of staff members of the United Nations system and other persons acting under the authority of the United Nations.

> <u>35th meeting</u> <u>25 August 1994</u> [Adopted without a vote. See chap. VII.]

1994/16. Situation of human rights in the Islamic Republic of Iran

The Sub-Commission on Prevention of Discrimination and Protection of Minorities,

<u>Recalling</u> its relevant resolutions, including the most recent, resolution 1993/14 of 23 August 1993, calling for an end to the violation of human rights by the Islamic Republic of Iran,

<u>Recalling also</u> relevant resolutions of the Commission on Human Rights, including the most recent, resolution 1994/73 of 9 March 1994, as well as those of the General Assembly, including the most recent, resolution 48/145 of 20 December 1993,

<u>Deeply concerned</u> at extensive and continuing human rights violations by the Government of the Islamic Republic of Iran, including arbitrary and summary executions, torture and inhuman and degrading treatment and punishment, arbitrary arrests and imprisonment, unexplained disappearances, the absence of guarantees essential for the protection of the right to a fair trial and disregard for freedom of expression and freedom of religion,

<u>Shocked</u> by the systematic repression of the Baha'i community and at the situation of the Iranian Kurds and the Arab minority in Iran, and at increasing intolerance towards Christians, including recent murders of Christian religious ministers,

<u>Appalled</u> at the continued repression of women in the Islamic Republic of Iran, including the practice of gender-based discrimination and the use of unacceptable and unjustifiable means of punishment, E/CN.4/1995/2 E/CN.4/Sub.2/1994/56 page 54

<u>Aware</u> of the mounting concern expressed by the authorities of a number of States at the involvement in, and support for, international terrorism by the Islamic Republic of Iran, causing the loss of many lives, and the call by those authorities for action against the Islamic Republic,

<u>Reaffirming</u> that Governments are accountable for attacks by their agents against persons on the territory of another State, and also for inciting, approving or condoning such acts,

<u>Welcoming</u> the recommendations contained in the report of the Special Representative of the Commission on Human Rights (E/CN.4/1994/50) and the decision of the Commission to continue the Special Representative's mandate,

Expressing its profound regret that the Government of the Islamic Republic of Iran has refused to allow the Special Representative of the Commission to make a further visit to Iran,

Also regretting that the Government of the Islamic Republic of Iran refuses to implement existing agreements with international humanitarian organizations,

<u>Affirming</u> that human rights are universal and indivisible and that the violation of internationally recognized human rights standards cannot be justified by cultural or religious considerations,

1. <u>Endorses</u> the call by the Special Representative of the Commission on Human Rights for the Government of the Islamic Republic of Iran to address the issues covered in his report (E/CN.4/1994/50) and to take urgent and effective action to improve its record in the field of human rights;

2. <u>Condemns</u> the flagrant violations of human rights in the Islamic Republic of Iran which, as noted by the Special Representative of the Commission, include:

(a) Excessive use of the death penalty;

(b) Numerous cases of torture and cruel, inhuman or degrading treatment and punishment;

(c) A failure to meet international standards with regard to due process and the administration of justice;

(d) Religious discrimination, notably against the Baha'is and Christian individuals and groups;

(e) Discrimination against women;

(f) Restrictions on freedom of expression and freedom of opinion and undue limitation of freedom of the press;

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(g) The use of excessive force in suppressing public demonstrations, as at Ghazvin, followed in some cases by execution without due process of persons involved in such demonstrations, notably at Zahedan;

3. <u>Demands</u> that the Government of the Islamic Republic of Iran cease forthwith any involvement in or toleration of murder and State-sponsored terrorism against Iranians living abroad and the nationals of other States;

4. <u>Also demands</u> that the Government of the Islamic Republic of Iran withdraw its support for and condoning of repeated threats to the lives of persons of whose opinions, writings or publications it disapproves;

5. <u>Calls upon</u> the Government of the Islamic Republic of Iran to cooperate with the judicial authorities in countries around the world which are investigating incidents of international terrorism, and in particular to return for trial in Switzerland two persons accused of the murder of Professor Kazem Rajavi who were returned to the Islamic Republic of Iran and who are sought by the Swiss judicial authorities;

6. <u>Urges</u> the Government of the Islamic Republic of Iran to comply with all current international norms in the field of human rights, including in particular those contained in the International Covenant on Civil and Political Rights, to which the Islamic Republic of Iran is a party;

7. <u>Strongly supports</u> the view of the Commission on Human Rights that the international monitoring of the human rights situation in the Islamic Republic of Iran should be continued;

8. <u>Requests</u> the Secretary-General to continue to keep the Sub-Commission informed of relevant reports and United Nations measures to prevent human rights violations in the Islamic Republic of Iran, including, in particular, those concerning the situation of the Kurds and the Arab minority and the religious freedoms of the Baha'i and Christian communities in Iran;

9. <u>Decides</u> to consider further the situation of human rights in the Islamic Republic of Iran at its forty-seventh session.

Adopted by secret ballot by 15 votes to 6, with 3 abstentions. See chap VII.]

1994/17. Situation in Burundi

The Sub-Commission on Prevention of Discrimination and Protection of Minorities,

<u>Guided</u> by the principles embodied in the Charter of the United Nations, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights,

E/1996/23 E/CN.4/1996/177

COMMISSION ON HUMAN RIGHTS REPORT ON THE FIFTY-SECOND SESSION

(18 March-26 April 1996)

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS, 1996

SUPPLEMENT NO. 3



UNITED NATIONS

E/1996/23 E/CN.4/1996/177

COMMISSION ON HUMAN RIGHTS REPORT ON THE FIFTY-SECOND SESSION

(18 March-26 April 1996)

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS, 1996

SUPPLEMENT NO. 3



UNITED NATIONS NEW YORK AND GENEVA, 1996

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

A State not member of the Commission may submit proposals in accordance with rule 69, paragraph 3, of the rules of the functional commissions of the Economic and Social Council. The list of participants is contained in annex I.

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1996/83. <u>Evaluation of the human rights programme of the</u> <u>United Nations system, in accordance with the</u> <u>Vienna Declaration and Programme of Action</u>

The Commission on Human Rights,

<u>Considering</u> that the Vienna Declaration and Programme of Action (A/CONF.157/23), adopted by the World Conference on Human Rights on 25 June 1993 and endorsed by the General Assembly in resolution 48/121 of 20 December 1993, recommends that, among other relevant bodies of the United Nations, the Commission on Human Rights consider ways and means for the full implementation, without delay, of the recommendations contained in the Declaration and Programme of Action and that, for this purpose, the Commission should annually review the progress towards this end,

<u>Recalling</u> its resolution 1994/95 of 9 March 1994, in which it decided to review annually the progress towards the full implementation of the recommendations contained in the Vienna Declaration and Programme of Action,

<u>Considering</u> that the Vienna Declaration and Programme of Action stressed the importance of strengthening the United Nations Centre for Human Rights and the need for it to play an important role in coordinating system-wide attention for human rights,

<u>Recognizing</u> the necessity for the continuing adaptation of the United Nations human rights machinery to current and future needs in the promotion and protection of all human rights, to be conducted in a transparent manner through consultations with Member States and competent intergovernmental bodies,

<u>Having in mind</u> the prominent role played by the Commission on Human Rights as a policy-making body in the field of human rights within the United Nations system,

<u>Recalling</u> General Assembly resolution 48/141 in which the General Assembly decided to create the post of United Nations High Commissioner for Human Rights as the United Nations official with principal responsibility for United Nations human rights activities,

Noting the respective functions of the Secretary-General and the pertinent bodies in the revision of the medium-term plan of the human rights programme of the United Nations system, especially the Committee on Programme Planning and Coordination, the Third and Fifth Committees of the General Assembly and the Advisory Committee on Administrative and Budgetary Questions,

<u>Recalling</u> that, in the ongoing review of the structures of the Secretariat of the United Nations dealing with human rights, in particular the Centre for Human Rights, it is necessary to ensure full implementation of the Vienna Declaration and Programme of Action (A/CONF.157/23) and all mandates established by decisions of competent bodies in the field of human rights, Emphasizing the importance of maintaining a continuing dialogue between the United Nations High Commissioner for Human Rights and Member States on these issues,

<u>Welcoming</u> the consultations carried out by the United Nations High Commissioner for Human Rights in this regard,

1. <u>Encourages</u> the General Assembly to continue its current examination of the proposed revisions to the medium-term plan of the human rights programme of the United Nations system with a view to its early adoption;

2. <u>Stresses</u> the need for the United Nations bodies responsible for the revision of the medium-term plan of the human rights programme of the United Nations system to ensure full reflection of the Vienna Declaration and Programme of Action and of all mandates established by decisions of the competent bodies in the field of human rights;

3. <u>Also stresses</u> that the process of restructuring the Centre for Human Rights should ensure the full implementation of the Vienna Declaration and Programme of Action and of all mandates established by decisions of the competent bodies in the field of human rights;

4. <u>Requests</u> the Secretary-General to continue to convene at least twice a year in Geneva meetings with all interested States to provide information and exchange views on the activities conducted by the Centre for Human Rights and its process of restructuring;

5. <u>Expresses its confidence</u> that the Secretary-General will continue to keep Member States informed on the follow-up of the present resolution;

6. <u>Decides</u> to consider this matter at its fifty-third session.

<u>61st meeting</u> <u>24 April 1996</u> [Adopted without a vote. See chap. XXI.]

1996/84. Situation of human rights in the Islamic Republic of Iran

The Commission on Human Rights,

<u>Guided</u> by the Charter of the United Nations, the Universal Declaration of Human Rights and the International Covenants on Human Rights,

<u>Recalling</u> the Vienna Declaration and Programme of Action (A/CONF.157/23) as endorsed by the General Assembly in its resolution 48/121 of 20 December 1993, and in particular Part I, paragraph 1, which reaffirms, <u>inter alia</u>, that human rights and fundamental freedoms are the birthright of all human beings and that their protection and promotion is the first responsibility of Governments,

<u>Reaffirming</u> that all Member States have a duty to fulfil the obligations they have undertaken under the various international instruments in the field of human rights,

<u>Mindful</u> that the Islamic Republic of Iran is a party to the International Covenants on Human Rights,

<u>Recalling in particular</u> its resolution 1984/54 of 14 March 1984, in which the Commission requested its Chairman to appoint a special representative to make a thorough study of the human rights situation in the Islamic Republic of Iran, based on such information as the special representative might deem relevant, including comments and material provided by the Government of the Islamic Republic of Iran,

Noting the appointment by the Chairman of the Commission on Human Rights of Mr. Maurice Danby Copithorne as Special Representative of the Commission on the situation of human rights in the Islamic Republic of Iran, and paying tribute to his predecessor, Mr. Reinaldo Galindo Pohl,

<u>Welcoming</u> the cooperation extended by the Government of the Islamic Republic of Iran to the Special Representative, who has been able to conduct a preliminary visit to the Islamic Republic of Iran,

Recalling its previous resolutions expressing concern at the violations of human rights by the Government of the Islamic Republic of Iran, including its most recent, resolution 1995/68 of 8 March 1995, and those of the General Assembly, including the most recent, resolution 50/188 of 22 December 1995, and of the Sub-Commission on Prevention of Discrimination and Protection of Minorities, including the most recent, resolution 1995/18 of 24 August 1995, which condemned the violations of human rights in the Islamic Republic of Iran,

Noting the concluding observations of the Committee on the Elimination of Racial Discrimination, the Human Rights Committee and the Committee on Economic, Social and Cultural Rights on the human rights situation in the Islamic Republic of Iran,

<u>Reaffirming</u> that Governments are accountable for assassinations and attacks by their agents against persons on the territory of another State, as well as for the incitement, approval or wilful condoning of such acts,

Noting the view of the Special Representative that a number of specific topics warrant his further detailed examination, particularly in the area of criminal procedure and the penal system,

Expressing the hope that the atmosphere for change believed to be detected by the Special Representative will result in relevant improvements,

<u>Welcoming</u> the cooperation extended by the Government of the Islamic Republic of Iran to the Special Rapporteur on religious intolerance and the Special Rapporteur on freedom of opinion and expression, who have been able to visit the Islamic Republic of Iran, and bearing in mind the reports of these Special Rapporteurs on their visits (E/CN.4/1996/95/Add.2 and E/CN.4/1996/39/Add.2),

1. <u>Welcomes</u> the report of the Special Representative of the Commission and the observations contained therein (E/CN.4/1996/59);

2. Expresses its concern at the continuation of violations of human rights in the Islamic Republic of Iran, in particular the failure to meet international standards with regard to the administration of justice, notably with respect to pre-trial detention and the right of accused persons to defence lawyers, subsequent executions in the absence of guarantees of due process of law and cases of torture and cruel, inhuman or degrading treatment or punishment, the discriminatory treatment of minorities by reason of their religious beliefs, notably the Baha'is, whose existence as a viable religious community in the Islamic Republic of Iran is threatened, lack of adequate protection for some Christian minorities, some members of which have been the target of intimidation and assassinations, violations of the right to peaceful assembly and restrictions on the freedom of expression, thought, opinion and the press, including intimidation and harassment of journalists;

3. <u>Calls upon</u> the Government of the Islamic Republic of Iran to implement fully the conclusions and recommendations of the Special Rapporteur on religious intolerance relating to the Baha'is and to other minority religious groups, including Christians;

4. <u>Expresses its concern</u> at the lack of full and equal enjoyment by women of human rights, and calls upon the Government of the Islamic Republic of Iran to take effective measures to eliminate discrimination against women;

5. <u>Expresses its grave concern</u> at the continued use of the death penalty in the Islamic Republic of Iran in violation of the relevant provisions of the International Covenant on Civil and Political Rights and the United Nations safeguards;

6. <u>Also expresses its grave concern</u> that there are continuing threats to the life of Mr. Salman Rushdie, as well as to individuals associated with his work, which have the support of the Government of the Islamic Republic of Iran;

7. <u>Deplores</u> the continuing violence against Iranians outside the Islamic Republic of Iran, and urges the Government of the Islamic Republic of Iran to refrain from activities against members of the Iranian opposition living abroad and to cooperate wholeheartedly with the authorities of other countries in investigating and punishing offences reported by them;

8. <u>Urges</u> the Government of the Islamic Republic of Iran, as a State party to the International Covenants on Human Rights, to abide by its obligations under the Covenants and under other international instruments on human rights to which it is party, and to ensure that all individuals within its territory and subject to its jurisdiction, including religious groups, enjoy the rights recognized in these instruments; 9. <u>Encourages</u> the Government of the Islamic Republic of Iran to continue to extend maximum cooperation to international humanitarian organizations;

10. <u>Welcomes</u> the invitation extended by the Government of the Islamic Republic of Iran to the Special Representative as well as the Special Rapporteur on the right to freedom of expression and association, and calls upon the Government of the Islamic Republic of Iran to continue to cooperate with the mechanisms of the Commission, including by allowing them continued free access to the country;

11. <u>Decides</u> to extend the mandate of the Special Representative, as contained in Commission resolution 1984/54 of 14 March 1984, for a further year;

12. <u>Stresses</u> the need to apply gender perspective in the reporting process, including in information collection and recommendations;

13. <u>Requests</u> the Special Representative to submit an interim report to the General Assembly at its fifty-first session on the situation of human rights in the Islamic Republic of Iran, including the situation of minority groups such as the Baha'is, and to report to the Commission at its fifty-third session;

14. <u>Requests</u> the Secretary-General to give all necessary assistance to the Special Representative;

15. <u>Decides</u> to continue its consideration of the situation of human rights in the Islamic Republic of Iran, as a matter of priority, at its fifty-third session.

<u>62nd meeting</u> <u>24 April 1996</u> [Adopted by a roll-call vote of 24 votes to 7, with 20 abstentions. See chap. X.]

1996/85. Rights of the child

The Commission on Human Rights,

<u>Recalling</u> its resolutions 1995/78 and 1995/79 of 8 March 1995 and General Assembly resolution 50/153 of 21 December 1995,

<u>Recalling also</u> the Vienna Declaration and Programme of Action (A/CONF.157/23), in which the World Conference on Human Rights urged all States, with the support of international cooperation, to address the acute problem of children under especially difficult circumstances, and recalling further that the Vienna Declaration and Programme of Action stated that exploitation and abuse of children should be actively combated, including by addressing their root causes, and that effective measures are required against female infanticide, harmful child labour, sale of children and organs, child prostitution, child pornography, as well as other forms of sexual abuse,