

**Security Council**

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**Resolution 1373 (2001)****Adopted by the Security Council at its 4385th meeting, on  
28 September 2001**

*The Security Council,*

*Reaffirming* its resolutions 1269 (1999) of 19 October 1999 and 1368 (2001) of 12 September 2001,

*Reaffirming also* its unequivocal condemnation of the terrorist attacks which took place in New York, Washington, D.C. and Pennsylvania on 11 September 2001, and expressing its determination to prevent all such acts,

*Reaffirming further* that such acts, like any act of international terrorism, constitute a threat to international peace and security,

*Reaffirming* the inherent right of individual or collective self-defence as recognized by the Charter of the United Nations as reiterated in resolution 1368 (2001),

*Reaffirming* the need to combat by all means, in accordance with the Charter of the United Nations, threats to international peace and security caused by terrorist acts,

*Deeply concerned* by the increase, in various regions of the world, of acts of terrorism motivated by intolerance or extremism,

*Calling* on States to work together urgently to prevent and suppress terrorist acts, including through increased cooperation and full implementation of the relevant international conventions relating to terrorism,

*Recognizing* the need for States to complement international cooperation by taking additional measures to prevent and suppress, in their territories through all lawful means, the financing and preparation of any acts of terrorism,

*Reaffirming* the principle established by the General Assembly in its declaration of October 1970 (resolution 2625 (XXV)) and reiterated by the Security Council in its resolution 1189 (1998) of 13 August 1998, namely that every State has the duty to refrain from organizing, instigating, assisting or participating in terrorist acts in another State or acquiescing in organized activities within its territory directed towards the commission of such acts,

*Acting* under Chapter VII of the Charter of the United Nations,

01-55743 (E)



1. *Decides* that all States shall:

- (a) Prevent and suppress the financing of terrorist acts;
- (b) Criminalize the wilful provision or collection, by any means, directly or indirectly, of funds by their nationals or in their territories with the intention that the funds should be used, or in the knowledge that they are to be used, in order to carry out terrorist acts;
- (c) Freeze without delay funds and other financial assets or economic resources of persons who commit, or attempt to commit, terrorist acts or participate in or facilitate the commission of terrorist acts; of entities owned or controlled directly or indirectly by such persons; and of persons and entities acting on behalf of, or at the direction of such persons and entities, including funds derived or generated from property owned or controlled directly or indirectly by such persons and associated persons and entities;
- (d) Prohibit their nationals or any persons and entities within their territories from making any funds, financial assets or economic resources or financial or other related services available, directly or indirectly, for the benefit of persons who commit or attempt to commit or facilitate or participate in the commission of terrorist acts, of entities owned or controlled, directly or indirectly, by such persons and of persons and entities acting on behalf of or at the direction of such persons;

2. *Decides also* that all States shall:

- (a) Refrain from providing any form of support, active or passive, to entities or persons involved in terrorist acts, including by suppressing recruitment of members of terrorist groups and eliminating the supply of weapons to terrorists;
- (b) Take the necessary steps to prevent the commission of terrorist acts, including by provision of early warning to other States by exchange of information;
- (c) Deny safe haven to those who finance, plan, support, or commit terrorist acts, or provide safe havens;
- (d) Prevent those who finance, plan, facilitate or commit terrorist acts from using their respective territories for those purposes against other States or their citizens;
- (e) Ensure that any person who participates in the financing, planning, preparation or perpetration of terrorist acts or in supporting terrorist acts is brought to justice and ensure that, in addition to any other measures against them, such terrorist acts are established as serious criminal offences in domestic laws and regulations and that the punishment duly reflects the seriousness of such terrorist acts;
- (f) Afford one another the greatest measure of assistance in connection with criminal investigations or criminal proceedings relating to the financing or support of terrorist acts, including assistance in obtaining evidence in their possession necessary for the proceedings;
- (g) Prevent the movement of terrorists or terrorist groups by effective border controls and controls on issuance of identity papers and travel documents, and through measures for preventing counterfeiting, forgery or fraudulent use of identity papers and travel documents;

3. *Calls* upon all States to:

(a) Find ways of intensifying and accelerating the exchange of operational information, especially regarding actions or movements of terrorist persons or networks; forged or falsified travel documents; traffic in arms, explosives or sensitive materials; use of communications technologies by terrorist groups; and the threat posed by the possession of weapons of mass destruction by terrorist groups;

(b) Exchange information in accordance with international and domestic law and cooperate on administrative and judicial matters to prevent the commission of terrorist acts;

(c) Cooperate, particularly through bilateral and multilateral arrangements and agreements, to prevent and suppress terrorist attacks and take action against perpetrators of such acts;

(d) Become parties as soon as possible to the relevant international conventions and protocols relating to terrorism, including the International Convention for the Suppression of the Financing of Terrorism of 9 December 1999;

(e) Increase cooperation and fully implement the relevant international conventions and protocols relating to terrorism and Security Council resolutions 1269 (1999) and 1368 (2001);

(f) Take appropriate measures in conformity with the relevant provisions of national and international law, including international standards of human rights, before granting refugee status, for the purpose of ensuring that the asylum-seeker has not planned, facilitated or participated in the commission of terrorist acts;

(g) Ensure, in conformity with international law, that refugee status is not abused by the perpetrators, organizers or facilitators of terrorist acts, and that claims of political motivation are not recognized as grounds for refusing requests for the extradition of alleged terrorists;

4. *Notes* with concern the close connection between international terrorism and transnational organized crime, illicit drugs, money-laundering, illegal arms-trafficking, and illegal movement of nuclear, chemical, biological and other potentially deadly materials, and in this regard *emphasizes* the need to enhance coordination of efforts on national, subregional, regional and international levels in order to strengthen a global response to this serious challenge and threat to international security;

5. *Declares* that acts, methods, and practices of terrorism are contrary to the purposes and principles of the United Nations and that knowingly financing, planning and inciting terrorist acts are also contrary to the purposes and principles of the United Nations;

6. *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 monitor implementation of this resolution, with the assistance of appropriate expertise, and *calls upon* all States to report to the Committee, no later than 90 days from the date of adoption of this resolution and thereafter according to a timetable to be proposed by the Committee, on the steps they have taken to implement this resolution;

7. *Directs* the Committee to delineate its tasks, submit a work programme within 30 days of the adoption of this resolution, and to consider the support it requires, in consultation with the Secretary-General;

8. *Expresses* its determination to take all necessary steps in order to ensure the full implementation of this resolution, in accordance with its responsibilities under the Charter;

9. *Decides* to remain seized of this matter.

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FINANCIAL INTEGRITY  
NETWORK

**The Honorable Juan C. Zarate**

Chairman and Co-Founder  
Financial Integrity Network

Former Deputy Assistant to the President and  
Deputy National Security Advisor for Combatting Terrorism

Former Assistant Secretary of the Treasury  
for Terrorist Financing and Financial Crimes

Testimony before the  
**Senate Committee on Banking, Housing, and  
Urban Affairs**

**Understanding the Role of Sanctions Under the  
Iran Deal**

May 24, 2016

Chairman Shelby, Ranking Member Brown, and distinguished members of the Senate Committee on Banking, Housing, and Urban Affairs, I am honored to be with you today to discuss the role and significance of sanctions in the Iran nuclear deal, the Joint Comprehensive Plan of Action (JCPOA). The JCPOA is an ongoing and unfolding agreement, with significant implications for how the United States continues to leverage its economic and financial influence to affect Iranian behavior and counter its nefarious activity. This is an important moment for the United States to examine Iranian activity around the globe soberly and determine how best to proceed with the agreement and against the Iranian threat.

When the JCPOA was being debated, I expressed deep concerns and reservations about its structure, demands, and effects on U.S. interests, especially in anticipation of increased Iranian belligerence and adventurism. In detailed testimony before both this Committee and the Senate on Foreign Relations Committee, I explained that the JCPOA was fundamentally flawed, in part because it would empower and enrich the regime and ultimately constrain our ability to use the most effective financial and economic tools of isolation to counter dangerous Iranian behavior.

With strategic patience, Iran can march toward a weaponized program with greater capabilities, breakout capacity, and more economic resources, resilience, and connectivity to the global oil markets and commercial system. Even if Iran complies with all elements of this deal, Tehran will end up with an unfettered opportunity to break out and weaponize its nuclear program, overtly or covertly, along with an ability to arm itself and its allies more openly and aggressively. The end state of the agreement takes us far afield from the declared goal of successive administrations at the start of negotiations.

The structure, processes, and nature of this agreement give Iran the benefit of the doubt that it is pursuing a peaceful program, when the onus should remain on Iran to prove the peaceful nature of its program, as constructed in the prior, relevant UN Security Council Resolutions (UNSCRs).

Ultimately, what we negotiated and promised was Iran's reintegration into the global economic system. The JCPOA sacrifices the ability of the United States to use its financial and economic power and influence to isolate and attack dangerous and problematic Iranian activity – beyond the nuclear program. Beyond simple sanctions relief, we negotiated away one of our most important tools of statecraft – the very financial and economic coercion that helped bring the Iranian regime to the table. Though “non-nuclear” sanctions were supposedly off the table, the spirit and letter of the agreement neuters Washington's ability to leverage one of its most powerful tools – its ability to exclude rogue Iranian actors and activities from the global financial and commercial system.

As I explained last year, promising Iranian reintegration into the global system was not possible unless we were willing to defang our sanctions regime and ignore Iranian behavior; rehabilitate the perception of the Iranian regime ourselves; and take the most effective tools of financial isolation off the table.

This is a critical point as Iran continues the range of dangerous activities that have been the subject of sanctions and international opprobrium. In the wake of the JCPOA implementation, these activities have included the following:



1. Iran has conducted repeated ballistic missile tests in violation of UN resolutions, including earlier this month according to Iranian news reports, and promises further tests. The launch in March also coincided with Vice President Biden's visit to Israel.
2. Qassem Soleimani, the head of the Iranian Revolutionary Guard Corps' (IRGC) Qods Force, traveled twice to Moscow in contravention of international travel bans to coordinate military cooperation with the Russian government, to include the delivery of the S-300 system to Iran and defense of the Assad regime in Syria.
3. Iran remains the leading state sponsor of terror and has continued its direct support to terrorist proxies throughout the region, to include Hizballah's activities in Lebanon and Syria, as well as Iraqi Shi'ite militias who were responsible for the deaths of hundreds of Americans in Iraq and are now deployed in Syria to fight for the Assad regime. Iran's support of terrorist proxies is intended to destabilize regional governments allied with the United States, and the Gulf States have uncovered and interdicted Iranian arms shipments to militias. In recent months, international naval forces have interdicted Iranian arms shipments likely headed to Houthi rebels in Yemen.
4. Iran has deployed troops – regular and from the IRGC – to Syria to fight for and defend the Assad regime, with reports of thousands on the ground. Qassem Soleimani continues to appear at key battlefronts throughout Syria, and the Iranians help funnel Iraqi, Afghani, and Pakistani Shi'ite militias into the battlefield.
5. Iran has continued to engage in human rights abuses and the restriction of democratic norms. In the run up to recent parliamentary elections, Iran disqualified thousands of individuals from running<sup>1</sup> and continues to hold the leaders of the Green Movement under house arrest.
6. Iran detained two Iranian-American citizens, a father and son, in October 2015 and February 2016, and continues to hold them. In addition, Robert Levinson remains missing after disappearing on Kish Island on March 9, 2007.
7. On January 12, 2016, Iranian naval forces arrested American sailors at gunpoint, broadcasting the video of their detention, and subsequently mocking the sailors through a reenactment at a rally commemorating the anniversary of the Iranian Revolution. The Iranians detained the American sailors days before the implementation of the JCPOA, and hours before the President's State of the Union address.
8. Iran continues to develop its cyber capabilities and has engaged in malicious cyberattacks against U.S. government sites, the U.S. private sector, and specific individuals. In March 2016, the Department of Justice indicted seven individuals who worked for the IRGC and

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<sup>1</sup> Sam Wilkin, "Iran excludes most candidates in elite assembly election," January 26, 2016. (<http://www.reuters.com/article/us-iran-election-candidates-idUSKCN0V419V>)



carried out attacks on forty-six (46) American banks (including JPMorgan Chase, Bank of America, Capital One, and PNC Bank), the New York Stock Exchange, AT&T, and the Bowman Dam in a suburb of New York. In February 2014, Iran launched a cyberattack against the Las Vegas Sands Corporation.

Much of this activity is not a surprise, but it cannot be dismissed as simply the bad behavior of a recalcitrant IRGC or extremists within the Iranian system. In the Iranian system, these actions are blessed by the Supreme Leader, designed to promote the interests of the regime, and calculated to test the will of the West.

Importantly, the nature of the regime, its control of the economy, and its willingness to use the financial system to pursue all its goals internally and externally has not changed. The Iranian system is corrupt, lacks transparency at all levels, and is centrally controlled by the regime. This – along with the uncertainty of how the JCPOA will unfold – ultimately creates enormous risk for legitimate international actors and companies considering doing business in or with Iran. This explains why there has not been a wave of Western businesses investing aggressively or operating directly in Iran. It further explains why the Iranian leadership continues to complain that the United States has not satisfied its side of the bargain.

### **Exposing the Risky Nature of the Iranian Regime**

The risks are real for the international business and banking communities, given the nature of the regime, the opacity of its economy, its continued dangerous and threatening activities, and remaining sanctions.

The constriction campaign that brought Iran to the negotiating table was premised on the suspicion of Iran's behavior and use of its financial and commercial system for illicit and dangerous purposes. The U.S. Treasury targeted Iran's banks by using Iran's own conduct – its proliferation activity, support for terrorist groups and Shi'ite militias, and lack of anti-money-laundering controls, as well as the secretive and corrupt nature of the regime itself – as the cornerstone of the campaign. Iran's suite of suspect activities and attempts to avoid international scrutiny spurred the private sector to stop doing business with Iran. No reputable bank has wanted to be caught facilitating Iran's nuclear program or helping it make payments to Hizballah terrorist cells around the world. If they did, they would be caught and sanctioned, with enormous reputational and business consequences. These concerns continue.

This produced a virtuous cycle of isolation that reduced Iranian access to the international financial system more and more over time. The more the Iranians tried to hide their identities or evade sanctions, the more suspect their transactions would appear and the riskier it would become for banks and other financial institutions to deal with them. Over time, bank accounts, lines of credit, and correspondent accounts were shut down. Iran's own actions to avoid scrutiny and obfuscate transactions led to greater financial constriction.

The Iranians deepened their greatest vulnerability. They blended legitimate business transactions with illicit ones by funneling them through similar conduits. The Iranian regime often tried to hide the nature of its transactions and the identities of the government entities





involved. They used front companies, cut-outs, and businessmen to acquire items and goods abroad that were hard to purchase, sanctioned, or tied to their nuclear ambitions or their weapons programs.

At the same time, the Iranian military was taking greater control of the nation's economy. Importantly, the predominant economic player was Iran's IRGC, the elite military and security unit founded in 1979. The IRGC has gained more power and influence over time as the protector and exporter of the revolution and reports directly to the Supreme Leader, Ayatollah Ali Khamenei.

The IRGC is an economic juggernaut, with responsibilities related to the development of weapons of mass destruction, missile systems, and overseas operations. It is deeply involved in the Iranian nuclear program, and its international arm, the Qods Force (IRGC-QF), is responsible for providing support to terrorist proxies and exporting the Iranian Revolution. Between them, the IRGC and its Qods Force are responsible for all the activities – weapons proliferation, terrorist support, and militant activity – for which Iran was sanctioned in the past.

The IRGC – with its vast network – has embedded itself into more industries within Iran, ultimately building what has been called a veritable business empire.<sup>2</sup> The regime and the IRGC's control of "charitable" foundations – known as *bonyads* – with access to billions of dollars of assets in the form of mortgages and business interests for veterans of the Iranian military – served as the baseline of its economic power, along with its ability to construct infrastructure through a corps of engineers. The reach of the IRGC's economic empire now extends to majority stakes in infrastructure companies, shipping and transport, beverage companies, and food and agriculture companies.<sup>3</sup>

In 2006, the IRGC acquired control of the Iranian telecommunications sector, and it began to control more elements of the nation's energy sector, including the development of pipelines and the valuable South Pars oil field. This allowed the IRGC to exclude competition and make it more difficult for legitimate international businesses to operate. Some estimates note that the IRGC controls between 25 and 40 percent of Iran's gross domestic product (GDP).<sup>4</sup> The IRGC is deeply involved in building Iran's infrastructure, pursuing projects such as deep-water ports and underground facilities important to Iran's defense and economy. These projects and industries give the IRGC political power and access to profits and capital.

The IRGC intervenes in Iran's economy through three principal channels: The IRGC Cooperative Foundation (its investment arm), the Basij Cooperative Foundation, and Khatam al-Anbiya Construction Headquarters. The Khatam al-Anbiya (KAA), a massive IRGC conglomerate, was designated by the United States as a proliferator of weapons of mass

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<sup>2</sup> Frederic Wehrey, Jerrold D. Green, Brian Nichiporuk, Alireza Nader, Lydia Hansell, Rasool Nafisi, & S. R. Bohandy, *The Rise of the Pasdaran: Assessing the Domestic Roles of Iran's Islamic Revolutionary Guards Corps* (Washington, DC: RAND Corporation, 2009).

<sup>3</sup> Emanuele Ottolenghi, *The Pasdaran: Inside Iran's Islamic Revolutionary Guard Corps* (Washington, DC: Foundation for Defense of Democracies, 2011), pages 44–45.

<sup>4</sup> *Ibid*, page 43.



destruction.<sup>5</sup> It is Iran's biggest construction firm and, according to some estimates, "may be its largest company outright, with 135,000 employees and 5,000 subcontracting firms."<sup>6</sup> The value of its current contracts is estimated to be nearly \$50 billion, or about 12% of Iran's gross domestic product.<sup>7</sup> KAA has hundreds of subsidiaries in numerous sectors of Iran's economy including its nuclear and defense programs, energy, construction, and engineering. The company is also involved in "road-building projects, offshore construction, oil and gas pipelines and water systems."<sup>8</sup> EU sanctions against the company will be lifted after eight years, whether or not the IAEA concludes that Iran's nuclear program is peaceful.

These three companies are direct shareholders of almost three hundred known businesses. My colleagues at the Foundation for Defense of Democracies have created a database of these companies and board members and provided it to the U.S. government.<sup>9</sup> As a result of the IRGC's control of the economy – control that has grown over time – together with sanctions relief, the risk of regime control over the economy will grow. In addition, the reality and risks of Iranian sanctions evasion, money laundering, the lack of transparency, and other financial crimes – the subject of international concern and U.S. regulatory action against Iran under the USA PATRIOT Act Section 311 – will increase, not decrease over time.

With the IRGC in control of an increasing share of the Iranian economy, including its infrastructure, telecommunications, and oil sector, risks of doing business in and with Iran will increase. The regime will continue to use its control of the economy not only to further enrich itself but also to suppress internal opposition brutally and ensconce its rule. The concerns over human rights abuses and regime kleptocracy will grow.

As I have noted in the past, sanctions relief will increase risks over time, and Iran's foreign policy will continue to challenge and threaten U.S. interests.

From the U.S. perspective, the blend of IRGC and regime activities created the ultimate vulnerability, particularly the blurred lines between legitimate industry and support for Iran's nuclear program and terrorist groups. Wire transfers to terrorist groups and front companies flooding money into the coffers of the Revolutionary Guard were actions seen to threaten not only international security but also the integrity of the financial system. The nefarious nature of

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<sup>5</sup> Department of State, Office of the Spokesman, "Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism," October 25, 2007. (<http://2001-2009.state.gov/r/pa/prs/ps/2007/oct/94193.htm>)

<sup>6</sup> Parisa Hafezi & Louis Charbonneau, "Iranian Nuclear Deal Set to Make Hardline Revolutionary Guards Richer," *Reuters*, July 6, 2015. (<http://www.reuters.com/article/2015/07/06/us-iran-nuclear-economy-insight-idUSKCN0PG1XV20150706>); Emanuele Ottolenghi & Saeed Ghasseminejad, "The Nuclear Deal's Impact on Iran's Revolutionary Guards," *Foundation for Defense of Democracies*, July 17, 2015. (<http://www.defenddemocracy.org/media-hit/emanuele-ottolenghi-the-nuclear-deals-impact-on-irans-revolutionary-guards/>)

<sup>7</sup> Benoît Faucon & Asa Fitch, "Iran's Guards Cloud Western Firms' Entry After Nuclear Deal," *The Wall Street Journal*, July 21, 2015. (<http://www.wsj.com/articles/irans-guards-cloud-western-firms-entry-after-nuclear-deal-1437510830>)

<sup>8</sup> Ibid.

<sup>9</sup> Iranian Official Journal, accessed July 20, 2015. (<http://www.gazette.ir/>)



the activities, tied with the IRGC's attempts to hide its hand in many of its economic dealings and operations, made Iran's financial activity inherently suspect. This has not changed.

As part of past efforts to exclude Iran from the financial system, the U.S. Treasury made the argument directly to banks and companies around the world that it was too risky to do business with Iran, since no one really knew who was lurking behind corporate veils, pulling the strings, and accessing bank accounts and funding in Tehran. Would banks be willing to risk their reputations by doing business, even inadvertently, with the IRGC or the Qods Force? Could their compliance officers guarantee that they knew who was behind their Iranian customers and transactions? Was trade with Iran worth the risk of access to American markets and banks?

All of this was amplified by parallel national legislation, UNSCRs, greater scrutiny from authorities around the world, and enforcement actions, led by the United States. The United States created a layered sanctions regime, with overlapping Executive Orders, designations, and eventually legislation, focused on the key elements of the Iranian regime and economy facilitating illicit and dangerous behavior. Each U.S. action spurred private sector and allied responses. The effects of this suspicion and isolation – driven by the private sector's risk calculus and government actions – had a real world impact.

Iranian banks, including its central bank, could no longer access the international financial system; its shipping lines could not traverse ports easily or obtain insurance to operate; and – thanks to congressional and international action – its oil sales and revenues were suspended. Iran had to create workarounds, evasion schemes, and bartering arrangements to continue to do business.

The Central Bank of Iran (CBI) itself has been designated in part because of broader sanctions evasion facilitation on behalf of the Iranian banking system. Treasury issued a finding in November 2011, under Section 311 of the USA PATRIOT Act that Iran, as well as its entire financial sector including the CBI, is a “jurisdiction of primary money laundering concern.”<sup>10</sup> Treasury cited Iran's “support for terrorism,” “pursuit of weapons of mass destruction,” including its financing of nuclear and ballistic missile programs, and the use of “deceptive financial practices to facilitate illicit conduct and evade sanctions.”<sup>11</sup> The country's entire financial system posed “illicit finance risks for the global financial system.”<sup>12</sup> Those concerns persist and are not alleviated by the JCPOA or any Iranian nuclear commitments or actions.

The concerns about the integrity of the Iranian financial system are international in nature. The Financial Action Task Force (FATF), the global standard setting and assessment body for anti-money laundering, counter-terrorist financing, and counter-proliferation financing, has labeled Iran – along with North Korea – “a high risk and non-cooperative jurisdiction.” FATF has

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<sup>10</sup> U.S. Department of the Treasury, Press Release, “Finding That the Islamic Republic of Iran is a Jurisdiction of Primary Money Laundering Concern,” November 18, 2011. (<http://www.treasury.gov/press-center/press-releases/Documents/Iran311Finding.pdf>)

<sup>11</sup> Ibid.

<sup>12</sup> U.S. Department of the Treasury, Press Release, “Fact Sheet: New Sanctions on Iran,” November 21, 2011. (<http://www.treasury.gov/press-center/press-releases/Pages/tg1367.aspx>)



called on its members to “apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from Iran.”<sup>13</sup>

As recently as February 19, 2016, FATF issued a statement warning that Iran’s “failure to address the risk of terrorist financing” poses a “serious threat ... to the integrity of the international financial system.”<sup>14</sup> The international community recognizes that Iran – regardless of the status of its nuclear program – poses a real and serious threat to the integrity of the global financial system.

This financial and economic isolation was premised on the actions and nature of the Iranian regime itself. Since the announcement of the JCPOA, neither has changed. On the contrary, Iran has demonstrated its desire to continue its aggressive activities and support to causes and groups directly antithetical to U.S. interests.

The risks from Iran are real and will increase in an environment of sanctions unwinding under the JCPOA for a variety of reasons.

In the first instance, the unfettered return of funds to the Iranian regime will allow Tehran the flexibility to fund its allies and proxies and flex its muscles in the region. Regardless of amounts available to the regime or percentage used to support terrorist proxies, there will be an infusion of terrorist financing into the global system. The administration has acknowledged that some of the unfrozen funds will go to support terrorist and militant groups, like Hizballah, HAMAS, Iraqi Shi’ite militias, and the Houthis in Yemen. This is certainly the expectation of Iran’s allies. Iran could even use its capital to support the Taleban and al Qaida, with which Iran has maintained a relationship and provided support in the past.

With Iran expanding its reach and presence throughout the Middle East, and IRGC commanders and proxies positioned from the Golan to Yemen, there will be more concern about Iran’s misuse of the economy, the benefits of sanctions relief, and the international financial and commercial system for dangerous and illicit activities. The infusion of cash as a result of sanction relief will relieve budgetary constraints for a country that had only an estimated \$20 billion in fully accessible foreign exchange reserves prior to November 2013<sup>15</sup> but was spending at least \$6 billion annually to support Assad.<sup>16</sup>

The regime itself, and its core institutions like the Ministry of Intelligence and the IRGC, will benefit most immediately and deeply. Iran is a theocratic regime that controls the key elements of the economy. The mullahs have used their control of the economy – through *bonyads* and the

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<sup>13</sup> The Financial Action Task Force, Public Statement, “FATF Public Statement 19 February 2016,” February 19, 2016. (<http://www.fatf-gafi.org/publications/high-riskandnon-cooperativejurisdictions/documents/public-statement-february-2016.html>)

<sup>14</sup> Ibid.

<sup>15</sup> Mark Dubowitz & Rachel Ziemba, “When Will Iran Run Out of Money?,” *Foundation for Defense of Democracies & Roubini Global Economics*, October 2, 2013.

<sup>16</sup> Eli Lake, “Iran Spends Billions to Prop Up Assad,” *Bloomberg*, June 9, 2015. (<http://www.bloombergvew.com/articles/2015-06-09/iran-spends-billions-to-prop-up-assad>)



Supreme Leader's vast financial network, known as Setad or EIKO, and which is worth tens of billions of dollars, to enrich themselves and exert more control over the country.

Despite the notion that the JCPOA resolves all "nuclear-related" concerns, it does not address real concerns over continued Iranian proliferation, to include missile and arms trade. With the allowance for an Iranian nuclear program, infrastructure, and research, the deal will likely increase (not decrease) the risk of proliferation – with potential Iranian trade and exchange with rogue third countries like North Korea.

The dangers, challenges, and risks from Iran on a regional and global scale will only increase over time. In the wake of the JCPOA, Secretary of State Kerry stated that we will need to "push back" against Iran's provocative and dangerous policies and tactics. CIA Director John Brennan said that the United States will "keep pressure on Iran" and "make sure that it is not able to continue to destabilize a number of the countries in the region."<sup>17</sup>

Indeed, the United States will need to push back, especially against increasing risks and threats from Iran. This has been evident in the wake of the JCPOA Implementation Day. To do this, the United States will want to use its financial and economic tools and strategies to make it harder, costlier, and riskier for Iran to threaten the U.S. and our allies. This will mean devising and deploying aggressive strategies to exclude key elements of the Iranian regime and the IRGC, Qods Force, and Ministry of Intelligence from the global financial and commercial system.

### **The Risks of Doing Business in Iran**

On January 16, 2016, the United States, the European Union, the United Nations, and other countries unwound a substantial number of sanctions on the Islamic Republic of Iran as part of their obligations under the JCPOA. Most notably, many EU and UN sanctions, as well as many U.S. "secondary" sanctions, will no longer remain in force. "Primary" U.S. sanctions programs barring almost all U.S. persons from doing Iran-linked business remain.<sup>18</sup>

In the wake of Implementation Day and with remaining sanctions and financial crime concerns, important questions exist regarding what doing business in or with Iran now means and how to evaluate and manage such risk.

As Iran attempts to reintegrate into the world economy, many challenges remain for companies considering doing business in the Islamic Republic, with Iranian counterparties, or supporting customers operating in Iran. Dealing with the spectrum of risk – financial crime, regulatory,

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<sup>17</sup> "CIA Director Says US Will Keep Pressure on Iran over Nuclear Capabilities No Matter Outcome of Ongoing Talks," *Fox News*, March 23, 2015. (<http://www.foxnews.com/politics/2015/03/23/cia---director---says---us---will---keep---pressure---on---iran---over---nuclear---capabilities/>)

<sup>18</sup> Primary sanctions are those that apply directly to (1) the activities of U.S. persons (including persons located in the United States), (2) non-U.S. persons who cause U.S. persons to violate U.S. sanctions regulations, (3) activities taking place within the United States, and (4) transfers of U.S.-regulated goods, services, and technologies. Secondary sanctions apply to non-U.S. persons where the United States lacks jurisdiction to impose primary sanctions. Such sanctions often include privileging a company's access to U.S. markets on compliance with U.S. sanctions regulations.



reputational, and policy – in the Islamic Republic will require that U.S., European, Asian, Middle Eastern, and other firms clearly understand the patchwork of sanctions that will remain in place on the country, as well as many of the systemic issues, such as corruption, impacting various Iranian business sectors. Companies must also factor into their business decisions the risk that sanctions may “snap back” in the medium or long term.

The risks are amplified by Iran’s long history of sanctions evasion, illicit finance and corruption, and opaque financial and commercial practices. In 2015, Emanuele Ottolenghi produced a report<sup>19</sup> for the Center on Sanctions and Illicit Finance at the Foundation for Defense of Democracies detailing the various illicit and suspicious methods used by the Iranian regime to operate in the global financial and commercial system – including the establishment of sophisticated procurement networks and use of gatekeepers to facilitate financing.

This complicated risk environment has dissuaded most legitimate companies from re-entering and investing in the Iranian economy. While Iranian markets may appear attractive, companies considering transacting with persons in Iran or doing business in Iran are proceeding with caution. The recent parliamentary elections in Iran have not altered this analysis or trajectory fundamentally. Companies considering doing business in Iran or with Iranian persons must contend with at least eight sanctions and financial crimes-related risks:

1. **Primary U.S. Sanctions.** Most U.S. primary sanctions, which broadly prohibit U.S. persons from conducting transactions in Iran, with persons resident in Iran, or with the Government of Iran, will remain in force. These U.S. primary sanctions pose significant risks for any multinational company considering doing business in Iran. U.S. jurisdiction is broad and U.S. regulators can use it to target transactions that may not initially appear to touch U.S. markets or involve U.S. persons.

U.S. jurisdiction applies to all U.S. individuals (including U.S. citizens and permanent resident aliens, wherever located, as well as persons located in the United States) and entities (including any entity located or operating in the United States, organized under the laws of the United States, as well as foreign branches of U.S. entities). Further, the United States may impose penalties (civil or criminal) on any foreign person who *causes* a U.S. person to violate sanctions regulations.<sup>20</sup>

For example, if a Middle Eastern, European, or Asian financial institution conducts transactions on behalf of an Iranian company and the transaction involves a U.S. bank or a correspondent account located in the United States, U.S. regulators will likely have jurisdiction over the transaction and can impose *penalties* on the non-U.S. financial institution. Similarly, if a Middle Eastern exporting company with U.S. offices relies on those offices for back office functions for transactions related to Iran or with an Iranian, the U.S. offices providing back office support will be engaged in the prohibited exportation of services to Iran (and can be subject to OFAC penalties). Where the Middle

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<sup>19</sup> Report available upon request.

<sup>20</sup> See 50 U.S.C. § 1705.



Eastern entity caused the U.S. offices to provide the services without knowledge of the Iranian nexus, U.S. regulators could impose fines on that Middle Eastern entity for causing the U.S. offices to violate the sanctions.

Even those U.S. companies taking advantage of the new General License H – which permits foreign subsidiaries of U.S. companies to engage in certain activities in Iran – will face significant sanctions-related risks. While these subsidiaries may be allowed to conduct those activities, if the U.S. parent company is involved in any Iran-related business or transactions, it will likely be exposed to U.S. primary sanctions.<sup>21</sup> Multinational companies must build a firewall between U.S. parents and any foreign subsidiary doing business with Iranian persons or in Iran, which may be difficult to effectively do in practice

Because the breadth of U.S. jurisdiction is expansive, companies based in Europe and Asia must be aware that any engagement with Iran may still expose them to remaining U.S. sanctions. Companies, particularly ones operating across borders, have to pay careful attention to whether they may be subject to U.S. jurisdiction, which might pose one of the most pressing regulatory risks that any company considering entering Iranian markets will face.

2. ***Remaining U.S. Secondary Sanctions.*** Foreign businesses considering doing business in Iran will continue to face the risk of violating remaining “secondary sanctions” on Iran, which prohibit foreign financial institutions and other non-U.S. headquartered companies from doing certain business with Iran. While many of the secondary sanctions imposed since 2010 have been unwound,<sup>22</sup> non-U.S. persons are still at risk for violating remaining U.S. secondary sanctions if they engage in transactions with any one of more than 200 people and entities listed as Specially Designated Nationals (SDNs) including the IRGC and its affiliates.

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<sup>21</sup> Note that U.S. parent companies are permitted to establish policies and procedures that allow these foreign subsidiaries to conduct business in Iran and with Iranian persons, though after the initial decision to re-engage in Iran-related business and the establishment of procedures for doing so, U.S. persons cannot be involved in the activities of their foreign subsidiaries relating to transactions with Iranian persons or in Iran. Similarly, U.S. companies can make their automated computing, accounting, and communications systems available for their subsidiaries conducting permitted activities in Iran. In effect, this permits foreign subsidiaries doing permitted business in Iran to continue to use the same computer systems as their parent companies. Note however that provision does not allow U.S. parents to otherwise be involved in those activities in any way.

<sup>22</sup> Following Implementation Day, non-U.S. entities can now conduct certain transactions with:

- The financial and banking industry in Iran, including maintaining correspondent accounts for non OFAC-designated Iranian financial institutions, the provision of financial messaging services, dealing in the rial and in Iranian sovereign debt, and issuing credit cards for Iranians;
- Insurance-related activities consistent with the JCPOA, including payment of claims to non-U.S. persons;
- The energy industry;
- Shipping, shipbuilding, and port operations;
- Precious and raw/semi-finished metals dealers; and
- The automotive industry, insofar as non-U.S. goods, technology, and services are involved.



These restrictions pose additional and significant risks because under U.S. law, entities owned or controlled 50% or more by designated persons – so-called “shadow SDNs” – are by law also considered SDNs. For example, if a foreign financial institution processes transactions on behalf of an entity that is owned or controlled by the IRGC (whether or not that entity is listed on national or international lists of designated parties), it could be subject to U.S. secondary sanctions. This creates significant risk for financial institutions and other companies wishing to do business in Iran, given that the IRGC controls a significant portion of the economy.<sup>23</sup> This risk is further exacerbated by Iranian attempts to create a “gold rush” psychology in the marketplace and to muddy the waters regarding what restrictions may apply to specific transactions. We should expect Iranian customers and counterparties to alter ownership interests, names of entities, and ownership structures in an attempt to hide links to designated parties. This would match past practices of sanctions evasion and obfuscation of financial transactions in the past.

Determining whether a customer, partner, or counterparty is owned or controlled by a designated person will be a challenging task, further complicated by the fact that the Office of Foreign Assets Control (OFAC) at the United States Department of the Treasury has provided limited guidance on how companies looking to do business in Iran can determine whether they are inadvertently doing business with the IRGC. OFAC recommends only that “a person considering business in Iran or with Iranian persons conduct due diligence sufficient to ensure that it is not knowingly engaging in transactions with the IRGC or other Iranian or Iran-related persons on the SDN List and keep records documenting that due diligence.” Businesses looking to enter the Iranian market must make their own determinations about what constitutes “sufficient” due diligence without more precise guidance and while the structure of civil and criminal penalties for sanctions violations remains in place.

Further, non-U.S. persons still need to be aware of remaining U.S. export controls. For example, restrictions still apply regarding the facilitation of Iranian acquisition or development of weapons of mass destruction. In addition, transfers of certain potential dual-use materials must be approved via the procurement channel established by the JCPOA. U.S. origin goods, technology, and services also are subject to the Export Administration Regulations, which retain prohibitions on exports and re-exports to Iran.

3. ***Remaining EU and UN Sanctions.*** While most EU and UN sanctions on Iran have been unwound, a number of important restrictions remain in place.<sup>24</sup> Under EU law, trade

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<sup>23</sup> Estimates vary on how much of the Iranian economy is controlled by the IRGC, with many analysts suggesting the IGRC controls as much as 35%.

<sup>24</sup> Under EU law, several engagements previously prohibited, including associated services, are now allowed so long as they avoid dealing with listed Iranian persons:

- Financial, banking, and insurance measures involving Iranian entities—including the provision of insurance to Iranian oil and gas shipments—are now permitted by EU law and do not require prior authorization;
- The import, purchase, swap, and transport crude oil and petroleum products, gas, and petrochemical products from Iran, and the export of equipment to Iran for use in the energy industry are now permitted;
- Engagements with the Iranian shipping, shipbuilding, and transport sectors are no longer restricted;
- Trade with Iran involving gold, other precious metals, banknotes, and coinage is now permissible;





restrictions on the sale, export, provision, or servicing of goods deemed to be “internal repression equipment,” or used for “telecommunications surveillance and interception,” remain in place. Likewise, the EU will continue to impose asset freezes and prohibitions on business and trade with individuals and entities designated for committing human rights abuses and restrictions on the trade of certain items related to nuclear proliferation.

UN Security Council Resolutions that imposed sanctions on Iran for its nuclear program were terminated on Implementation Day. Thus, the United Nations no longer imposes limits on providing insurance and reinsurance products to Iranian entities, and no longer prohibits the opening of new Iranian bank branches or subsidiaries outside Iran (nor is there a mirrored prohibition on entities from UN member states doing the same within Iran). However, a UN arms embargo and UN sanctions on Iran’s ballistic missile program remain in place. Further, some individuals designated by the UN for participating in nuclear and ballistic missile programs remain designated.<sup>25</sup> The recent missile tests and Iranian promises for more simply exacerbate the risk that additional sanctions will be applied.

4. ***Likely Additional Sanctions.*** Businesses interested in entering Iran should be aware that additional designations and sanctions are likely as the United States Congress continues to focus on illicit Iranian behavior and as Iran continues with activities such as ballistic missile testing and the provision of support to terrorist groups. Congress has explored additional sanctions legislation, in particular related to more stringent sanctions tied to the IRGC and its ownership and control interests. Though the administration will resist actions that appear to re-impose lifted sanctions, both the House of Representatives and the Senate appear interested in pursuing legislation that directly or indirectly impacts Iran, including the recent legislation imposing additional sanctions on Hizballah.

The administration has wanted to demonstrate its willingness to sanction non-nuclear Iranian behavior, both to stave off additional congressional action and address Iranian threats to U.S. interests. It has not wanted, however, to impose sanctions or financial measures that would allow Iran to claim that the United States had violated the terms of the JCPOA. Since Implementation Day, the Treasury Department has twice used ballistic

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- While the sale or transfer of certain graphite and raw/semi-finished metals to any Iranian entity is no longer prohibited, such activity is subject to an authorization regime; and
  - While the sale or transfer of Enterprise Resource Planning software to any Iranian entity for use in activities consistent with the JCPOA is no longer prohibited, such activity is subject to an authorization regime.

Like the United States, the EU has also delisted certain entities that are thus no longer subject to its asset freeze, prohibition to make funds available, and visa ban. However, certain financial institutions such as Ansar Bank, Bank Saderat Iran, Bank Saderat PLC, and Mehr Bank remain listed by the EU.

<sup>25</sup> Pursuant to the terms of United Nations Security Council Resolution (UNSCR) 2231 (2015) (which endorsed the JCPOA), all prior United Nations Security Council Resolutions mandating sanctions on Iran — namely, UNSCR 1696 (2006), 1737 (2007), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010), and 2224 (2015) — were formally terminated upon receipt of the IAEA’s report verifying that Iran has met its nuclear-related obligations under the JCPOA. Through UNSCR 2231, the UN continues to impose certain restrictions on nuclear, conventional arms, and ballistic missile-related activities involving Iran.



missile-related designations – in January 2016, designating 11 entities and individuals involved in procurement on behalf of Iran’s ballistic missile program, and then again in March 2016, designating additional parties tied to the missile program. Companies are aware that additional Iranian individuals, companies, and related networks could be designated, effectively requiring an end to any financial or commercial relationship.

This risk increases as Iran engages in activities that spur additional U.S. and possibly EU sanctions. In addition to its support to terrorist groups and the Assad regime, its ballistic missile program, and human rights abuses, there are other risks attendant to doing business with Iran. Iran’s link with North Korea, and in particular its cooperation on proliferation and ballistic missile-related issues, increases the likelihood that the United States and the European Union will impose additional sanctions on the Islamic Republic. For example, in late January, France requested the European Union consider imposing additional sanctions on Iran for its continued ballistic missiles activities.

5. ***Iran’s Potential Cheating on the JCPOA.*** If the United States or other members of the P5+1 conclude that Iran is cheating on its obligations under the JCPOA, they can snap back many of the sanctions into place. In the context of any potential snapback, OFAC has made clear that there will be no “grandfather” clause for pending transactions, meaning foreign companies doing business in Iran would need to very quickly wind down their operations, potentially at a significant loss. While the Obama Administration will be unlikely to push for a comprehensive snapback of sanctions unless there is a serious, material breach of the JCPOA, Treasury Department officials have made it clear that they have developed more limited snap back mechanisms in the case that Iran pushes the envelope and engages in activities that violate its obligations. Similarly, depending on the outcome of the U.S. presidential election in November 2016, candidates have expressed a desire to re-impose sanctions on Iran. Such action could pose serious risks for foreign companies doing business in the Islamic Republic.
6. ***Sanctions Violations Enforcement Posture.*** The United States Department of the Treasury has indicated it will continue to aggressively enforce regulations remaining in place. For example, acting Under Secretary of the Treasury for Terrorism and Financial Intelligence Adam Szubin noted, following Implementation Day, that “[w]e have consistently made clear that the United States will vigorously press sanctions against Iranian 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.” Indeed, the day after JCPOA Implementation Day, the U.S. government imposed sanctions on entities and individuals in the Middle East and Asia for supporting Iran’s ballistic missile program. These types of sanctions will be used to help demonstrate to Iran and U.S. allies that Washington remains prepared to use economic measures to enforce existing sanctions. In addition, Iran’s history of using a variety of financial and commercial measures to hide its hand to evade sanctions and the scrutiny of the international community adds additional risk that sanctions may be applied.
7. ***Regulatory Risk from Multiple Enforcement Agencies.*** From a regulatory and enforcement perspective, it is important to note that the Treasury Department and OFAC



are not the only arbiters of sanctions violations and requirements. The United States Department of Justice, the Securities and Exchange Commission, state prosecutors, and various New York authorities, such as the Department of Financial Services, will all play a significant role in how existing sanctions regulations and related laws are enforced. Local authorities may elect to take a more aggressive enforcement posture with respect to sanctions violations, which would fall outside of the federal government's control. Any company considering doing business in Iran or with Iranian individuals or entities will need to pay close attention to the regulatory and enforcement postures taken by these other government agencies.

8. ***Financial Crimes Risks in Iran.*** Though the recent business attention on Iran has understandably focused on sanctions-related issues, banks and businesses must remember that other financial crimes concerns in the Islamic Republic remain pervasive. In particular, the nature of the Iranian economy and the role of the government within the economy present serious risks related to bribery and corruption, money laundering, and illicit financing. Iran ranked 130 of 175 countries in Transparency International's Corruption Perceptions Index as of 2015.

In 2011, the U.S. identified Iran as a jurisdiction of primary money laundering concern pursuant to Section 311 of the USA PATRIOT Act. The FATF first raised concerns over Iran's lack of a comprehensive anti-money laundering/countering the financing of terrorism (AML/CFT) framework in 2007, and it still urges Iran to meaningfully address AML/CFT deficiencies and will consider urging stronger counter-measures later this year. OFAC also has made it clear that activity inconsistent with a wide range of Executive Orders imposing sanctions on Iran (including for providing support to terrorism, undermining the stability of Yemen, and other behaviors) could still subject U.S. and non-U.S. persons to sanctions. Now, the Iranian government has indicated that it will begin to target "financial corruption," and has sentenced Iranian billionaire Babak Zanjani, who helped the regime evade oil-related sanctions, and two others to death for corruption. Attention on the issue of corruption will now grow, as Iran attempts to do business with the world. Any companies looking to do business in Iran must be acutely aware of serious financial integrity risks beyond those posed by remaining sanctions.

As some of the sanctions on Iran are unwound, many European, Asian, and Middle Eastern companies understandably want to re-engage in the Iranian economy. The risk appetites of companies will likely vary by sector, with large oil, aerospace, auto, infrastructure, and equipment companies likely more willing to enter Iranian markets more quickly and with a higher tolerance for risk. For example, Airbus has already agreed to sell Iran 114 airplanes, and Boeing has obtained a license from OFAC to begin commercial discussions with Iranian airlines.

In contrast, other sectors will have a more conservative risk approach. Shipping insurers have already recommended a greater degree of caution. For example, the London Protection and Indemnity Club, a member of the International Group of Protection and Indemnity Clubs, the main association of global tanker insurers, has recommended shipping insurers not enter contracts or fixtures involving previously sanctioned Iranian trade or entities without performing extensive due diligence. Similarly, financial institutions will be more reluctant to re-enter Iranian



markets, given recent enforcement actions targeting their activities and the stricter financial crime compliance environment globally.

A significant challenge will be how financial institutions wary of the risks of doing business in Iran respond to pressure from clients with greater risk appetites to provide financial services for activities in Iran. Iran has already complained that European banks have remained reluctant to engage in commercial activity with Iran, and is now asking the IMF to help assuage such concerns with a report slated for release in 2018. Additional pressure and statements from Iranian leadership, including the Iranian Central Bank Governor, are echoing the charge that the United States is not fulfilling its obligations under the “spirit and letter” of the nuclear deal. The Iranian charge is that the U.S. sanctions and narrative of Iranian risk are still scaring away investment and financial dealings.

The desire in and from Tehran to see the fruits of the nuclear negotiations, especially with more banking activity with the West, will add pressure to those institutions that remain cautious. For example, some financial institutions, including at least one major Japanese bank, have begun processing non-dollarized transactions for clients operating in the Islamic Republic. Others have begun to flirt with the Iranian market, with South Korean commercial bank, Woori Bank, indicating it wants to turn its Tehran presence into a branch office, and Austrian Raiffeisen Bank International (RBI) signing a memorandum of understanding with Iran’s Department of Environment. Importantly, it appears that the Iranians realize that in order to do business legitimately with the West, they must meet the standards demanded in the Western banking world for transparency and accountability. But the Iranians are intent to force the United States and Europe to resolve this issue for them and to mark this as an essential part of JCPOA implementation.

### **Keeping the Burden of Persuasion and Reform on Iran**

In implementing the deal, the United States should not fall into the trap of helping Iran rehabilitate itself. Throughout this deal, the onus should remain solely on Iran to alleviate concerns about its activities, lack of transparency, and failure to meet heightened global standards of financial integrity in the banking and commercial worlds. Iran should not get a free pass on the reforms, modernization, and accountability necessary for acceptance as a legitimate actor in the world – diplomatically and economically. This posture should force the Iranians to turn inward to determine how they can meet international expectations, instead of trying to compel the United States and Europe to alter their standards or dictate to the private sector where and with whom they should do business.

Unfortunately in the desire to appear to be complying with the deal, some U.S. actions have created the impression that the United States and European governments have assumed the burden of reintegration of the Iranian economy into the global system. There are some examples worth noting:

1. There have been reports that the United States might offer Iran the ability to access offshore dollar-clearing facilities, to allow for dollar-denominated transactions and ease Iran’s ability to trade internationally. Though such a maneuver would not allow Iran



direct access to dollar clearing in the United States, it could be structured in a manner to create the same effect. Iranian trade would then be facilitated in a way not contemplated in the JCPOA. The United States should not be offering special exemptions or measures to assist Iran with access to dollars while Iran remains a leading state sponsor of terror, subject to serious sanctions, and designated as a “primary money laundering concern.”

In addition, if the United States were to provide Iran with access to U.S. dollars for offshore transactions, then the United States would lose the ability to threaten this access in response to a range of Iranian provocations in the future. In effect, by couching access to the Western financial system and the U.S. dollar as part of the nuclear deal, the United States would no longer be able to cut Iran off from this benefit if it significantly increased its support for terrorism, as Iran would claim that such an attempt at coercion would violate the letter of the nuclear agreement. This would further give away coercive financial leverage without any bargained-for concession by Iran. Iran’s underlying conduct outside of the nuclear issue was not on the table during negotiations. The United States and the international community should not open the door to broad benefits of relief from financial exclusion that the Iranians neither negotiated nor deserve.

2. The U.S. government has been sending delegations around the globe to clarify existing sanctions and obligations and apparently to explain how business may be undertaken with the Iranian regime. Though regulatory clarity is important, the United States should not be launching road shows attempting to dampen concerns about the risks of doing business in or with Iran, especially when those risks are increasing. The burden instead should fall on Iran to demonstrate to governments, the private sector, and the markets that its activities, policies, and use of its financial and commercial system are legitimate, transparent, and meet international standards. Iran should be concentrating on necessary reforms, hard policy decisions, and its own road shows to prove that it can be trusted as a responsible international player. Until then, Iran will be seen as a risky jurisdiction in which to invest and do business. It should not be the responsibility of the United States or Europe to prod businesses and banks to enter the Iranian market.
3. The United States has announced that it plans to buy heavy water from the Iranian nuclear system, thus enabling Iran to produce more heavy water than it needs and facilitating the economic uses of a nuclear program built in violation of previous international sanctions. This also legitimates Iran’s nuclear program in a way that is not obligated in the JCPOA and promotes Iran’s expanded nuclear program. Aside from not encouraging and promoting the Iranian nuclear program beyond what is required in the JCPOA, the United States should not be serving as Iran’s market safety valve for the sale of heavy water, displacing existing supplies to the United States from legitimate suppliers like Canada and Argentina. As with any Iranian economic activity, Iran should be forced to deal with the international markets on its own, meeting relevant market and regulatory demands directly. The United States should not usher Iran into the global economy artificially, especially not in the nuclear markets, and allow Iran benefits that were not negotiated in the JCPOA and for which the international community has not received consideration.



4. It has been important that the U.S. Treasury and other U.S. government officials have reiterated the commitment to enforcing existing sanctions vigorously and maintaining the ability to use the tools of financial coercion to affect Iranian behavior. These commitments, however, are undercut when the United States modifies its messaging to suggest that our sanctions regime should not constrain or affect the risk calculus of the private sector. Though intended to demonstrate that the United States is upholding its end of the JCPOA bargain, softened language appears to suggest that the United States is already backing away from its willingness to use existing sanctions against Iran. Recently, Secretary Kerry met with European banks and noted that European businesses should not use the United States as an excuse not to invest in Iran. European businesses should be encouraged to listen to and account for U.S. regulatory, enforcement, and policy concerns – not ignore longstanding and legitimate concerns.

The United States cannot alter this commitment to enforce sanctions, weaken its call for heightened global standards for financial integrity, or jump every time Iran complains about its inability to access the global financial system. The United States cannot mute itself or its willingness to use some of our most effective financial and economic tools against dangerous Iranian activity. Unfortunately, the United States has quieted its voice too often in the face of Iranian aggression and violations in the hopes of a nuclear deal – from the deafening silence as the Green Movement was crushed brutally to current vacillation on whether recent ballistic missile tests violate the letter and spirit of the JCPOA and the related UN Security Council Resolution 2231.

The United States cannot be in the position of rehabilitating the Iranian economy and image. This proves highly problematic and undermines U.S. credibility and power internationally if this is done without concern for the underlying issues and conduct that drove its isolation in the first place – proliferation, support for terrorism, human rights violations, and development of weaponry and programs of concern controlled by the IRGC. It is the threat to the international financial system of the illicit and suspect flows of money that is the baseline for Iran's isolation. Iran should be forced to deal with these risks directly.

### **The Strategic Use of Sanctions Moving Forward and Targeted Unwinding**

The United States should treat the JCPOA and its implementation as an ongoing process, where sanctions and sanctions unwinding form a strategic part of U.S. and international efforts to enforce the deal, maintain economic and financial leverage, push back on dangerous Iranian activity, and force the Iranians to make hard decisions about their role in the world. Sanctions and financial measures in this regard are not just tools that were used to get Iran to the table, but are essential levers of influence moving forward. Indeed, how sanctions are deployed and unwound could affect the internal dynamics of Iran in furtherance of U.S. and allied interests.

In the first instance, the United States should not shy away from the use of sanctions against Iranian behavior and underlying conduct that is already subject to sanctions. The U.S. government has the authority and ability to apply sanctions for the full suite of nefarious Iranian behavior – to include human rights violations and malicious cyber activity. This includes



enforcement of existing sanctions and application of new measures to constrain Iranian behavior and discipline the international system. The United States retains the power and credibility to do this. The effects of U.S. actions are global and set the international norms for acceptable behavior. Absent U.S. action, attention, and enforcement, Iranian provocations will likely not be met with credible international push-back. If U.S. financial and economic measures are based on facts and can be explained credibly as furthering U.S. legal requirements and international norms, the impact will remain global and the effect real.

In addition, the United States should not diminish its ability to use targeted unwinding tools to force Iran to make hard choices about its behavior in the international system. If implementation of the JCPOA is viewed as an ongoing and long-term process, then the United States should be thinking creatively about how to use these targeted unwinding measures to effectuate its strategic goals.

The JCPOA attempts to unwind sanctions tied to the nuclear file, but the unwinding is difficult and complicated given the interconnected nature and effects of such sanctions. In some instances, the unwinding can be managed. In many other cases, the unwinding schedule and some of the scheduled delistings implicate actors and activities beyond the nuclear file, complicating our ability to easily unwind sanctions and threatening our ability to impose coercive leverage in the case of Iranian malfeasance beyond the nuclear file. The delisting of some key Iranian entities that have facilitated a range of Iranian illicit activities and the cessation of sanctions prohibitions against them, especially terrorism financing, raises serious challenges to U.S. ability to affect Iranian behavior of concern.

There is no question trying to unwind any effective and global sanctions regime is difficult. Unwinding intertwined, conduct-based sanctions for a regime that uses its economy for various dangerous and nefarious activities of international security concern is incredibly challenging. But tearing down sanctions bluntly – particularly when pulling down the nuclear sanctions also threatens to pull down U.S. leverage related to issues of missile proliferation and terrorism – without addressing that underlying and related conduct creates real risks and does damage to the ability to use the very same tools against Iranian individuals and entities in the future.

In light of the risks of doing business with Iran, the reintegration of Iranian banks into the global financial system, including via the SWIFT bank messaging system, presents perhaps the most concerning issue. For example, Bank Sepah was designated under U.S. authorities not simply because of its facilitation of the Iranian nuclear program and procurement but also its role in financing arms and missile deals, activities that should remain a concern and are subject to UN sanctions.

The JCPOA explicitly called for the lifting of sanctions on “[s]upply of specialized financial messaging services, including SWIFT, for persons and entities ... including the Central Bank of Iran and Iranian financial institutions.”<sup>26</sup> The European Union lifted SWIFT-related sanctions for the Central Bank of Iran and all Iranian banks<sup>27</sup> originally banned from SWIFT.<sup>28</sup>

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<sup>26</sup> “Joint Comprehensive Plan of Action,” Vienna, July 14, 2015, paragraph 19(iv).



By allowing most of the Iranian banks back into the international financial order without dealing with their underlying conduct or controls, the United States and the international community assumed the good faith of the Iranian regime. This has heightened the risk that the Iranian banking system would be used by the regime to finance and facilitate other issues of significant national security concern.

Instead, we should consider a process of targeted unwinding that meets our strategic goals – and could even provide Iran relief if it is willing to abide by international rules and norms regarding transparency and accountability of its financial system. For Iranian banks, this would mean a stricter, monitored reentry into the financial system, given continued concerns about their facilitation of illicit and dangerous activities by the regime. This could be effectuated through a program – led by the European Union – to create a monitoring system through SWIFT (akin to the Terrorist Financing Tracking Program) to monitor all Iranian cross-border transactions and allow for the tracking and analysis of suspect Iranian banking activities. Instead of the blunt unwinding measure of plugging all Iranian banks (minus a few) back into the global banking messaging system, an aggressive monitoring program could provide a “halfway” house for reintegration of Iranian banks over time while managing the risk of more Iranian money traversing the banking system.

This type of system might actually force the Iranian regime to make some hard choices about not using its banks to facilitate illicit or dangerous activities that would be subject to monitoring and exposure. A system of targeted unwinding could advance the strategic goal that Iran not misuse its economy and financial system to benefit terrorists, proxies, and accelerate its nefarious international ambitions and capabilities. If such a system could prove effective, it might spur responsible reform within Iran as it tries to reintegrate into the global system. This in turn would give global banks and businesses some assurance that the Iranian banking system is maturing and under some degree of scrutiny. Scrutiny over such financial activity and reforms could help alleviate concerns by legitimate banks that they are being exposed to dangerous risk, especially if legitimate and trusted governments agencies (like financial intelligence units) are involved in the monitoring. This, in turn, could blunt Iranian claims that the United States was de facto continuing the imposition of sanctions by scaring Western banks away from doing business in Iran or with businesses interested in doing business in Iran.

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([http://eeas.europa.eu/statements-eeas/docs/iran\\_agreement/iran\\_joint-comprehensive-plan-of-action\\_en.pdf](http://eeas.europa.eu/statements-eeas/docs/iran_agreement/iran_joint-comprehensive-plan-of-action_en.pdf))

<sup>27</sup> On Implementation Day, the EU lifted sanctions on the Central Bank of Iran and Bank Mellat, Bank Melli, Bank Refah, Bank Tejarat, Europaische-Iranische Handelsbank (EIH), Export Development Bank of Iran, Future Bank, Onerbank ZAO, Post Bank, and Sina Bank. Separately, the EU also lifted sanctions on Bank Sepah and Bank Sepah International. On Transition Day, the EU will also lift sanctions on Ansar Bank, Bank Saderat, , and Mehr Bank. See Attachment 1, parts 1 and 2 and Attachment 2, parts 1 and 2. ([http://eeas.europa.eu/statements-eeas/docs/iran\\_agreement/annex\\_1\\_attachements\\_en.pdf](http://eeas.europa.eu/statements-eeas/docs/iran_agreement/annex_1_attachements_en.pdf))

<sup>28</sup> The Council of the European Union, “Council Regulation (EU) No 267/2012 of 23 March 2012 Concerning Restrictive Measures against Iran and Repealing Regulation (EU) No 961/2010,” *Official Journal of the European Union*, March 24, 2012. (<http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1406807228342&uri=CELEX:32012R0267>)





The current tension with Iran over the unwinding of sanctions underscores that the implementation of the JCPOA and “negotiations” with Iran will be ongoing. In this regard, we should take full advantage of the leverage we have and devise new mechanisms to ensure we meet our strategic goals. We should be reinforcing this power and capability, not undermining it.

### **Faulty Assumptions**

The current state of sanctions unwinding reveals certain misconceptions about the state of play regarding the JCPOA and the position of the United States to strike a better bargain. There are many assumptions articulated at the time that need to be questioned, and there are a few that are clearly incorrect. It is important that this be clarified as the JCPOA unfolds and expectations and precedents are formed.

At the time of the negotiations, the financial and economic pressure campaign was not faltering, and the U.S. was not at risk of losing its ability to squeeze and influence Iran in the short term.

The regime and the economy were affected by cascading isolation and falling oil prices. During the period of the negotiations, the pressure was increasing – belying the notion that the United States was facing a cracking sanctions coalition and system. Quite the opposite was occurring. The ayatollahs’ concern over the strangulation of the Iranian economy – in concert with lingering fears of the ghosts of the Green Movement – is ultimately what brought them to the negotiating table and launched them on the charm offensive that allowed them to turn the tables on the West. The sanctions pressure was not sustainable for the regime. President Rouhani admitted that these measures threatened to drive Iran into an economic “Stone Age.”

The regime needs access to capital, new technologies, and connectivity to the oil markets and the global economy to maintain and sustain itself. That is what it lost over the past decade. It is what the Iranians negotiated to regain in the JCPOA. This is now the source of Iran’s most significant complaint.

There was also never a neat divide between “nuclear” and “non-nuclear” sanctions when the constriction campaign launched in 2005. This campaign was intended to use the illicit, dangerous, and illegitimate nature of Iranian activity as the driver for unplugging Iran from the global financial and commercial system. This is something I tried to articulate in my testimonies before the Senate last year. The sanctions were focused on the fact that the Iranians were leveraging their own economy to profit the regime and allow the construction of a suspect nuclear infrastructure and ballistic missiles, support terrorists and militias, strengthen Assad in Syria, engage in financial obfuscation, and perpetrate massive human rights abuses. Other than the nuclear issues, the underlying conduct was not on the table during the JCPOA negotiations. Without resolution of those issues, the triggers for financial isolation remain. Thus, we are witnessing the difficulty of unwinding sanctions that have been triggered by underlying Iranian conduct that has yet to change.

Moreover, the JCPOA has not resulted in the diplomatic unity promised or rewards for good behavior. Russia has quickly made its own deals and pacts with Iran – expanding coordination and cooperation in Syria and Iraq and signing deals for weapons systems. The United States has



been forced to assuage skeptical allies in the Gulf and Israel and mend diplomatic wounds. European countries are engaging at different levels and pace with Iran, sending mixed messages about what is expected by the international community. With the varied sanctions regimes, American companies are disadvantaged by the commercial opening provided to European companies. Legitimate companies concerned about real and reputational risks sit on the sidelines while less responsible actors dive into the Iranian market. Our closest allies are worried, and the responsible actors are losing market opportunities.

Finally, it is not clear that the JCPOA has opened a channel through which Iran can constructively engage with the international community and address the other serious concerns about its dangerous policies and behavior. On the contrary, Iran appears intent and willing to exacerbate those risks and tensions across the board. The JCPOA may have emboldened the regime to take more aggressive steps, exacerbating concerns among U.S. allies that Iran is being given free rein to expand its influence and threaten their interests. Just as important, the United States seems not to have a plan as to how to use the JCPOA implementation to drive broader strategic goals of constraining Iranian adventurism and sparking internal reforms.

The Iranians need to decide that they are willing and able to address those issues of concern and change their behavior – to include issues of financial transparency, terrorist financing, and corruption. The Iranians must find tangible ways to demonstrate that necessary reforms are possible before they can expect to be treated as legitimate actors in the financial and commercial systems. This is the source of their isolation.

## **Conclusion**

In the short term, the aversion to the risks of doing business in and with Iran will continue, especially if Iran continues to demonstrate an unwillingness to stop its provocative and dangerous activity. More importantly, Iran will not be in a position to join the international community completely, if it does not demonstrate clearly that it can engage as a trusted and transparent actor in the financial system. The onus to prove this should be on Iran's shoulders. Any complaints about lack of access to capital, markets, or investment should be posed to the clerical regime. Iran has to decide whether it will abide by international standards, norms, and obligations. Absent this, it will remain a risky environment in which to do business, no matter how attractive the opportunities.

The United States must be willing to use its financial and economic toolkit to constrain dangerous Iranian behavior and encourage responsible Iranian activity. This means forcing Iran to deal with the demands of the international market place on its own and addressing the underlying conduct that has proven problematic and risky. The United States must continue to isolate rogue Iranian activity – and that of its proxies – through the use of sanctions and financial measures that exclude such actors from the global financial and commercial system. The United States cannot abandon its use of these tools, especially as the JCPOA unfolds and Iran continues to test the bounds of U.S. will. The United States will need to rely on sanctions and financial measures even more in the future, and we should be doing everything we can to reinforce the strength and endurance of these powers – against Iran and other rogue actors in the international system.



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## Iran-linked terrorists caught stockpiling explosives in north-west London



Hezbollah fighters parade in Lebanon in 2010 CREDIT: HUSSEIN MALLA/AP

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By **Ben Riley-Smith**, US EDITOR

9 JUNE 2019 • 10:03PM

**T**errorists linked to Iran were caught stockpiling tonnes of explosive materials on the outskirts of London in a secret British bomb factory, The Telegraph can reveal.

Radicals linked to [Hizbollah, the Lebanese militant group](https://www.telegraph.co.uk/news/2019/06/09/europe-has-not-faced-threat-hizbollah/)

[\(https://www.telegraph.co.uk/news/2019/06/09/europe-has-not-faced-threat-hizbollah/\)](https://www.telegraph.co.uk/news/2019/06/09/europe-has-not-faced-threat-hizbollah/), stashed thousands of disposable ice packs containing ammonium nitrate - a common ingredient in homemade bombs.

The plot was uncovered by MI5 and the Metropolitan Police in the autumn of 2015, just months after the UK signed up to the Iran nuclear deal. Three metric tonnes of ammonium nitrate was discovered - more than was used in the Oklahoma City bombing that killed 168 people and damaged hundreds of buildings.

Police raided four properties in north-west London - three businesses and a home - and a man in his 40s was arrested on suspicion of plotting terrorism.

The man was eventually released without charge. Well-placed sources said the plot had been disrupted by a covert intelligence operation rather than seeking a prosecution.

The discovery was so serious that David Cameron and Theresa May, then the prime minister and home secretary, were personally briefed on what had been found.

## Iran-linked terror incidents in Europe

### Autumn 2015 Britain

Police uncover a potential bomb factory linked to Hizbollah in North West London. Thousands of ice packs containing three metric tonnes of ammonium nitrate were discovered after raiding four properties. A man in his 40s is arrested but not charged.

### June 2018 The Netherlands

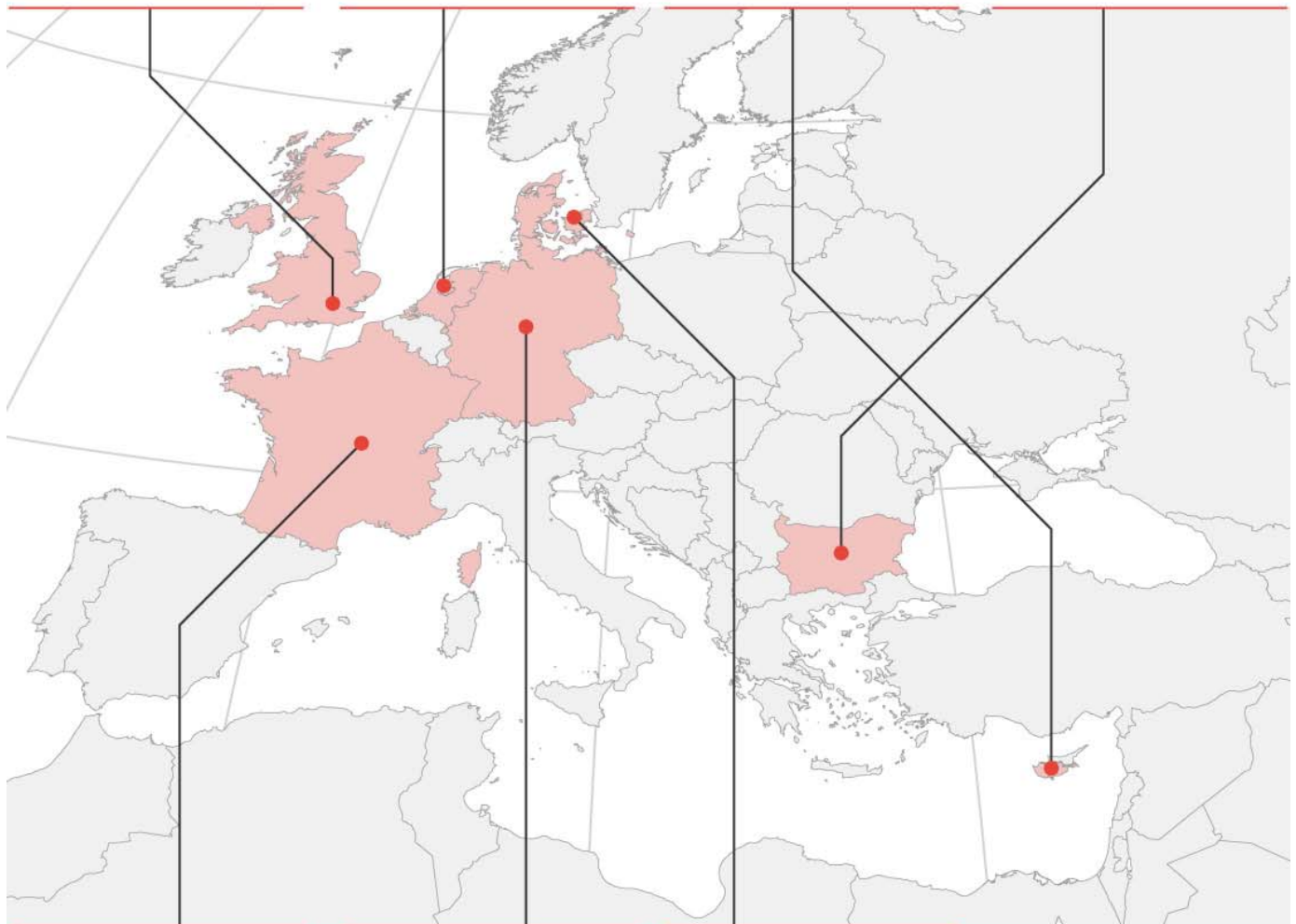
Two Iranian diplomats were expelled over alleged political assassinations in the country. The Dutch government blamed Iran for the shooting of two men - one, accused of planting a bomb, in 2015 and the other, an Arab nationalist, in 2017.

### June 2015 Cyprus

A 26-year-old man was jailed for six years for stockpiling potential explosives to attack Jewish targets. He was a member of Hizbollah's military wing and had stored eight tonnes of ammonium nitrate in ice packs in the coastal city of Larnaca.

### July 2012 Bulgaria

Five Israeli tourists and a driver were killed when a bomb went off on a bus from the city of Burgas's airport. Bulgarian officials later said the two suspects were members of Hizbollah's militant wing. The group and Iran denied involvement.



### June 2018 France

France blamed Iran's

### March 2017 Germany

A Pakistani man was

### October 2018 Denmark

Denmark accused Iran of

intelligence ministry for a foiled bomb plot allegedly

convicted of spying for Iran and identifying potential

plotting to assassinate an Arab separatist leader in its

Yet for years the nefarious activity has been kept hidden from the public, including MPs who were debating whether to fully ban Hizbollah, until now.

It raises questions about whether senior UK government figures chose not to reveal the plot in part because they were invested in keeping the Iran nuclear deal afloat.

[\(https://www.telegraph.co.uk/news/2019/05/09/europe-rejects-iran-ultimatum-nuclear-deal-urging-caution/\)](https://www.telegraph.co.uk/news/2019/05/09/europe-rejects-iran-ultimatum-nuclear-deal-urging-caution/)

The disclosure follows a three-month investigation by The Telegraph in which more than 30 current and former officials in Britain, America and Cyprus were approached and court documents were obtained.

One well-placed source described the plot as “proper organised terrorism”, while another said enough explosive materials were stored to do “a lot of damage”.



Palestinian militants from the Popular Front for the Liberation of Palestine walk next to a poster of Hezbollah leader Sheikh Hassan Nasrallah during an anti-Israel rally CREDIT: WAEL HAMZEH/EPA-EFE/REX

Ben Wallace, the security minister, said: “The Security Service and police work tirelessly to keep the public safe from a host of national security threats. Necessarily, their efforts and success will often go unseen.”

The Telegraph understands the discovery followed a tip-off from a foreign government. To understand what they were facing, agents from MI5 and officers from Metropolitan Police’s Counter Terrorism Command launched a covert operation.

It became clear, according to well-placed sources, that the UK storage was not in isolation but part of an international Hizbollah plot to lay the groundwork for future attacks

(<https://www.telegraph.co.uk/news/2019/03/15/britain-eu-risk-iranian-terror-attacks-home-us-counter-terrorism/>).

The group had previously been caught storing ice packs in Thailand. And in 2017, two years after the London bust, a New York Hizbollah member would appear to seek out a foreign ice pack manufacturer.

## Why ice packs?

Ice packs provide the perfect cover, according to sources - seemingly harmless and easy to transport. Proving beyond doubt they were purchased for terrorism was tricky.

But the most relevant case was in Cyprus, where a startlingly similar plot had been busted just months before the discovery in London. There, a 26-year-old man called Hussein Bassam Abdallah, a dual Lebanese and Canadian national, was caught caching more than 65,000 ice packs in a basement. During interrogation he admitted to being a member of Hizbollah's military wing, saying he had once been trained to use an AK47 assault rifle.

Abdallah said the 8.2 tonnes of ammonium nitrate stored was for terrorist attacks. He pleaded guilty and was given a six-year prison sentence in June 2015.

In Abdallah's luggage police found two photocopies of a forged British passport. Cypriot police say they were not the foreign government agency that tipped Britain off to the London cell.

But they did offer assistance when made aware of the UK case, meeting their British counterparts and sharing reports on what they had uncovered.

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## Hizbollah

Hizbollah emerged in Lebanon during the early 1980s. Literally meaning “the Party of God”, it was formed after Israel invaded the country in 1982.

The Shia militia group was created with the backing of Iran, with whom it is still aligned. From the early years it has had two stated enemies - Israel and the US.

Hizbollah has been linked to numerous deadly terrorist attacks against Israeli and Jewish targets since its inception, including in Europe.

The US has long considered Hizbollah an Iranian proxy group and designated it a foreign terrorist organisation in 1997.

But Britain and other European countries for years drew a distinction between the group’s militant and political wings. In part that is because Hizbollah has elected representatives in Lebanon and has secured positions in the country’s government.

Britain proscribed Hizbollah’s military wing in 2008 but for more than a decade refused to ban the group entirely despite pressure from MPs.

In February 2019 the UK government eventually classified the whole of Hizbollah a terrorist organisation, meaning being a member is now a crime.

Iran continues to support Hizbollah, giving an estimated \$700 million in funding a year according to the US State Department.

MI5’s intelligence investigation is understood to have lasted months. The aim was both to disrupt the plot but also get a clearer picture what Hizbollah was up to.

Such investigations can involve everything from eavesdropping on calls to deploying covert sources and trying to turn suspects.

The exact methods used in this case are unknown. Soon conclusions begun to emerge. The plot was at an early stage. It amounted to pre-planning. No target had been selected and no attack was imminent.

Well-placed sources said there was no evidence Britain itself would have been the target. And the ammonium nitrate remained concealed in its ice packs, rather than removed and mixed - a much more advanced and dangerous state. On September 30, the Met made their move.



Hassan Nasrallah, the head of Lebanon's militant Shiite movement Hezbollah, gives a televised address CREDIT: AFP

Officers used search warrants to raid four properties in north-west London - three businesses and one residential address. That same day a man in his 40s was arrested on suspicion of terrorism offences under Section 5 of the Terrorism Act 2006. Neither his name nor his nationality have been disclosed.

His was the only arrest, although sources told The Telegraph at least two people were involved. The man was released on bail. Eventually a decision was taken not to bring charges.

The exact reasons why remain unclear, but it is understood investigators were confident they had disrupted the plot and gained useful information about Hizbollah's activities in Britain and overseas.

A UK intelligence source said: "MI5 worked independently and closely with international partners to disrupt the threat of malign intent from Iran and its proxies in the UK."

The decision not to inform the public of the discovery, despite a major debate with Britain's closest ally America (<https://www.telegraph.co.uk/opinion/2019/05/09/britain-must-stand->

[united-states-against-ayatollahs-iran/](#) about the success of the Iran nuclear deal, will raise eyebrows.

Keeping MPs in the dark amid a fierce debate about whether to designate the entire of Hezbollah a terrorist group - rather than just its militant wing - will also be questioned.

The US labelled the entire group a terrorist organisation in the 1990s. But in Britain, only its armed wing was banned. The set-up had led senior British counter-terrorism figures to believe there was some form of understanding that Hizbollah would not target the UK directly.

Hizbollah was only added to the banned terrorist group list in its entirety in February 2019 - more than three years after the plot was uncovered.

A spokesman for the press department of the Iranian Embassy in London said: "Iran has categorically rejected time and again any type of terrorism and extremism, has been victim of terrorism against its innocent people, and is in the forefront fighting this inhuman phenomenon.

"Any attempt to link Iran to terrorism, by claims from unknown sources, is totally rejected."

○ [Commentary: Europe has not faced up to the threat of Hizbollah](#)

[\(https://www.telegraph.co.uk/news/2019/06/09/iran-linked-terrorists-caught-stockpiling-explosives-north-west/\)](https://www.telegraph.co.uk/news/2019/06/09/iran-linked-terrorists-caught-stockpiling-explosives-north-west/)

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**GLOBAL**

## The Origins of Hezbollah

30 years ago, deadly bombings in Beirut forged a powerful new militant group.

**MATTHEW LEVITT** OCT 23, 2013



Smoke from the 1983 bombing of the Marine Corps barracks in Beirut could be seen from miles away. (Wikimedia Commons)

*Thirty years ago, three spectacular attacks in Beirut over an 18-month period announced the debut of a potent new force in Lebanon—the Shiite Hezbollah militia—and defined its relationship with the United States for years to come. The October 1983 bombings of Multinational Force bases took the lives of 241 Americans and 58 French.*

Beirut, a city battered by war, was experiencing a period of relative calm in fall 1983. U.S. diplomats and soldiers were still coming to terms with the suicide bombing that struck the U.S. embassy in April, and U.S. Marines wore their combat uniforms everywhere they went—even to social events and diplomatic functions.

But to the U.S. Marine commander on site, the threat environment seemed to have eased somewhat. The embassy bombing was seen as an outlier event. Marines were free to roam the city and were interacting with Lebanese children in public without fear of ambush. Beirut was under a cease-fire, and hopes were high for Syrian reconciliation talks. It was the quiet before the storm.

In the early hours of October 23, 1983, a young Lebanese man from a Shi'a family awoke, said his morning prayers, and drank tea. In a suburb overlooking the marine barracks, his superiors shared a few final thoughts with him, after which a senior cleric blessed him before he drove off in a yellow Mercedes truck. At 6:22 a.m., he rammed the explosive-laden truck through the guard post at the entrance to the U.S. Marine Battalion Headquarters Building in Beirut. The blast decimated the four-story, concrete, steel-reinforced structure—considered one of the strongest buildings in Lebanon at the time. A dense, gray ash cloud engulfed the area as emergency vehicles rushed to the scene. Those soldiers lucky enough to escape serious injury quickly mobilized to rescue their fellow marines, sifting through “dust-covered body parts, moaning wounded and dazed survivors.” Seconds later, a nearly identical attack targeted the French Multinational Force (MNF) building less than four miles away.

Lebanon's devastating civil war, which lasted from 1975 to 1990, hardened divisions among the country's various sectarian communities. Against this backdrop, the 1982 Israeli invasion and subsequent occupation of southern Lebanon created the space in which Iranian diplomats and agents could help fashion the unified entity Hezbollah from a motley crew of Shi'a militias and groups. Another turning point in the 1980s involved militants targeting not only fellow Lebanese but also the international forces dispatched as peacekeepers to provide the war-torn country with a measure of security. Over time, Hezbollah and Iran's interests in driving foreign forces out of Lebanon would expand from attacks targeting Western interests in Lebanon to attacks on Western interests abroad.

Over a nine-month period in 1985, the CIA calculated, Iran's Lebanese proxy groups were responsible for at least 24 international terrorist incidents. Such targets were popular given Iran's efforts to dissuade countries from arming and supporting Iraq in its ongoing, costly war against the Islamic Republic. Heeding Iran's call to carry out attacks beyond Lebanon's borders, Hezbollah would engage in plots throughout the Middle East. By February 1985, the CIA would warn that

“Iranian-sponsored terrorism” presented the greatest threat to U.S. personnel and facilities in the region. Inevitably some of the Hezbollah operatives sent to conduct attacks in places like Kuwait were caught, leading Hezbollah to plot bombings, hijackings, and other operations in places as diverse as Germany and the Republic of the Congo in an effort to secure the release of jailed comrades.

In Lebanon, three spectacular attacks targeting U.S. interests over an 18-month period defined the group’s relationship with the United States for years to come. The U.S. embassy was bombed on April 18, 1983, killing 63, including 17 Americans. The driver of the explosive-filled van entered the embassy compound, slowed to navigate a sharp left turn down a cobblestone lane, and then accelerated and crashed into the embassy’s front wall. The seven-floor embassy complex was engulfed in clouds of black smoke that hid the bodies of Lebanese security guards and American government workers torn apart by the blast. Among the dead were the top American intelligence officials stationed in Lebanon, including the CIA’s chief Middle East analyst, Robert C. Ames.

Then came the nearly simultaneous attacks of October 23, 1983, targeting the U.S. Marines and French army barracks, both compounds under the aegis of the Beirut-based Multinational Force sent to Lebanon as peacekeepers to oversee the evacuation of the Palestine Liberation Organization (PLO) from Beirut. Those attacks left 241 Americans and 58 French dead. Less than a year later, on September 20, 1984, the U.S. embassy annex was bombed, killing 24.

The U.S. government had little doubt about who was behind the 1984 attack, even before crime-scene analysis and sensitive source reporting began to flow in. Writing just days after the second embassy bombing, the CIA noted that “an overwhelming body of circumstantial evidence points to the Hizb Allah, operating with Iranian support under the cover name of Islamic Jihad.” For one thing, the suicide vehicle bomb employed had become a trademark of the group. And, the CIA added at the time, “Shia fundamentalists are the only organized terrorists in Lebanon likely to willingly sacrifice their lives in such an attack.” Following the bombing, two callers claimed responsibility in the name of Hezbollah’s Islamic Jihad Organization (IJO). Several times in the year to follow, the CIA noted, anonymous callers in Beirut warned that the IJO planned to continue attacking U.S. interests. FBI forensic investigators determined that the marine barracks bombing was not only the deadliest terrorist attack then to have targeted

Americans, it was also the single-largest non-nuclear explosion on earth since World War II. Composed of at least 18,000 pounds of explosives— the equivalent of six tons of dynamite— the bomb demolished the four-story building on the fringe of the Beirut Airport campus, leaving behind a crater at least 13 feet deep and 30 feet wide. So many marines, sailors, and soldiers perished that day that the base ran out of body bags. At the French MNF building, the deaths of 58 French paratroopers marked the French military’s highest death toll since the Algerian war ended in 1962. The eight-story building where the paratroopers were staying was literally upended by the blast.

Imad Mughniyeh, the Hezbollah operational leader and terrorist mastermind, and his brother-in-law and cousin, Mustapha Badreddine, reportedly not only watched the marine barracks bombing through binoculars from a perch atop a nearby building overlooking their neighborhood but also coordinated it. In February 1998, Lebanon’s highest court announced plans to try Hezbollah’s first secretary-general, Subhi al-Tufayli, for his role in the marine barracks bombing, among other crimes. At the time, the CIA assessed that Iran, Syria, and Hezbollah would likely help Tufayli escape so he could not “implicate them in a variety of illegal activities, including terrorist operations against U.S. citizens.” He was never tried. Another suspect was Mohammad Hussein Fadlallah, a leader of the Lebanese Shi’a community often described as one of Hezbollah’s founding spiritual figures.

In 1986, the CIA reported that Fadlallah “has long been recognized as the spiritual leader of and political spokesman for Lebanon’s Shia Hezbollah.” Fadlallah’s stature, the CIA added, grew “along with Hizballah’s political and military influence.” Fadlallah “benefited from and contributed to the growing extremism in the Shia community by his bold sermons attacking Israel and, later, the presence of the Multinational Force in Lebanon.” Lebanese Shi’a were inspired by the Iranian revolution to seek an Islamic state in Lebanon, and Fadlallah valued his ties to Iran, in large part because of the significant military, financial, and political assistance Tehran provided to Hezbollah. This assistance helped forge a powerful and potent militant Shi’a group out of several smaller groups.

But over time Fadlallah’s relationship with Iran changed. Fadlallah never fully embraced the Iranian revolutionary concept of velayat-e faqih (rule of the jurisprudent), which, according to a 1986 U.S. intelligence report, “virtually equates Khomeini with the Mahdi— the 12th Imam who is in occultation.” As much

as Fadlallah sought an Islamic state in Lebanon, U.S. intelligence analysts concluded he also recognized the need to maintain the country's religious diversity within an Islamic context. But other, more radical voices within Hezbollah, like the up-and-coming security official Hassan Nasrallah, the CIA warned, promoted a maximalist program in which an Islamic republic in Lebanon would presage a pan-Islamic movement spanning the entire Muslim world. "In our view," the analysts wrote in 1988, "Nasrallah does not represent the mainstream of the movement." Four years later Nasrallah would rise to the leadership of Hezbollah, moving the group's mainstream sharply to the right.

This post is adapted from Matthew Levitt's *Hezbollah: The Global Footprint of Lebanon's Party of God.*

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# In first, Hezbollah confirms all financial support comes from Iran

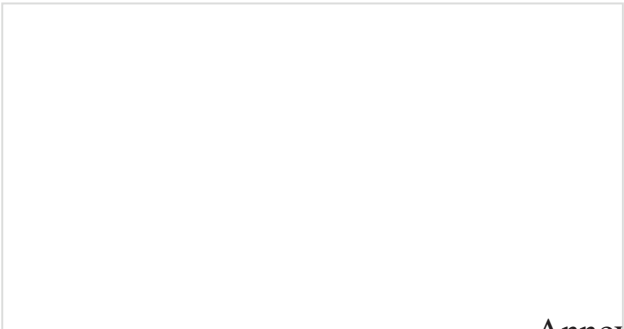


Nasrallah: “We are open about the fact that Hezbollah’s budget, its income, its expenses, everything it eats and drinks, its weapons and rockets, come from the Islamic Republic of Iran.” (Photo: screengrab)

In a speech broadcast on Friday, Hassan Nasrallah, the leader of Lebanese militant group Hezbollah scoffed at the recent US sanctions stating that these sanctions will not impact his group whatsoever due to the fact that Hezbollah receives full financial support from the Islamic Republic of Iran.

How are we doing?

He **pointed** out that “We do not have any business projects or investments via banks...” Nasrallah added that “We are open



about the fact that Hezbollah’s budget, its income, its expenses, everything it eats and drinks, its weapons and rockets, come from the Islamic Republic of Iran,” and he emphasized that his group “will not be affected” by any fresh sanctions.

Speaking in a speech to mark 40 days after the death of a high level Hezbollah commander Mustafah Bedreddine in the Syrian capital Damascus, Nasrallah stated that: “As long as Iran has money, we have money... Just as we receive the rockets that we use to threaten Israel, we are receiving our money. No law will prevent us from receiving it...”



## First public confirmation

It has been long known to political observers that the Islamic Republic played a key role in giving birth to the Lebanese Shiite militant group in 1982. For over three decades, Iran’s financial, military, intelligence, logistical, and advisory assistances to Hezbollah have been well known. The Islamic Revolutionary Guard Corps (IRGC) and its elite force, the Quds force, transformed Hezbollah to be one of Iran’s most important and powerful regional and international proxies.

Nevertheless, what highlights the significance of Nasrallah’s speech is the fact that this is the first time in which he is announcing and publicly confirming that his group is receiving full monetary and arms support from the Iranian government.

### How are we doing?

The United States has long listed Hezbollah as a global terrorist group (since 1995) and accused it in several attacks such as the 1983 Beirut barracks bombing, that killed 241 US marines, the April 1983 US embassy bombing, and the 1984 US embassy annex bombing.

On Dec. 18, 2015, the US president signed the **Hezbollah International Financing Prevention Act**. The US Congress voted to impose fresh sanctions on Hezbollah by targeting those banks that are “knowingly facilitating a significant transaction or transactions for” Hezbollah and those financial institutions that “knowingly facilitating a significant transaction or transactions of a person identified on the List of Specially Designated Nationals and Blocked persons.”

Nasrallah **pointed** out in his recent speech: “We totally reject this [United States] law until the Day of Judgment ... Even if the law is applied, we as a party and an organizational and jihadist movement, will not be hurt or affected,” He added: “We have no money in Lebanese banks, neither in the past nor now ... We don't transfer our money through the Lebanese banking system.”

## How this plays out in Washington

On the other hand, since Hezbollah is receiving full funding and arms support from Iran, according to Nasrallah, the US is now seemingly playing a critical role in assisting and facilitating the ways through which Hezbollah receives this significant aid from the Iranian government.

The Obama administration and Hassan Rowhani's government were two key players in getting the nuclear agreement signed. When the nuclear terms started being implemented, the Obama administration began immediately transferring billions of dollars to Iran's Central Bank. One of the payments **included** 1.7 billion dollars transferred, in January 2015.

Two of the major primary beneficiaries of these sanctions reliefs and flow of money are Hezbollah and the IRGC. Iran also immediately **increased** its military budget by \$1.5 billion from \$15.6 billion to \$17.1 billion. Iran also began witnessing the flow of money due to the lifting of international sanctions.

Nasrallah's speech also indicates that the US money transfer to Iran's bank and the sanctions reliefs appear to have empowered and emboldened both the Iranian government and the Hezbollah leader.

Previously, when sanctions were imposed on Iran, Tehran had to reduce Hezbollah and its TV's (Al-Manar channel) funding from the **approximately** \$200 million a year. However, thanks to Washington, the money that Iran is receiving from the US or the market is again going on its way to Hezbollah, the major benefactor.

President Obama had given hope to world powers that engaging with Iran and the nuclear deal with Tehran would more likely force the Iranian government to moderate its behavior. Obama **pointed out** in an interview with NPR's Steve Inskeep that as a result of the nuclear agreement Iran would start “different decisions that are less offensive to its neighbors; that it tones down the rhetoric in terms of its virulent opposition...”

Hezbollah's confirmation of receiving money and arms from Iran is intriguing. Almost all signs indicate that the continuation of sanctions relief, and US transfer of billions of dollars to Iran militarily and financially assisting and ending up in the hands of Iran's primary proxy, Hezbollah as well as Iran's Revolutionary Guard Corps, and the Quds force.

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10:48 AM | March 21, 2010

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THE Taliban fighters scurried up the craggy mountainside. As they neared the top, their 30-strong platoon split into three sections and they launched a ferocious assault on an enemy fort, opening fire from numerous positions. The bullets they sprayed at the forts mud-coloured walls were blank, however. They merely pretended to fire their rocket-propelled grenades. When they reached the desert at the foot of the mountain, they did not race away on motorbikes, but filed into sand-coloured tents to refresh themselves with tea and naan. The attack was a training exercise overseen by Iranian security officials in plain clothes. The Taliban do not know whether they were police officers, soldiers or secret service agents. What they can say is that in camps along the

border between Afghanistan and Iran, Taliban recruits are being taught how to ambush British, American and other Nato troops using guns and improvised explosive devices (IEDs). They are learning to attack checkpoints as well as mountain bases. Iranian instructors are also giving them target practice on desert ranges with Kalashnikov assault rifles. In the past, Shiite Iran has opposed the Sunni Taliban. But western officials say Iran now wants to expand its influence within the Taliban movement. A Taliban commander who has been trained in Iran said last week: Our religions and our histories are different, but our target is the same we both want to kill Americans. In recent months, senior American officials have accused Iran of playing a double game by training and arming the Taliban while supporting the Afghan government. Taliban leaders interviewed by The Sunday Times last week provided the first direct evidence of how Iran is training insurgents on its own soil. According to one Taliban source, emissaries travelled to Iran early last year to discuss a training programme with Iranian officials. The training began during the winter. Working through local mediators, this newspaper persuaded two Taliban commanders who had attended the programme in Iran to travel to Kabul, the Afghan capital, to tell their stories. The men, interviewed separately in a partially constructed concrete building on the edge of the city, were both extremely nervous. How do I know you are not spies and that you will not follow me when I leave? said one before the interview began. At times, their voices dropped to whispers as they spoke about their role in the insurgency and drank cups of tea on dirty cushions. One of the commanders, from the central province of Wardak, described how he travelled to Iran with 20 of his men. His journey took him south into Pakistan, then west to the border with Iran and on to Zahedan, a city of 600,000 people in southeast Iran. The second Taliban commander, from Ghazni province in southern Afghanistan, took a group of his men on a five-day drive to Nimroz, in the southwest. From there, he crossed into Iran's Sistan and Baluchestan province, a hotbed of drug smuggling and tribal rivalry. The militants paid a \$500 fee to Afghan people-smugglers using routes usually taken by refugees looking for work in Iran. They crossed the border at night in cars with the help of Baluch traffickers who guided the groups along dirt tracks to avoid checkpoints. After stopping to rest in the mountains, they headed out again at first light. Finally, they were met by their Iranian instructors in white Toyota pick-up trucks and were taken to a village on the outskirts of Zahedan, an hours drive from the training camps. There they were placed in basic compounds, each housing up to 30 Taliban fighters, mostly from the south and southeast of Afghanistan where the insurgency against British and American forces is fiercest. Battered buses and pick-up trucks ferried the militants back and forth between the village and the camps every morning and night. Iran paid for the whole trip. We paid the travel fees to begin with and once we got to Iran they refunded us. They paid for our food, our mobile phone cards, any expenses, said the Ghazni commander. At one camp, a cluster of low tents erected in the shadow of a mountain, the Taliban fighters conducted live firing exercises, physical training and mountain assaults under the watchful eye of the plain-clothes Iranians, the commander said. During a course lasting three months, the Iranian instructors worked in groups of two to five men. Their programme was split into three parts, each taking a month to complete. For the first month, the recruits were taught how to launch complex ambushes on moving convoys. They learnt where to set up firing positions, when to trigger the ambush and how to escape before the enemy had time to respond. They were strong on the planning side. We would sit in the tents and they would take us through things like where the best escape routes were, making sure we had good cover and where

to place our lookouts, the commander said. The second month was spent learning how to plant the roadside bombs that are responsible for most of the deaths of British soldiers in Helmand province. The insurgents were taught to use carefully positioned secondary and tertiary devices to kill or wound rescuers organising medical evacuations. During the third month, the instructors taught the Taliban how to storm fixed enemy positions, climbing mountains in formation to launch attacks on checkpoints and bases. We were told ambushing was a very useful tool compared with a straightforward attack. They taught us how to select a good hiding position and how to limit the enemys response to our attacks by laying well- positioned mines, said the commander. We can kill a lot of our enemies this way. Both commanders said Iran also supplied them with weapons, often paying nomads to smuggle ammunition, mines and guns across the desert and mountain passes between Iran and Afghanistans western provinces. The nomads used donkeys, camels and horses to carry the military supplies into provinces such as Ghazni and Wardak, the commanders said. Although the commanders believed that, after years on the battlefields of Afghanistan, they already possessed some of the skills that were taught in Irans camps, they agreed the training had improved their ability to launch more sophisticated attacks. I found some elements of the training in Iran very useful, especially the escape and evasion techniques I was taught, said the commander from Wardak as he showed me video footage of his men patrolling on motorbikes with AK-47s and rocket-propelled grenade launchers slung over their shoulders. The commanders gave no indication of precisely who was behind the training. Late last year General Stanley McChrystal, the US commander of foreign troops in Afghanistan, accused Irans al-Quds force an elite wing of the Revolutionary Guard of undermining the efforts of the Afghan government and Nato forces. The problem with dealing with the Iranian regime is knowing to what extent these initiatives are conducted by local commanders and to what extent they are backed by the government, said a western defence source. He added that, although he had seen no direct evidence, the accounts of Taliban training camps in Iran were credible. American officials believe Irans support for the Taliban has reached troubling proportions, although it is not on the same scale as its backing for Shiite insurgents in Iraq. The commanders accounts suggest the number of Taliban fighters trained in Iran may already have reached the hundreds. Taliban militants still receive much of their training in neighbouring Pakistan. Elements of the ISI, Pakistans secret service, are known to train, equip and fund the Taliban. But a recent crackdown on Taliban safe havens in Pakistan has forced many insurgents to look to Iran for support. The military is pressuring the Taliban in Pakistan. It is certainly harder to reach places that were once easy to get into. I think more of my fighters will travel to Iran for training this year, said the Ghazni commander. Two weeks ago Robert Gates, the US defence secretary, said of the Iranians: They want to maintain a good relationship with the Afghan government. They also want to do everything they possibly can to hurt us, or for us not to be successful. Days later, President Mahmoud Ahmadinejad of Iran insisted he wanted to rebuild Afghanistan and criticised the presence of foreign troops. The Taliban commander from Ghazni province said he had no doubt Iranian police and intelligence services knew about the training camps, however. The government is not sleeping, he said. You just have to wiggle your ears in Iran and they will know about it. (The Sunday Times)



**FROM OUR BUREAUS**

## Captured Taliban Commander: 'I Received Iranian Training'

August 23, 2011 12:56 GMT

FARAH, Afghanistan -- A Taliban commander captured in southwestern Afghanistan claims to have received military training in Iran to target a major dam in the region.

The claim was made by Mullah Dadullah, who was captured recently in the Lash-e Zoveyn region of Farah Province, close to the Iranian border.

"I was trained in Iran for three months. Our trainers were a mix of Pakistanis, Iranians, and Arabs," Dadullah, the head of a group of some 150 Taliban fighters, told journalists under police supervision on August 23 in the provincial capital, Farah.

"Ali Talibi and Hussein Rezai were two of my Iranian instructors. They taught me to fire rockets and to plant mines," he added. "I was trained in setting up remote-controlled mines and planting antitank mines. Even developed countries would have been unable to discover the mines I planted."

Senior U.S. and Afghan officials have long accused Iran of supporting Afghan insurgents. But Tehran has consistently denied such accusations.

Dadullah claimed to have been involved in insurgent attacks in the southwestern provinces of Farah, Helmand, and Nimroz during the past three years.

He said that recently Iranian officials offered him \$50,000 in return for destroying the Kamal Khan Dam in Nimroz Province, east of Farah.

Farah's provincial police chief, Gahussudin, said that Dadullah was tasked with sabotaging major infrastructure projects in the region.

"He was trained for blowing up the Kamal Khan Dam. He was also tasked to attack other

major infrastructure projects in the provinces bordering Iran," Gahussudin said. "Fortunately, he was arrested by the police" before he could act on his plans.

The Kamal Khan Dam is located in the Char Borjak district of Nimroz Province. After completion it will significantly reduce water flow to the neighboring regions of southeastern Iran, which already face severe water shortages.

Afghans also accuse Tehran of attempting to slow down the construction of Salma Dam in western Herat province which borders northeastern Iran.

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## **Second report of the Secretary-General on the implementation of Security Council resolution 2231 (2015)**

### **I. Introduction**

1. On 20 July 2015, the Security Council, in its resolution [2231 \(2015\)](#), endorsed the Joint Comprehensive Plan of Action concluded 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, with the Islamic Republic of Iran.

2. In the same resolution, the Security Council requested that I submit a report on the provisions contained in annex B to resolution [2231 \(2015\)](#) every six months. The present report is the second submitted in fulfilment of that request and the request of the President of the Security Council that I submit a report on the implementation of resolution [2231 \(2015\)](#), with findings and recommendations ([S/2016/44](#), para. 7).<sup>1</sup>

3. The provisions of annex B to resolution [2231 \(2015\)](#) entered into force on 16 January 2016, upon submission by the Director General of the International Atomic Energy Agency (IAEA) of a report confirming that the Islamic Republic of Iran had taken a series of initial nuclear-related actions as called for in the Joint Comprehensive Plan of Action and in resolution [2231 \(2015\)](#) ([S/2016/57](#), annex).

4. Annex B includes provisions applicable to nuclear-related transfers, ballistic missile-related transfers, and arms-related transfers to or from the Islamic Republic of Iran, as well as the asset freeze and travel ban provisions. All those provisions will apply for set periods of time or until the date on which IAEA submits its report indicating the broader conclusion that all nuclear material in the Islamic Republic of Iran remains in peaceful activities (the “broader conclusion” report),<sup>2</sup> whichever is earlier.

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<sup>1</sup> The first report of the Secretary-General was issued on 12 July 2016 ([S/2016/589](#)).

<sup>2</sup> In paragraph 6 of resolution [2231 \(2015\)](#), the Security Council requested that as soon as IAEA has reached the broader conclusion that all nuclear material in the Islamic Republic of Iran remains in peaceful activities, the Director General of IAEA will submit a report confirming that conclusion to the IAEA Board of Governors and, in parallel, to the Security Council.



## II. Key findings and recommendations

5. Since 16 January 2016, I have not received any report on the supply, sale, transfer or export to the Islamic Republic of Iran of nuclear-related items undertaken contrary to the provisions of annex B to resolution 2231 (2015). Since my first report (S/2016/589), five additional nuclear-related proposals were submitted through the procurement channel, three of which have already been approved by the Security Council. All the necessary operational linkages between the Council and the Joint Commission established in the Joint Comprehensive Plan of Action are in place and functioning fully for the processing of such proposals, with due regard given to information security and confidentiality.

6. Since 12 July 2016, no information regarding Iranian ballistic missile activity or ballistic missile-related transfers undertaken contrary to the provisions of annex B to resolution 2231 (2015) were brought to my attention or that of the Security Council.

7. I received one new report on an arms transfer alleged to have originated in the Islamic Republic of Iran and to have been undertaken contrary to the provisions of annex B to resolution 2231 (2015). On 5 July 2016, France informed the Security Council and me that, in March 2016, it had seized an arms shipment in the northern Indian Ocean. France concluded that the arms shipment originated in the Islamic Republic of Iran and was likely bound for Somalia or Yemen. In addition, the Secretariat was recently provided with information (by the Combined Maritime Forces and Australia) on an arms seizure in February 2016 by the Royal Australian Navy, off the coast of Oman, which the United States of America assessed as having originated in the Islamic Republic of Iran. I look forward to the opportunity for the Secretariat to examine those weapons and previously seized weapons, in order to corroborate the information provided and independently ascertain the origin of the shipments.

8. On 24 June 2016, the Secretary-General of Hizbullah, Hassan Nasrallah, stated in a televised speech that it receives all its weapons and missiles from the Islamic Republic of Iran. Any Iranian arms transfer to Hizbullah would have been undertaken contrary to the provisions of annex B to resolution 2231 (2015) should they have taken place after 16 January 2016.<sup>3</sup>

9. On 21 November 2016, Israel drew my attention to information it possessed regarding the alleged use of commercial flights by the Islamic Revolutionary Guard Corps to transfer arms and related materiel to Hizbullah. The information was also provided to the Security Council in identical letters from the Permanent Representative of Israel, dated 21 November (S/2016/987). The Islamic Republic of Iran, in identical letters dated 22 November 2016 (S/2016/992), asserted that the claims were baseless and unsubstantiated accusations. I wish to remind all Member States of their obligations under resolution 2231 (2015) 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.

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<sup>3</sup> Any Iranian arms transfer to Hizbullah between the adoption of resolution 1747 (24 March 2007) and 16 January 2016 would have constituted a violation of paragraph 5 of that resolution. The provisions of resolution 1747 (2007) and those of other previous Security Council resolutions on the Iranian nuclear issue were terminated on 16 January 2016.

10. On the basis of information provided by both the Permanent Missions of the Islamic Republic of Iran and of Iraq, I have concluded my review of the participation of Iranian entities in the Fifth Iraq Defence Exhibition. While no further action will be taken by the Secretariat in relation to this matter, I wish to reiterate my recommendation that the Council clarify whether the provisions of annex B to resolution 2231 (2015) on arms-related transfers to or from the Islamic Republic of Iran apply to all supply, sale or transfer of arms or related materiel, including temporary transfers, regardless of change of ownership (see S/2016/589, para. 10).

11. Since my previous report, Iranian and other media outlets reported that Major General Qasem Soleimani and Brigadier General Mohammad Reza Naqdi have engaged in foreign travel. I call upon all Member States to take the necessary measures to prevent the entry or transit through their territories of individuals presently on the list maintained pursuant to resolution 2231 (2015).

12. In the course of the Secretariat's contact with the Permanent Mission of the Islamic Republic of Iran to seek clarification on the statement by the Secretary-General of Hizbullah and the foreign travels of Major General Soleimani and Brigadier General Naqdi, the Islamic Republic of Iran underlined "that measures undertaken by the Islamic Republic of Iran in combating terrorism and violent extremism in the region have been consistent with its national security interests and international commitments".

### III. Implementation of nuclear-related provisions

13. In preparing the present report on the provisions of annex B to resolution 2231 (2015), I note that in September and November 2016, IAEA issued quarterly reports on its verification and monitoring in the Islamic Republic of Iran in the light of resolution 2231 (2015), (S/2016/808 and S/2016/983). In addition, on 6 December 2016, IAEA provided an update on developments in relation to the Iranian stockpile of heavy water since its last quarterly report. The Agency reported that it was continuing 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 were ongoing. The Agency also reported on its verifying and monitoring of the implementation by the Islamic Republic of Iran of its nuclear-related commitments under the Joint Comprehensive Plan of Action and that the Islamic Republic of Iran continues to provisionally apply the Additional Protocol to its Safeguards Agreement, pending its entry into force, and the transparency measures contained in the Plan.

14. Since 16 January 2016, I have not received any information regarding the supply, sale, transfer or export to the Islamic Republic of Iran of nuclear-related items undertaken contrary to paragraph 2 of annex B to resolution 2231 (2015).

15. As of 30 December 2016, five additional proposals to participate in or permit the activities set forth in paragraph 2 of annex B to resolution 2231 (2015) were submitted to the Security Council for approval through the procurement channel process. Two proposals submitted on 6 October 2016, for the supply of items, material, equipment, goods and technology set out in INFCIRC/254/Rev.9/Part 2,

were approved by the Council on 17 November 2016. A proposal received by the Council on 16 November 2016, for the supply of items, material, equipment, goods and technology set out in INFCIRC/254/Rev.12/Part 1, was approved on 28 December 2016. Two proposals submitted to the Council on 6 December 2016, for the supply of items, material, equipment, goods and technology set out in INFCIRC/254/Rev.9/Part 2, are currently under review by the Joint Commission.

16. One notification was submitted to the Council on 17 November 2016 in relation to the transfer to the Islamic Republic of Iran of technology covered by B.1 of INFCIRC/254/Rev.12/Part 1, intended for light-water reactors. Two further notifications were submitted to the Council, the first on 23 December and the second on 28 December 2016, in relation to the transfer to the Islamic Republic of Iran of low-enriched uranium covered by A.1.2 of INFCIRC/254/REV.12/Part 1, incorporated in assembled nuclear fuel elements intended for light-water reactors, as well as of equipment covered by B.1 of INFCIRC/254/Rev.12/Part.1, intended for light-water reactors. Such activities and certain other nuclear-related activities do not require approval but do require a notification to the Security Council or to both the Security Council and the Joint Commission (see resolution 2231 (2015), annex B, para. 2).

17. In September 2016, the Joint Commission provided guidance on temporary nuclear-related transfers. It indicated that all nuclear-related transfers in cases where the goods in question are intended to remain in the Islamic Republic of Iran only for a certain period of time and subsequently leave the Islamic Republic of Iran would follow the established procedure within the procurement channel, including an end-use certification signed by the designated Iranian national authority. The Joint Commission also indicated that it would endeavour to expedite its review of temporary exports for demonstration or display in exhibitions. The guidance was reflected in amended versions of the documents offering practical information on the procurement channel, which are available on the Security Council website dedicated to the implementation of resolution 2231 (2015)<sup>4</sup> and were brought to the attention of all Member States through a note verbale issued by the Security Council facilitator on 18 October 2016.

#### **IV. Implementation of ballistic missile-related provisions**

18. 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 technology.

19. In addition, pursuant to paragraph 4 of annex B to resolution 2231 (2015), provided that they have obtained prior approval from the Security Council, on a case-by-case basis, all States may now participate in and permit the supply, sale or transfer to the Islamic Republic of Iran of certain ballistic missile-related items, materials, equipment, goods and technology, the provision of various services or assistance, as well as the acquisition by the Islamic Republic of Iran of an interest in certain commercial ballistic missile activities.

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<sup>4</sup> [www.un.org/en/sc/2231/restrictions-nuclear.shtml](http://www.un.org/en/sc/2231/restrictions-nuclear.shtml).

20. Since my first report to the Security Council, neither I nor the Security Council have received any information regarding activity undertaken contrary to paragraphs 3 and 4 of annex B to resolution [2231 \(2015\)](#).

## V. Implementation of arms-related provisions

21. 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 case-by-case basis, may now participate in and permit the supply, sale or transfer to the Islamic Republic of Iran of the seven categories of arms as defined for the purpose of the United Nations Register of Conventional Arms and of related materiel. Prior approval from the Council is also required for the provision to the Islamic Republic of Iran of various related services or assistance.

22. As of 30 December 2016, one proposal to participate in and permit the activities set forth in paragraph 5 of annex B to resolution [2231 \(2015\)](#) was submitted to the Security Council. The proposal is still under consideration by the Security Council.

23. The Security Council decided, in paragraph 6 (b) of annex B to resolution [2231 \(2015\)](#), 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 drafting of the present report, no proposal has been submitted to the Council pursuant to that paragraph.

24. In July, I brought to the attention of the Security Council open-source information about the participation of several Iranian entities in the Fifth Iraq Defence Exhibition, held from 5 to 8 March 2016 at the Baghdad International Fairground (see [S/2016/589](#), para. 32). According to images published by the Islamic Republic News Agency and the Islamic Republic of Iran Broadcasting news agency, items displayed by those entities appeared to include small arms, artillery ammunition and rockets. The Secretariat raised this issue with the Permanent Missions of the Islamic Republic of Iran and Iraq to the United Nations and invited both Member States to provide further information.

25. As I reported in July, Iranian representatives considered that no prior approval was required from the Security Council for this activity because the Islamic Republic of Iran retained ownership of the items exhibited. In addition, in October 2016, Iraqi authorities informed the Secretariat that all items exhibited by Iranian entities during the exhibition were subsequently returned to the Islamic Republic of Iran “in compliance with requirements stipulated in the applicable resolutions issued by the [Security Council], ensuring legality of the process in its entirety”.

26. In view of the above, no further action will be taken by the Secretariat in relation to this matter. Nevertheless, I wish to reiterate my recommendation that the Security Council clarify whether paragraph 6 (b) applies to all supply, sale or transfer of arms or related materiel, including temporary transfers, regardless of change of ownership (see para. 10 of [S/2016/589](#)).

27. On 5 July 2016, France brought to my attention information on the seizure of an arms shipment that, in its assessment, had originated in the Islamic Republic of Iran and was likely bound for Somalia or Yemen.<sup>5</sup> According to information provided, the French frigate *Provence*, operating as part of the Combined Task Force 150, boarded a stateless dhow on 20 March 2016 in the northern Indian Ocean. That action resulted in the discovery of weapons aboard the vessel that included 2,000 AK-47 assault rifles, 64 Hoshdar-M sniper rifles, 6 type-73 machine guns and 9 Kornet anti-tank missiles. On the basis of an analysis of available information, including interviews with the crew and an inspection of the weapons, France concluded that the weapons had originated in the Islamic Republic of Iran and that their transfer was being undertaken contrary to paragraph 6 (b) of annex B to resolution 2231 (2015).

28. That report was brought to the attention of the Permanent Mission of the Islamic Republic of Iran to the United Nations by the Security Council facilitator for the implementation of resolution 2231 (2015), in July 2016. In addition, the Secretariat has requested the opportunity to examine the arms seized and obtain additional information.

29. In March 2016, the Combined Maritime Forces announced the seizure of a weapons cache aboard a small fishing vessel off the coast of Oman by HMAS *Darwin* of the Royal Australian Navy, also operating as part of the Combined Task Force 150.<sup>6</sup> Upon the request of the Secretariat, Australia and the Combined Maritime Forces recently provided information on that arms seizure. According to information provided, on 28 February 2016, HMAS *Darwin* discovered aboard a stateless dhow, the *Samer*, a total of 1,989 AK-47 assault rifles, 100 RPG-7 rocket-propelled grenade launchers, 49 PKM general purpose machine guns, 39 PKM spare barrels and twenty 60 mm mortar tubes.

30. According to the United States, that arms shipment originated in the Islamic Republic of Iran.<sup>7</sup> The Secretariat is still reviewing the information recently provided by Australia and the Combined Maritime Forces, and I intend to provide an update on the arms seizure in due course.

31. In a televised speech broadcast by Al-Manar television on 24 June 2016, the Secretary-General of Hizbullah stated that the budget of Hizbullah, its salaries, expenses, weapons and missiles all came from the Islamic Republic of Iran. I am very concerned by that statement, which suggests that transfers of arms and related materiel from the Islamic Republic of Iran to Hizbullah may have been undertaken contrary to the provisions of annex B to resolution 2231 (2015).<sup>3</sup> The Secretariat raised the matter with representatives of the Permanent Mission of the Islamic Republic of Iran to the United Nations in November 2016. In the course of the Secretariat's contact with the Permanent Mission to seek clarification on this issue, the Islamic Republic of Iran underlined "that measures undertaken by the Islamic

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<sup>5</sup> That information was also communicated to the Security Council, the Committee pursuant to resolutions 751 (1992) and 1907 (2009) concerning Somalia and Eritrea and the Committee established pursuant to resolution 2140 (2014).

<sup>6</sup> "HMAS Darwin seizes large weapons cache", Combined Maritime Force press release dated 6 March 2016.

<sup>7</sup> See "Third Illicit Arms Shipment in Recent Weeks Seized in Arabian Sea", United States Navy, story number NNS160404-01, dated 4 April 2016.



Republic of Iran in combating terrorism and violent extremism in the region have been consistent with its national security interests and international commitments”.

32. In addition, in identical letters dated 21 November 2016 (S/2016/987), the Permanent Representative of Israel stated that the Islamic Republic of Iran continues to transfer arms and related materiel to Hizbullah in order to supply Hizbullah with the capacity to enhance its missile arsenal. According to Israel, those arms and related materiel are shipped by the Islamic Revolutionary Guard Corps, using commercial flights from the Islamic Republic of Iran either directly to Beirut or to Damascus (the arms and related materiel being subsequently shipped to Lebanon by land). In identical letters dated 22 November 2016, the Permanent Representative of the Islamic Republic of Iran stated that the information was baseless and “without a shred of evidence” (S/2016/992).

## VI. Implementation of the assets freeze provisions

33. Pursuant to paragraphs 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.

34. In July 2016, I brought to the attention of the Council that an entity presently on the list maintained pursuant to resolution 2231 (2015),<sup>8</sup> the Defence Industries Organisation, appeared to have participated in the Fifth Iraq Defence Exhibition in March 2016 (see para. 35 of S/2016/589). Based on the information provided by Iraqi authorities in October 2016 (see para. 25 above), no further action will be taken by the Secretariat in relation to this matter.

35. Since my previous report, I have not received any other information, nor am I aware of any open-source information, related to the implementation of the paragraphs 6 (c) and (d) of annex B to resolution 2231 (2015).

## VII. Implementation of the travel ban provision

36. 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 the drafting of the present report, no travel exemption requests were received or granted by the Security Council in relation to individuals presently on the list.

<sup>8</sup> 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).

37. In my first report, I brought to the attention of the Security Council that Major General Qasem Soleimani, Commander of the Quds Force of the Islamic Revolutionary Guard Corps, may have engaged in foreign travel (see S/2016/589, para. 37). In recent months, additional information from open sources suggests that Major General Soleimani continues to engage in foreign travel. In late June 2016, several Iranian media outlets (Fars News Agency, Tasnim News Agency) reproduced pictures of Major General Soleimani visiting the former Prime Minister of Iraq, Nouri al-Maliki. In October 2016, another Iranian media outlet (Mehr News Agency) reproduced a picture of the General in the Iraqi Kurdistan region, visiting the family of a Kurdish Peshmerga officer killed fighting ISIL militants in 2015. In November 2016, the leader of the Harakat Hezbollah al-Nujaba militia declared that he was in Mosul along with other Iranian military advisers (Fars News Agency). In September 2016, the media group of the same militia, which had released the pictures of Major General Soleimani in the “Fallujah operations room” in May 2016 (see S/2016/589, fig. V) released pictures showing him reportedly in southern Aleppo. The following day a picture showing Major General Soleimani reportedly with officers of the Syrian Arab Army was reproduced by various media outlets (Fars News Agency, Al-Masdar News). In mid-December 2016, pictures showing the General at the citadel of Aleppo were widely circulated by Iranian and other media outlets (Fars News Agency).

38. In addition, in late July 2016, Iranian media outlets (Basij Press, Fars News Agency) reported that another listed individual, Brigadier General Mohammad Reza Naqdi, former Deputy Chief of Armed Forces General Staff for Logistics and Industrial Research, travelled to the Syrian Arab Republic in March and July 2016. In the following days, the same media outlets reproduced pictures of him reportedly in the Golan region, near Qunaytirah, as well as in the Sayyidah Zainab mosque in Damascus.

39. The Secretariat raised the travel of Major General Soleimani to Iraq with the Permanent Missions of the Islamic Republic of Iran and Iraq to the United Nations in June 2016. In October 2016, the Permanent Representative of Iraq informed the Secretariat that “there [was] no means of confirmation regarding Soleimani’s entry into Iraqi territory; Iraq has not invited Mr. Soleimani to visit Iraq and no entry visa [was] requested by him or granted by the Foreign Ministry of Iraq”.

40. The Secretariat also raised the travels of both Major General Soleimani and Brigadier General Naqdi to the Syrian Arab Republic with the Permanent Missions of the Islamic Republic of Iran and the Syrian Arab Republic to the United Nations in November 2016. The Syrian Government affirmed that “no visas were issued to the above-mentioned individuals”. During the Secretariat’s contact with the Permanent Mission of the Islamic Republic of Iran to seek clarification on this issue, the Islamic Republic of Iran underlined “that measures undertaken by the Islamic Republic of Iran in combating terrorism and violent extremism in the region have been consistent with its national security interests and international commitments”.

## VIII. Secretariat support provided to the Security Council and its facilitator for implementation of resolution 2231 (2015)

41. The Security Council Affairs Division of the Department of Political Affairs has continued to support the work of the Security Council, in close cooperation with the facilitator for the implementation of resolution 2231 (2015). The Division has 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).

42. The Division continued to promote publicly available information on the restrictions imposed by resolution 2231 (2015), including through the Council's website<sup>9</sup> and outreach activities. Relevant documents were regularly added to the website in all official languages. In particular, revised versions of the documents provided by the Procurement Group of the Joint Commission offering practical information to States on the procurement channel were uploaded in October.

43. During the reporting period, the Division responded to queries from Member States regarding the termination of previous Security Council resolutions on the Iranian nuclear issue and the provisions of resolution 2231 (2015), in particular on the procedures for the submission of nuclear-related proposals and the review process.

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<sup>9</sup> [www.un.org/en/sc/2231/](http://www.un.org/en/sc/2231/).

## Iran: Council adopts conclusions

1. Recalling the November 2016 Council conclusions, the European Union expresses its resolute commitment to and continued support for the Joint Comprehensive Plan of Action (JCPOA). The JCPOA is a key element of the global nuclear non-proliferation architecture and an achievement of multilateral diplomacy, endorsed unanimously by the UN Security Council through its resolution 2231.
2. The European Union welcomes Iran's continued full and effective implementation of its nuclear-related commitments, as confirmed by the International Atomic Energy Agency (IAEA) in thirteen consecutive reports, including in its latest quarterly report, issued on 12 November 2018. The European Union reiterates the need for Iran to continue to implement all of its commitments, and to continue to cooperate fully and in a timely manner with the IAEA. The European Union welcomes and fully supports the work undertaken by the IAEA in monitoring Iran's implementation of the JCPOA. The EU welcomes Iran's commitment never to seek, develop or acquire any nuclear weapons. It acknowledges the provisional application by Iran of the Additional Protocol to its Comprehensive Safeguards Agreement, encouraging its ratification.
3. The European Union recognises that the lifting of sanctions constitutes an essential part of the JCPOA and deeply regrets the re-imposition of sanctions by the United States, following the latter's withdrawal from the JCPOA. The European Union underlines the efforts undertaken to preserve economic and wider benefits for Iran as foreseen by the JCPOA. These are being intensified through the initiative by France, Germany and the United Kingdom, to operationalise the Special Purpose Vehicle, which has now been registered as a private entity, with a view to providing a positive impact on trade and economic relations with Iran, but most importantly on the lives of Iranian people. The Special Purpose Vehicle will support European economic operators engaged in legitimate trade with Iran, in accordance with EU law and with UN Security Council resolution 2231.  
As recalled in the joint statement of the HR/VP with foreign ministers and finance ministers of France, Germany and United Kingdom of 2 November 2018, the resolve to complete this work is unwavering. The European Union recalls that updates to the EU's "Blocking Statute" and the European Investment Bank's external lending mandate to make Iran eligible entered into force on 7 August 2018.
4. The European Union emphasizes its support for the development of EU-Iran relations in areas of common interest as outlined in the Joint Statement agreed by the HRVP and the Iranian Foreign Minister in April 2016, which underpins its sectoral engagement in bilateral cooperation. This includes areas such as political dialogue, human rights, economic cooperation, trade and investment, agriculture, transport, energy and climate change, civil nuclear cooperation, environment, civil protection, science, research and innovation, education, including through university exchanges, culture, drugs, migration, regional and humanitarian.
5. The Council welcomes the progress on the necessary reforms and urges Iran to adopt and implement the necessary legislation pursuant to its commitments under the Financial Action Task Force (FATF) Action Plan. The EU and its Member States are ready to continue cooperation with Iran in these areas, including by providing technical assistance for the implementation of the FATF Action Plan.
6. The Council expresses concern at the growing tensions in the region and Iran's role in this context, including the provision of military, financial and political support to non-state actors in countries such as Syria and Lebanon.
7. The Council has serious concerns regarding Iran's military involvement and continuous presence of Iranian forces in Syria. The European Union calls upon Iran to fully support the UN-led process on Syria in line with UN Security Council resolution 2254, and urges Iran to use its leverage with the Syrian regime to this end. It urges Iran as one of the Astana guarantors, together with Russia and Turkey, to ensure cessation of hostilities and unhindered, safe and sustainable humanitarian access throughout all of Syria, and particularly in Idlib.
8. Regarding Yemen, the European Union calls upon all parties in the region, including Iran, to support the implementation of UN Security Council resolution 2451 and to constructively work towards a lasting political solution to the conflict under UN leadership. The EU notes with concern the conclusions of the UN Panel of Experts on Yemen report, which found non-compliance with the arms embargo established by paragraph 14 of UNSC Resolution 2216. The European Union remains committed to continuing the

existing EU-led political regional dialogue with Iran, with the aim of continuing to produce tangible results and fostering an improved regional environment. It recognises the results of the efforts which have been undertaken in the context of the current EU-led dialogue on regional issues. The EU welcomes, in this regard, Iran's public support for the UN talks in Sweden, which led to the Stockholm Agreement.

9. The Council is also gravely concerned by Iran's ballistic missile activity and calls upon Iran to refrain from these activities, in particular ballistic missile launches that are inconsistent with UN Security Council resolution 2231. Iran continues to undertake efforts to increase the range and precision of its missiles, together with increasing the number of tests and operational launches. These activities deepen mistrust and contribute to regional instability. The Council calls on Iran to take all the necessary measures to fully respect all relevant UN Security Council resolutions related to the transfer of missiles and relevant material and technology to state and non state actors in the region. In a broader context, the Council also recalls its longstanding serious concern at the regional military build-up.

10. The Council is deeply concerned by the hostile activities that Iran has conducted on the territory of several Member States and, in this context, decided to list two individuals and one entity. The European Union will continue to demonstrate unity and solidarity in this area and urges Iran to put an immediate end to such unacceptable behaviour.

11. The Council remains seriously concerned about the human rights situation in Iran. Iran continues to frequently apply the death penalty. While the Council acknowledges that the amendments made to the Anti-Narcotics Law, passed in October 2017, have so far led to a significant drop in drug-related executions, it stresses that the EU opposes the use of the death penalty in all circumstances and in every country. The EU underlines that the execution of juvenile offenders is in violation of the International Covenant on Civil and Political Rights and the Convention on the Rights of the Child, to both of which Iran is a party. In line with EU commitments to ensure equal rights of women and girls and persons belonging to minorities, including ethnic and religious minorities, the Council calls upon Iran to implement the relevant international treaties to which it is a party and to fully respect human rights and fundamental freedoms.

12. The Council underlines that existing tensions and distrust in the region should not be further exacerbated and calls upon Iran and all regional actors to play a constructive role in this regard and avoid unhelpful rhetoric. The Council supports a balanced, comprehensive approach with Iran, including dialogue, with a view to addressing all issues of concern, critical when there are divergences and cooperative when there is mutual interest.

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**Report of the Secretary-General on the implementation of  
Security Council resolution 2231 (2015)****I. Introduction**

1. On 14 July 2015, diplomatic efforts 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 with the Islamic Republic of Iran culminated in agreement on the Joint Comprehensive Plan of Action. On 20 July, the Security Council adopted resolution 2231 (2015), in which the Council endorsed the Plan and called upon all Member States, regional organizations and international organizations to support its implementation. On 18 October 2015, the date of adoption of the agreement (Adoption Day), the Plan came into effect and its participants began to take steps to implement their commitments.

2. On 16 January 2016, upon the submission by the Director General of the International Atomic Energy Agency (IAEA) to the IAEA Board of Governors, and, in parallel, to the Security Council, of a report confirming that the Islamic Republic of Iran had taken the actions specified in paragraphs 15.1 to 15.11 of annex V to the Joint Comprehensive Plan of Action (S/2016/57, annex), I welcomed the achievement of reaching the day of implementation of the Plan (Implementation Day), a key milestone that reflected the good-faith efforts of all parties to the agreement.

3. On the same day, in line with paragraph 7 of resolution 2231 (2015), with the submission of this IAEA report, all provisions of resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010) and 2224 (2015) were terminated<sup>1</sup> and all the provisions of annex B to resolution 2231 (2015) entered into force. All States are now to comply with paragraphs 1, 2, 4 and 5 and the provisions in paragraphs 6 (a) to (f) of annex B to the resolution for the duration specified therein and are called upon to comply with paragraphs 3 and 7 of annex B to the

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\* Reissued for technical reasons on 2 August 2016.

<sup>1</sup> These included the proliferation-sensitive nuclear and ballistic missile programmes-related embargo, the arms embargo, the travel ban and asset freeze, the various financial measures and business restrictions and the ban on the provision of bunkering services. The provisions relating to the mandates of the Committee established pursuant to resolution 1737 (2006) and its Panel of Experts were also terminated on Implementation Day.



resolution.<sup>2</sup> The Security Council requested me to report on the implementation of those provisions every six months.

4. The present report is submitted in fulfilment of that request and the request of the President of the Security Council that I submit a report on the implementation of resolution 2231 (2015), with findings and recommendations (S/2016/44, para. 7).

## II. Key findings and recommendations

5. Six months since Implementation Day, I am encouraged by the implementation by the Islamic Republic of Iran of its nuclear-related commitments under the Joint Comprehensive Plan of Action. The Islamic Republic of Iran continues to provisionally apply the Additional Protocol to its Safeguards Agreement, pending its entry into force, and the transparency measures contained in the Plan. The Agency reported that it was continuing to verify the non-diversion of declared nuclear material, and that its evaluations regarding the absence of undeclared material or activities were ongoing. Since Implementation Day, the Agency has been verifying and monitoring the implementation by the Islamic Republic of Iran of its nuclear-related commitments under the Plan. I call upon Member States to continue to provide support to IAEA so that it may fulfil its mandate under the Plan. In addition, there have been no reports of the supply, sale, transfer or export to the Islamic Republic of Iran of nuclear-related items undertaken contrary to the provisions of the Plan and resolution 2231 (2015).

6. The key practical arrangements for supporting the work of the Security Council and its facilitator for the implementation of resolution 2231 (2015) are in place. In particular, the necessary operational linkages between the Council and the Procurement Working Group of the Joint Commission for the processing of nuclear-related proposals submitted by Member States under the procurement channel have been established, with due regard given to information security and confidentiality. Optional forms in all six official languages of the United Nations are also available for use by Member States.

7. These positive developments notwithstanding, the Islamic Republic of Iran brought to the attention of the Secretariat its view that it has yet to fully benefit from the lifting of multilateral and national sanctions. The concerns raised by the country include issues such as the United States Visa Waiver Program Improvement and Terrorist Travel Prevention Act of 2015 and the confiscation of Central Bank assets following a United States court order. Annex I to the present report reflects the information obtained by the Secretariat in the course of its contacts with Iranian

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<sup>2</sup> These include provisions on nuclear-related transfers, which will apply for up to 10 years, provisions on missile-related transfers and financial measures, including an asset freeze, which will apply for up to 8 years, and provisions on arms-related transfers and a travel ban, which will apply for up to 5 years. In October 2025, provided that the provisions of previous Security Council resolutions have not been reinstated in the event of significant non-compliance with the Joint Comprehensive Plan of Action, all the provisions of resolution 2231 (2015) will be terminated and the Council will have concluded its consideration of the Iranian nuclear issue.

representatives.<sup>3</sup> Implementation challenges exist for any agreement, in particular one as comprehensive and complex as the Joint Comprehensive Plan of Action. I call upon all participants to remain steadfast in their commitment to the full implementation of the agreement and work through challenges in a spirit of cooperation and compromise, good faith and reciprocity. In that regard, I am encouraged by the strong commitments of the European Union and the United States to ensuring that the Plan works for all its participants, including by delivering benefits to the Iranian people.<sup>4</sup>

8. With regard to the implementation of the provisions of annex B to resolution 2231 (2015), I am concerned by the ballistic missile launches conducted by the Islamic Republic of Iran in March 2016. I call upon the Islamic Republic of Iran to refrain from conducting such launches, given that they have the potential to increase tensions in the region. Whereas it is for the Security Council to interpret its own resolutions, I am concerned that those launches are not consistent with the constructive spirit demonstrated by the signing of the Joint Comprehensive Plan of Action.

9. I am also concerned by the reported seizure of an arms shipment by the United States Navy in the Gulf of Oman in March 2016 (see annex II). The United States concluded that the arms had originated in the Islamic Republic of Iran and were likely bound for Yemen. The Islamic Republic of Iran has informed the Secretariat that it never engaged in such delivery (see annex I). I would like to remind all Member States of their obligation to fully implement paragraph 6 (b) of annex B to resolution 2231 (2015), and I call upon them to provide reports on any arms seizures to the Council and to my Office.

10. I wish to draw the attention of the Security Council to the participation of Iranian entities in the Fifth Iraq Defence Exhibition, held in Baghdad in March. No prior approval was requested from the Council for the transfer of arms from the Islamic Republic of Iran to Iraq. The Secretariat has sought clarification from both countries on the issue. The Islamic Republic of Iran has indicated to the Secretariat that, in its view, such an activity did not require prior approval of the Council, given that it retained ownership of the items displayed (see annex I). I recommend that the Council clarify whether paragraph 6 (b) applies to all supply, sale or transfer regardless of change of ownership.

11. An entity on the list established under resolution 2231 (2015)<sup>5</sup> and maintained by the Security Council, the Defence Industries Organisation, also appears to have participated in the exhibition and should have been subject to action under the asset-freeze provisions of the resolution. Likewise, I am informing the Security Council

<sup>3</sup> See also paragraph 6 of the annex to the letter dated 20 July 2015 from the Permanent Representative of the Islamic Republic of Iran to the United Nations addressed to the President of the Security Council, entitled “Statement of the Islamic Republic of Iran following the adoption of United Nations Security Council resolution 2231 (2015) endorsing the Joint Comprehensive Plan of Action” (S/2015/550).

<sup>4</sup> See the “Statement by France, Germany, United Kingdom, United States and the High Representative of the European Union for Foreign Affairs and Security Policy on post-JCPOA business with Iran”, issued on 19 May 2016. Available from [http://eeas.europa.eu/statements-eeas/2016/160519\\_05\\_en.htm](http://eeas.europa.eu/statements-eeas/2016/160519_05_en.htm).

<sup>5</sup> See [www.un.org/en/sc/2231/list.shtml](http://www.un.org/en/sc/2231/list.shtml). Individuals on the list established under resolution 2231 (2015) are subject to the asset freeze and travel ban restrictions. Listed entities are subject to the asset freeze. There are currently 23 individuals and 61 entities listed.



that open-source information indicates that a listed individual, Major General Qasem Soleimani, recently travelled to Iraq. The Secretariat has also sought clarification from the Islamic Republic of Iran and Iraq on those issues, and I intend to report back to the Council accordingly.

12. In its response to queries on the Fifth Iraq Defence Exhibition and the travel by Major General Qasem Soleimani, Iraq informed the Secretariat that it was “fully aware of its obligations according to its understanding regarding resolution 2231 (2015) specifically, operative paragraph 7 (a) and paragraph 18 in annex A, which clearly terminated all previous resolutions and sanctions regime set out in resolutions adopted from 2006-2015”. Furthermore, Iraq stated that resolution 2231 (2015) was “lengthy, technical and confusing”. This demonstrates the importance of further awareness-raising and outreach activities on the provisions of resolution 2231 (2015) and the obligations of Member States.

### **III. Implementation of nuclear-related provisions**

13. In March and June 2016, IAEA issued quarterly reports on its verification and monitoring activities in the Islamic Republic of Iran in the light of resolution 2231 (2015) ([S/2016/250](#) and [S/2016/535](#)). The Agency reported that it was continuing 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 were ongoing. The Agency also reported verifying and monitoring the implementation by the Islamic Republic of Iran of its nuclear-related commitments under the Joint Comprehensive Plan of Action. In addition, since 16 January 2016, I have not received any report, nor am I aware of any open-source information, regarding the supply, sale, transfer or export to the Islamic Republic of Iran of nuclear-related items undertaken contrary to the provisions of the Plan and resolution 2231 (2015).

14. In resolution 2231 (2015), the Security Council endorsed the establishment under the Joint Comprehensive Plan of Action of a dedicated procurement channel for the transfer of items, materials, equipment, goods and technology required for the nuclear activities of the Islamic Republic of Iran under the Plan. Through this channel, the Council will review and decide on recommendations from the Joint Commission established under the Plan regarding proposals by States to participate in or permit nuclear-related activities set out in paragraph 2 of annex B to resolution 2231 (2015).

15. Provided that they have obtained prior approval from the Security Council, on a case-by-case basis, all States may now participate in and permit the supply, sale or transfer of dual-use and nuclear items, materials, equipment, goods and technology,<sup>6</sup>

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<sup>6</sup> The items, materials, equipment, goods and technology concerned are those set out in International Atomic Energy Agency (IAEA) documents [INF/CIRC/254/Rev.12/Part 1](#) and [INF/CIRC/254/Rev.9/Part 2](#), as well as any other items that the State determines could contribute to reprocessing or enrichment-related or heavy water-related activities inconsistent with the Joint Comprehensive Plan of Action.

and the provision of various related services or assistance.<sup>7</sup> States may also permit the acquisition by the Islamic Republic of Iran of an interest in certain commercial nuclear-related activities in another State provided that they have obtained prior approval from the Council.<sup>8</sup> When submitting a proposal to the Council, States are encouraged to use the optional application form and model end-use certification developed by the Procurement Working Group of the Joint Commission available on the Council webpage dedicated to resolution 2231 (2015)<sup>9</sup> and to submit those forms in a machine-readable format. States are also encouraged to send proposals to the Council facilitator for the implementation of resolution 2231 (2015) through their permanent missions to the United Nations.

16. As at the date of submission of the present report, one proposal had been submitted to the Security Council. The proposal, for a temporary export of dual-use items to the Islamic Republic of Iran for the purpose of an exhibit, was subsequently withdrawn.

17. Certain nuclear-related activities do not require prior approval but do require a notification to the Security Council and the Joint Commission. Those activities are, *inter alia*, those directly related to the necessary modification of two cascades at the Fordow facility for stable isotope production, the export from the Islamic Republic of Iran of enriched uranium in excess of 300 kg in return for natural uranium and the modernization of the Arak reactor. Six exemption notifications were received between July 2015 and January 2016, all in relation to the export of enriched uranium in return for natural uranium. No notifications have been received by the Council since Implementation Day.

18. The restrictions established under paragraph 2 of annex B to resolution 2231 (2015) will apply until October 2025 or until the date on which IAEA submits its report indicating the broader conclusion that all nuclear material in the Islamic Republic of Iran remains in peaceful activities (the “broader conclusion” report),<sup>10</sup> whichever is earlier. Should IAEA submit such a report before October 2025, the requirement to obtain prior approval from the Security Council for nuclear-related activities set out in paragraph 2 of annex B to resolution 2231 (2015) will be replaced by the requirement to notify the Council and the Joint Commission at least 10 working days in advance of such activities.

<sup>7</sup> The provision to the Islamic Republic of Iran of any technical assistance or training, financial assistance, investment, brokering or other services, and the transfer of financial resources or services, related to the supply, sale, transfer, manufacture or use of the items, materials, equipment, goods and technology described in paragraph 2 (a) of annex B to resolution 2231 (2015).

<sup>8</sup> Activity in another State involving uranium mining or production or use of nuclear materials and technology as listed in IAEA document [INF/CIRC/254/Rev.12/Part 1](#), and such investment in territories under their jurisdiction by the Islamic Republic of Iran, its nationals and entities incorporated in the Islamic Republic of Iran or subject to its jurisdiction, or by individuals or entities acting on their behalf or at their direction, or by entities owned or controlled by them.

<sup>9</sup> See [www.un.org/en/sc/2231/restrictions-nuclear.shtml](http://www.un.org/en/sc/2231/restrictions-nuclear.shtml).

<sup>10</sup> In paragraph 6 of resolution 2231 (2015), the Security Council requested that as soon as IAEA has reached the broader conclusion that all nuclear material in the Islamic Republic of Iran remains in peaceful activities, the Director General of IAEA will submit a report confirming that conclusion to the IAEA Board of Governors and, in parallel, to the Security Council.

## IV. Implementation of ballistic missile-related provisions

### A. Restrictions on Iranian ballistic missile-related activities

19. 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. That restriction will apply until October 2023 or until the date on which IAEA submits its “broader conclusion” report, whichever is earlier.

20. Early in March, during military exercises, the Islamic Republic of Iran launched a series of ballistic missiles (see fig. I). According to official Iranian news agencies and a report provided to me by France, Germany, the United Kingdom and the United States, the missiles launched included the Qiam-1 short-range ballistic missile and the Shahab-3 medium-range ballistic missile. Images and video footage released by the Islamic Revolutionary Guard Corps suggest that at least one of the missiles bore an inscription calling for the destruction of Israel. Both missiles are based on Scud liquid-propellant technology and are both capable of delivering a payload of approximately 700 kg, to a range of 700 km for the Qiam-1 and to a range of 1,300 to 2,000 km for the Shahab-3.

Figure I

**Various Iranian ballistic missile launches from undisclosed locations released by the Islamic Revolutionary Guard Corps on 9 March 2016**



Source: Sepah News (official Islamic Revolutionary Guard Corps online news site).

21. In identical letters dated 23 March (S/2016/279), the Islamic Republic of Iran stressed that those launches were not inconsistent with resolution 2231 (2015), given that it had not undertaken “any activity related to ballistic missiles designed to be capable of delivering nuclear weapons”. The country underlined that it had never sought to acquire nuclear weapons and never would, as it fully honoured its commitment under the Treaty on the Non-Proliferation of Nuclear Weapons and the Joint Comprehensive Plan of Action. It noted that the resolution did not prohibit legitimate and conventional military activities and that the language of paragraph 3 of annex B to the resolution was clearly not mandatory.

22. On 28 March, I received a letter from France, Germany, the United Kingdom and the United States in which it was stressed that those launches were destabilizing, provocative and that they had been conducted in defiance of resolution 2231 (2015). Those States underscored that the phrase “ballistic missiles designed to be capable of delivering nuclear weapons” in 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, which are inherently capable of delivering nuclear weapons and other weapons of mass destruction. Given that the Qiam-1 and Shahab-3 are Category I missiles, those States concluded that the launches of those missiles constituted an “activity related to ballistic missiles designed to be capable of delivering nuclear weapons” and “launches using such ballistic missile technology”, which the Islamic Republic of Iran has been called upon not to undertake pursuant to paragraph 3 of annex B to resolution 2231 (2015).

23. I am aware that the Security Council discussed those launches on 14 March and 1 April. I also recognize that there was no consensus reached among Council members as to whether those launches were covered under resolution 2231 (2015). Whereas it is for the Council to interpret its own resolutions, we must maintain the momentum created by the signing of the Joint Comprehensive Plan of Action, consistent with its constructive spirit. In that regard, I call upon the Islamic Republic of Iran to avoid such ballistic missile launches that have the potential to increase tensions in the region.

## **B. Restrictions on ballistic missile-related transfers or activities with the Islamic Republic of Iran**

24. Since 16 January, pursuant to paragraph 4 of annex B to resolution 2231 (2015), provided that they have obtained prior approval from the Security Council, on a case-by-case basis, all States may participate in and permit the supply, sale or transfer to the Islamic Republic of Iran of certain ballistic missile-related items, materials, equipment, goods and technology<sup>11</sup> and the provision of various services or assistance.<sup>12</sup> Prior approval from the Council is also required for the acquisition by the Islamic Republic of Iran of an interest in certain commercial ballistic missile-related activities.<sup>13</sup>

25. This provision will apply until October 2023 or until the date on which IAEA submits its “broader conclusion” report, whichever is earlier. As at the date of

<sup>11</sup> The items, materials, equipment, goods and technology concerned are those set out in the Missile Technology Control Regime list (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.

<sup>12</sup> The provision to the Islamic Republic of Iran of any technical assistance or training, financial assistance, investment, brokering or other services, and the transfer of financial resources or services, related to the supply, sale, transfer, manufacture or use of the items, materials, equipment, goods and technology described in paragraph 4 (a) or related to the activities described in paragraph 3 of annex B to resolution 2231 (2015).

<sup>13</sup> The acquisition by the Islamic Republic of Iran of an interest in any commercial activity in another State related to the supply, sale, transfer, manufacture or use of the items, materials, equipment, goods and technology described in paragraph 4 (a) or related to the activities described in paragraph 3 of annex B to resolution 2231 (2015).

submission of the present report, no proposal had been submitted by Member States to the Security Council pursuant to paragraph 4 of annex B to resolution 2231 (2015). In addition, since 16 January, no information regarding the supply, sale, transfer or export to the Islamic Republic of Iran of ballistic missile-related items undertaken contrary to the provisions of the Joint Comprehensive Plan of Action and resolution 2231 (2015) has been brought to the attention of either the Security Council or myself.

## V. Implementation of arms-related provisions

26. As stipulated in paragraph 5 of annex B to resolution 2231 (2015), provided that they have obtained prior approval from the Security Council, on a case-by-case basis, all States may now 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 United Nations Register of Conventional Arms, or related materiel. Prior approval from the Council is also required for the provision to the Islamic Republic of Iran of various services or assistance relating to the supply, sale, transfer, manufacture, maintenance, or use of those arms and related materiel.<sup>14</sup>

27. The Security Council also decided, in paragraph 6 (b) of annex B to resolution 2231 (2015), that all States were to take the measures necessary 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.

28. Both provisions will apply until October 2020, or until the date on which IAEA submits its “broader conclusion” report, whichever is earlier. As at the date of submission of the present report, no proposals had been submitted by Member States to the Security Council pursuant to paragraphs 5 and 6 (b) of annex B to resolution 2231 (2015).

29. On 7 June, I received a report from the United States providing information on an arms seizure that, in its assessment, had originated in the Islamic Republic of Iran. That information was also communicated to the Security Council and to the Security Council Committee established pursuant to resolution 2140 (2014). Furthermore, open-source information indicated that Iranian entities had participated in and had displayed arms during a foreign defence exhibition. I am also aware of certain media reports that suggest that the Islamic Republic of Iran has been providing arms to Hizbullah.<sup>15</sup> During the reporting period I have received no reports from Member States on such transfers, nor do I have independent information to corroborate the media reports.

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<sup>14</sup> 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 arms and related materiel described in paragraph 5 of annex B to resolution 2231 (2015).

<sup>15</sup> See, for example, “Israel’s main concern in Syria: Iran, not ISIS”, Wall Street Journal, 17 March 2016; and “Lebanese army slowly crushing extremists near Syria border”, Associated Press, 22 June 2016.

### Arms seizure: *Adris*

30. In its report, the United States indicated that it had seized an arms shipment from the Islamic Republic of Iran, which was likely bound for Yemen (see annex II). According to the report, on 28 March, a United States Navy ship boarded a dhow, the *Adris*, which was transiting international waters in the vicinity of the Gulf of Oman. That action, which the United States took in accordance with customary international law, as stated in its report, resulted in the discovery of a large weapons cache aboard the vessel, which included 1,500 Kalashnikov variant rifles, 200 RPG-7 and RPG-7V rocket-propelled grenade launchers and 21 DshK 12.7-mm machine guns (see fig. II). On the basis of an analysis of available information, including interviews with the crew and a review of the arms, the United States concluded that the arms had originated in the Islamic Republic of Iran and that their transfer was being undertaken contrary to paragraph 6 (b) of annex B to resolution 2231 (2015). After the weapons were seized, the dhow and its crew were allowed to depart.

31. The representatives of the Secretariat met with members of the Permanent Mission of the Islamic Republic of Iran to the United Nations, in New York on 8 June, to inform them of this report and, subsequently, wrote to the Permanent Representative of the Islamic Republic of Iran to the United Nations to seek clarification on the shipment. The Islamic Republic of Iran categorically rejected this allegation (see annex I). The Secretariat is still reviewing the information provided by the United States and the Islamic Republic of Iran, and I intend to provide an update on this arms seizure to the Security Council in due course.

Figure II  
Kalashnikov variant rifles, rocket-propelled grenade launchers and machine guns seized on-board the *Adris* on 28 March 2016



Source: United States.

### Arms transfer: Fifth Iraq Defence Exhibition

32. According to open-source information, several Iranian entities participated in the Fifth Iraq Defence Exhibition, held from 5 to 8 March at the Baghdad International Fairground. According to images published by the Islamic Republic News Agency<sup>16</sup> and the Islamic Republic of Iran Broadcasting news agency, items

<sup>16</sup> “Baghdad exhibit featuring the Islamic Republic of Iran defence, military capabilities”, Islamic Republic News Agency, 5 March 2016.

displayed by those entities appeared to include small arms, artillery ammunition and rockets (see fig. III). It is my understanding that such an arms transfer from the Islamic Republic of Iran to Iraq should have required prior approval from the Security Council, pursuant to paragraph 6 (b) of annex B to resolution 2231 (2015). The Secretariat has raised its concerns with the Permanent Missions of the Islamic Republic of Iran and Iraq to the United Nations, in New York, and has invited both Member States to provide further information. Iranian representatives considered that no prior approval was required from the Council for this activity because the Islamic Republic of Iran retained ownership of the items exhibited (see annex I).

Figure III  
Items displayed by Iranian entities during the Fifth Iraq Defence Exhibition



Source: Islamic Republic of Iran Broadcasting news agency (left) and Islamic Republic News Agency (right).

## VI. Asset freeze

33. The Security Council decided, in paragraphs 6 (c) and (d) of annex B to resolution 2231 (2015), that all States were to freeze the funds, other financial assets and economic resources of the individuals and entities on the list established under resolution 2231 (2015) and ensure that no funds, financial assets or economic resources were made available to those individuals and entities. That provision will apply until October 2023 or until the date on which IAEA submits its “broader conclusion” report, whichever is earlier.

34. The list established under 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. As specified in that paragraph, the Council can delist individuals or entities, and list additional individuals and entities, found to meet certain designation criteria defined in the

resolution.<sup>17</sup> On 17 January, the Council decided to delist one entity, Bank Sepah and Bank Sepah International.<sup>18</sup>

35. During the reporting period, it appears that an entity currently on the list established under resolution 2231 (2015), the Defence Industries Organisation, may have participated in the Fifth Iraq Defence Exhibition, which was held in March (see para. 32 and fig. IV). I wish to stress that, pursuant to paragraph 6 (c) of annex B to resolution 2231 (2015), the Iraqi authorities should have frozen all of the entity's funds, other financial assets and economic resources on Iraqi territory at the date of adoption of the Joint Comprehensive Plan of Action or at any time thereafter. This concern was also raised with members of the Permanent Missions of the Islamic Republic of Iran and Iraq to the United Nations by the Secretariat, and both Member States were invited to provide further information. I intend to report back to the Security Council in due course.

Figure IV

**Iranian booth at the Fifth Iraq Defence Exhibition and logo of the Defence Industries Organisation**



Source: Still frame of video released by the Islamic Republic of Iran Broadcasting news agency (left) and the website of the Defence Industries Organisation ([www.diomil.ir/en/home.aspx](http://www.diomil.ir/en/home.aspx)) accessed through the Wayback Machine Internet archive (<http://archive.org/web/web.php>) (right).

<sup>17</sup> Pursuant to paragraph 6 (c) of annex B to resolution 2231 (2015), the Council may designate additional individuals and entities for having engaged in, directly associated with or provided support for the proliferation-sensitive nuclear activities of the Islamic Republic of Iran undertaken contrary to its commitments under the Joint Comprehensive Plan of Action or the development of nuclear weapons delivery systems, including through the involvement in procurement of prohibited items, goods, equipment, materials and technology specified in the resolution; having assisted designated individuals or entities in evading or acting inconsistently with the Plan or the resolution; having acted on behalf or at the direction of designated individuals or entities; or having been owned or controlled by designated individuals or entities, including through illicit means.

<sup>18</sup> Security Council, press release of 17 January 2016, entitled "Security Council removes Bank Sepah and Bank Sepah International from 2231 list".



## VII. Travel ban

36. 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 established under resolution 2231 (2015) (see para. 34 above).<sup>19</sup> That provision will apply until October 2020 or until the date on which IAEA submits its “broader conclusion” report, whichever is earlier.

37. During the reporting period, it was brought to my attention that at least one listed individual might have engaged in foreign travel. On 25 May, an Iranian news agency reproduced photographs showing the Commander of the Quds Force of the Islamic Revolutionary Guard Corps, Major General Qasem Soleimani, in what was referred to as the “Fallujah operations room” in Iraq (see fig. V).<sup>20</sup> On 27 May, the Ministry of Foreign Affairs of the Islamic Republic of Iran stated that “Iranian military advisers are in Iraq under Major General Qasem Soleimani on the request of the legal government of Iraq”.<sup>21</sup> On 29 May, the Deputy Head of the Iraqi volunteer forces, Abu Mahdi al-Muhandis, who appeared in the same photograph, reportedly stated that General Soleimani’s presence in Iraq was at the request of the Government of Iraq.<sup>22</sup> On 6 June, during a press conference, the Minister for Foreign Affairs of Iraq, while not denying that Major General Soleimani had visited Iraq, emphasized that he had done so as a military adviser.<sup>23</sup> The Secretariat has also raised the matter with members of the Permanent Missions of the Islamic Republic of Iran and Iraq to the United Nations, in New York, and has invited both Member States to provide clarification on the issue. Similarly, I intend to report back to the Security Council in due course.

<sup>19</sup> This provision does not oblige a State to refuse its own nationals entry into its territory.

Furthermore, the travel ban restriction does not apply when the Security Council determines, on a case-by-case basis, that such travel is justified on the grounds of humanitarian need, including religious obligations, or where the Council concludes that an exemption would otherwise further the objectives of resolution 2231 (2015).

<sup>20</sup> Fars News Agency, “Iran’s Gen. Soleimani in Fallujah operations room”, 25 May 2016. Available from <http://en.farsnews.com/imgrep.aspx?nn=13950304001274>.

<sup>21</sup> Ministry of Foreign Affairs of the Islamic Republic of Iran, “Spokesman slams Saudi FM for anti-Iran statements”, 27 May 2016. Available from [www7.irna.ir/en/News/82090143](http://www7.irna.ir/en/News/82090143).

<sup>22</sup> For example, see Tasnim News Agency, “General Soleimani in Iraq at Baghdad’s request: Voluntary Force official”, 29 May 2016. Available from [www.tasnimnews.com/en/news/2016/05/29/1087056/general-soleimani-in-iraq-at-baghdad-s-request-voluntary-force-official](http://www.tasnimnews.com/en/news/2016/05/29/1087056/general-soleimani-in-iraq-at-baghdad-s-request-voluntary-force-official).

<sup>23</sup> Ministry of Foreign Affairs of Iraq, Press conference of the Minister for Foreign Affairs of Iraq and the Head of the Sunni Endowment Dewan, held in Amman on 6 June 2016. Available from [www.mofa.gov.iq/ab/news.php?articleid=856](http://www.mofa.gov.iq/ab/news.php?articleid=856) (in Arabic).

Figure V  
General Soleimani in the “Fallujah operations room”



*Source:* Fars News Agency, published on 25 May 2016 with the following caption: “Iraqi Harakat Hezbollah al-Nujaba media group published photos of popular forces operations room showing Iran’s Quds Force Commander Major General Qassem Soleimani discussing Fallujah battle strategies with Badr commander Hadi Al-’Amiri, Nujaba’s Akram Al-Ka’abi and another popular fighters’ commander, Abu Mahdi Al-Muhandis” (General Soleimani is featured on the extreme left).

## VIII. Secretariat support provided to the Security Council and its facilitator for the implementation of resolution 2231 (2015)

38. Since the adoption of resolution 2231 (2015), the Security Council Affairs Division of the Department of Political Affairs has devoted considerable effort to putting into place the practical arrangements to support the work of the Council and its facilitator for the implementation of resolution 2231 (2015). The Division has also liaised with the Procurement Working Group of the Joint Commission for the establishment of the procurement channel.

39. Since 16 January, the Division has provided support to the organization and staffing of two informal meetings of the Security Council at the expert level and to an open briefing to inform Member States about the implementation of resolution 2231 (2015). The Division also processed all incoming and outgoing communications relating to implementation of the resolution. To actively promote available information on the restrictions imposed by the Council, including the procurement channel, on the day of the implementation, the Division launched a webpage dedicated to resolution 2231 (2015) on the Council website.<sup>24</sup> In February 2016, documents provided by the Procurement Working Group of the Joint Commission offering practical information to States on the procurement channel were added to the website. Revised versions of those documents were provided by the Working Group in May. In April, the presentations delivered by the Security Council

<sup>24</sup> See [www.un.org/en/sc/2231](http://www.un.org/en/sc/2231).

facilitator for the implementation of resolution 2231 (2015) and representatives of the Working Group during an open briefing were also added.

40. In close cooperation with the Security Council facilitator for the implementation of resolution 2231 (2015) and the Procurement Working Group of the Joint Commission, the Division established the required processes to facilitate the timely translation of proposals and secured electronic transmission and tracking of all proposals submitted by States and all subsequent related communications between Member States, the Security Council and the Joint Commission. The working language of the Joint Commission is English, but Member States may submit proposals to the Security Council in any of the six official languages of the United Nations.

41. The Division has responded to several queries from Member States about the procurement channel, including the procedures for submission of proposals and the review process, exemptions to the channel and confidentiality issues.

## Annex I

### Information obtained by the Secretariat in the course of its contacts with Iranian representatives\*

#### A. Allegations

1. Iran's views on resolution 2231 have been elaborated extensively in its Statement issued following its adoption (document S/2015/550), which remains valid in full. Accordingly, Iran continues to insist that all sanctions and restrictive measures introduced against Iran including those applied under the pretext of its nuclear programme, have been baseless, unjust and unlawful, hence nothing in the JCPOA shall be construed to imply, directly or indirectly, an admission of or acquiescence by Iran in the legitimacy, validity or enforceability of the sanctions and restrictive measures adopted against Iran by the Security Council, the European Union or its member States, the United States or any other State, nor shall it be construed as a waiver or a limitation on the exercise of any related right the Islamic Republic of Iran is entitled to under relevant national legislation, international instruments or legal principles.

2. At the same time, taking into account the fact that, by acting under Article 41 of the UN Charter, the Council decided to terminate the provisions of all resolutions issued in regard to the Iran's nuclear program, all sanctions and restrictive measures imposed by such resolutions have been removed completely. Measures contained in Annex B of resolution 2231 do not amount to prohibitions or sanctions and solely entail procedures for certain issues for a limited time-frame.

3. In view of the above, attention is drawn to the following:

3.1 In regard to allegation of arms delivery to Yemen, Iran categorically rejects the allegation as it has never engaged in such delivery.

3.2 In relations to the Iraq Defense Exhibition, no supply, sale, or transfer of arms or related materiel which may entail prior approval of the Council has taken place, the items are only exhibited and no change of title or ownership takes place.

#### B. EU/US' defective implementation of resolution 2231

Despite U.S. and EU's clear commitments with regard to lifting of sanctions, Iran has not been able to fully benefit from lifting of Sanctions due to a series of deficiencies and/or non-performance on the part of either U.S. or the EU. The following are some examples of the actions taken by them in spite of the resolution and its Annexes:

1. The US Visa Waiver Program Improvement and Terrorist Travel Prevention Act of 2015: Under this Act, nationals of Visa Waiver Program (VWP) countries who have travelled to or been present in Iran from 1 March 2011 or those who are also nationals of Iran are no longer eligible to travel or be admitted to the United States under the VWP. It was announced later that a case by case waiver might be issued for individuals who travelled to Iran for legitimate business-related

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\* The information contained herein is reproduced as received.

purposes following the conclusion of the JCPOA (July 14, 2015). There are no waivers for tourist trips to Iran. The new Act was adopted against several provisions of the JCPOA, including paragraphs 26, 28 and 29. In accordance with paragraph 26 of the JCPOA, the United States is committed to prevent interference with the realization of the full benefit by Iran of the sanctions lifting specified in Annex II. Under Paragraph 28 of the JCPOA, the US is committed to refrain from any action that would undermine its successful implementation. General Provisions of the JCPOA, Paragraph viii, The same has been stipulated in the, which goes as far as stating that the E3/EU+ 3 will refrain from ‘imposing discriminatory regulatory and procedural requirements in lieu of the sanctions and restrictive measures covered by this JCPOA. Also, paragraph 29 of the JCPOA has committed the United States to refrain from any policy specifically intended to directly and adversely affect the normalization of trade and economic relations with Iran.

2. Confiscation of the Central Bank assets following a U.S. court order: Less than 4 months after the JCPOA’s Implementation Day, around US\$ 1.8 billion of Iran Central Bank’s assets were seized following a U.S. court order. The Central Bank does not also have access to another approximately 1.7 billion US\$ of its assets held in Clear stream, Luxemburg, under similar grounds. This unlawful and illegitimate act is inconsistent with the spirit of the JCPOA.

3. Continuing U.S.’ State and local sanctions: In addition to many sanction legislations existed prior to JCPOA, some States and local governments have enacted new divestment legislations and persist in their enforcement of sanctions, even by sending threatening correspondence to foreign banks and companies querying them about their investment in Iranian energy sectors in the post JCPOA era. In accordance with Para 25 of the JCPOA the US shall “actively encourage officials at the state or local level to take into account the changes in the U.S. policy reflected in the lifting of sanctions under this JCPOA and to refrain from actions inconsistent with this change”. Formalistic writing of letters cannot be considered active encouragement.

4. The US Presidential Executive Order 13645 is re-introduced inconsistent with the JCPOA: Executive Order 13645 was supposed to be terminated as of “Implementation Day” consistent with Paragraph 21(xix) of the JCPOA, Paragraph 4 of its Annex II, and Paragraph 17.4 of its Annex V. Although Section I(d) of Executive Order No. 13716 revoked that Executive Order, several parts of the revoked Order including its section 9 to 19 are reintroduced in the Executive Order No.13716. This is not consistent with United States commitment for termination of the Executive Order as well as paragraph 26 of the JCPOA regarding refraining from re-introduction or re-imposition of lifted sanctions.

5. The Inability of the Iranian Central Bank to have free access to its assets held abroad due to the US lack of cooperation in converting those assets into non-US currencies as well as for their transfer, despite the U.S. commitments in this regard under paragraph 21(iv) and paragraphs and 7.2 of Annex IV of JCPOA.

6. Continuing reluctance on the part of non-American banks to do business with Iran due to OFAC’s dissuading behavior, including through settlement agreements that officially bar those banks from re-engaging with Iran.

7. Introducing discriminatory restriction for the sale of dual use items (other than those items in NSG list) to Iran by the EU: A list of items that before the

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JCPOA were exported to Iran without an End User Certificate signed by an Iranian Authority, have been added to Annex II of EU Regulation 1861 which necessitates such procedures. This makes the export of these items more difficult than even before the JCPOA.

8. Introduction of authorization regimes for metal and software by the EU: Annexes VIIA and VIIB of Council regulation 1861/2015 lists metal and software that are subject to a new authorization regime which is new restriction, especially when it utilizes negative textual structures such as “the competent authorities shall not grant any authorization...” and broad and obscure restrictive terms and conditions like “... indirect benefit of IRGC” which is very restrictive.

9. Moreover, Iranian civilian aircraft passengers are not still given fuel in some EU destinations. And still we have to wait for cumbersome US sanctions-induced problems in order to execute our agreements and contracts with Airbus and others to buy passenger aircrafts.

Please note that the above problems, deficiencies and defective performances are happening despite the fact that Iran has honored its obligations in full.

## Annex II

### **Report dated 7 June 2016 from the United States of America regarding the implementation of Security Council resolutions 2231 (2015) and 2216 (2015)\***

The United States would like to share information with the Security Council and the Committee established pursuant to resolution 2140 (2014) (“Yemen Sanctions Committee”) regarding a shipment of arms and related material from Iran, which were likely bound for Yemen. This information may be useful to the Facilitator for implementation of Security Council resolution 2231 (2015) (“Facilitator”), the Yemen Sanctions Committee, the Yemen Panel of Experts, and the Secretary General in carrying out their mandates with respect to reported violations of UN Security Council resolutions 2231 (2015) and 2216 (2015).

On March 28, 2016, at 1930Z, the U.S. Navy Coastal Patrol ship USS Sirocco, operating as part of U.S. Naval Forces Central Command, encountered and boarded a dhow transiting international waters in the vicinity of the Gulf of Oman. This action was taken in accordance with customary international law. Following discovery of a large weapons cache found aboard the vessel, the USS Gravelly was directed to the scene by U.S. authorities to relieve the USS Sirocco. The USS Gravelly took control of the arms cargo.

Paragraph 6(b) of Annex B of resolution 2231 (2015) requires Iran not to supply, sell or transfer directly or indirectly from its territory or by its nationals any arms or related material until the date five years after the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier, absent approval in advance on a case-by-case basis by the Security Council. Based on an analysis of available information, including crew interviews and review of the arms aboard the vessel, the United States concluded that the arms originated in Iran and that their transfer from Iran violated paragraph 6(b) of Annex B of resolution 2231. Interviews with the crew revealed strong indications that the arms were being smuggled from Iran. The United States intends to share additional information obtained as a result of the boarding with the Security Council Affairs Division for use in relation to the report by the Secretary-General on the implementation of resolution 2231.

The transfer of these arms to forces acting on the behalf of or at the direction of individuals on the UN Yemen sanctions list would be a violation of paragraph 14 of resolution 2216 (2015).

The cargo seized on board the dhow included 1,500x Kalashnikov variant rifles, 200x RPG-7 and RPG-7V Rocket Propelled Grenade launchers (RPGs), and 21x DshK 12.7mm machine guns. The dhow and its crew were allowed to depart once the weapons were seized.

The United States is concerned that Iran’s exports of weapons continue in violation of Iran’s obligations under Security Council resolution 2231 (2015). Transfers to Yemen in violation of the arms embargo imposed in resolution 2216 (2015) also undermine opportunities to achieve peace in the region and reduce the suffering of the people of Yemen.

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\* The information contained herein is reproduced as received.

We trust this information will assist the Security Council in promoting implementation of resolution 2231 (2015). In light of the requests made of the Secretary-General in resolution 2231 and [S/2016/44](#), we therefore respectfully request that the Secretary-General report fully and thoroughly Iran's exports of arms in violation of resolution 2231. The United States also encourages the Security Council and the Yemen Sanctions Committee to raise this incident with Iran directly and to review additional ways to improve enforcement of these measures. The United States offers its assistance with any investigation undertaken.

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**Letter dated 26 January 2018 from the Panel of Experts on Yemen  
mandated by Security Council resolution 2342 (2017) addressed to  
the President of the Security Council\***

The members of the Panel of Experts on Yemen have the honour to transmit herewith the final report of the Panel, prepared in accordance with paragraph 6 of resolution 2342 (2017).

The report was provided to the Security Council Committee established pursuant to resolution 2140 (2014) on 9 January 2018 and considered by the Committee on 23 January 2018.

We would appreciate it if the present letter and the report were brought to the attention of the members of the Security Council and issued as a document of the Council.

(Signed) Ahmed **Himmiche**  
Coordinator  
Panel of Experts on Yemen  
mandated by Security Council resolution 2342 (2017)

(Signed) Fernando Rosenfeld **Carvajal**  
Expert

(Signed) Dakshinie Ruwanthika **Gunaratne**  
Expert

(Signed) Gregory **Johnsen**  
Expert

(Signed) Adrian **Wilkinson**  
Expert

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\* Previously issued under the symbol S/2018/68.

## Final report of the Panel of Experts on Yemen

### *Summary*

After nearly three years of conflict, Yemen, as a State, has all but ceased to exist. Instead of a single State there are warring statelets, and no one side has either the political support or the military strength to reunite the country or to achieve victory on the battlefield.

In the north, the Houthis are working to consolidate their hold on Sana'a and much of the highlands after a five-day street battle in the city that ended with the execution of their one-time ally, former President Ali Abdullah Saleh (YEi.003), on 4 December 2017. In the days and weeks that followed, the Houthis crushed or co-opted much of what remained of the former President's network in Yemen.

In the south, the Government of President Abd Rabbuh Mansur Hadi was weakened by the defection of several governors to the newly formed Southern Transition Council, which advocates for an independent south Yemen. Another challenge for the Government is the existence of proxy forces, armed and funded by member States of the Saudi Arabia-led coalition, who pursue their own objectives on the ground. The battlefield dynamics are further complicated by the terrorist groups Al-Qaida in the Arabian Peninsula (AQAP) and Islamic State in Iraq and the Levant (ISIL) (Da'esh), both of which routinely carry out strikes against the Houthis, the Government and Saudi Arabia-led coalition targets.

The end of the Houthi-Saleh alliance opened a window of opportunity for the Saudi Arabia-led coalition and forces loyal to the Government of Yemen to regain territory. This window is unlikely to last for long, however, or to be sufficient in and of itself to end the war.

The launch of short-range ballistic missiles, first by forces of the Houthi-Saleh alliance and subsequently, following the end of the alliance, by Houthi forces against Saudi Arabia, changed the tenor of the conflict and has the potential to turn a local conflict into a broader regional one.

The Panel has identified missile remnants, related military equipment and military unmanned aerial vehicles that are of Iranian origin and were brought into Yemen after the imposition of the targeted arms embargo. As a result, the Panel finds that the Islamic Republic of Iran is in non-compliance with paragraph 14 of resolution [2216 \(2015\)](#) in that it failed to take the necessary measures to prevent the direct or indirect supply, sale or transfer of Borkan-2H short-range ballistic missiles, field storage tanks for liquid bipropellant oxidizer for missiles and Ababil-T (Qasef-1) unmanned aerial vehicles to the then Houthi-Saleh alliance.

The Houthis have also deployed improvised sea mines in the Red Sea, which represent a hazard for commercial shipping and sea lines of communication that could remain for as long as 6 to 10 years, threatening imports to Yemen and access for humanitarian assistance through the Red Sea ports.

Yemen's financial system is broken. There are competing central banks, one in the north under the control of the Houthis, and one in the south under the control of the Government. Neither is operating at full capacity. The Government is unable to effectively collect revenue, while the Houthis collect taxes, extort businesses and seize assets in the name of the war effort.

Yemen has a liquidity problem. Salaries throughout the country often go unpaid, meaning that medicine, fuel and food, when available, are often prohibitively expensive. New profiteers are emerging as a result of the war and the black market now threatens to eclipse formal transactions.

Although Ali Abdullah Saleh is now deceased, it is likely that Khaled Ali Abdullah Saleh, acting on behalf of Ahmed Ali Abdullah Saleh (YEi.005), will continue to control the wealth of the Saleh family. There is no indication, as yet, as to whether he will use this wealth to support acts that threaten the peace, security or stability of Yemen.

Throughout 2017, there have been widespread violations of international humanitarian law and international human rights law by all parties to the conflict. The air strikes carried out by the Saudi Arabia-led coalition and the indiscriminate use of explosive ordnance by Houthi-Saleh forces throughout much of 2017 continued to affect civilians and the civilian infrastructure disproportionately. The Panel has seen no evidence to suggest that appropriate measures were taken by any side to mitigate the devastating impact of these attacks on the civilian population.

The rule of law is deteriorating rapidly across Yemen, regardless of who controls a particular territory. The Government of Yemen, the United Arab Emirates and Houthi-Saleh forces have all engaged in arbitrary arrests and detentions, carried out enforced disappearances and committed torture. The Houthis have summarily executed individuals, detained individuals solely for political or economic reasons and systematically destroyed the homes of their perceived enemies. The Houthis also routinely obstruct humanitarian access and the distribution of aid.

Following the missile attack on Riyadh on 4 November 2017, the Saudi Arabia-led coalition ordered the closure of all land crossings into, and all seaports and airports in Yemen. Entry points under the control of the Government of Yemen were quickly re-opened, while those under the control of the Houthis, such as Hudaydah, remained closed for weeks. This had the effect of using the threat of starvation as an instrument of war.

Delays and unpredictability resulting from the current inspection regime for the Red Sea ports have created additional barriers and business risks for shippers and importers supplying Yemen. The confidence of the Saudi Arabia-led coalition in the United Nations inspection process must be improved to ensure an increased flow of essential supplies and humanitarian aid through the Red Sea ports.

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\* The annexes are being circulated in the language of submission only and without formal editing.

# Final report of the Panel of Experts on Yemen

## I. Introduction

### A. Mandate and introduction

1. By its resolution 2342 (2017), the Security Council renewed the sanctions measures in relation to Yemen and further extended the mandate of the Panel of Experts on Yemen until 28 March 2018. The Panel is mandated to:

(a) Assist the Security Council Committee established pursuant to resolution 2140 (2014) in carrying out its mandate as specified both in resolutions 2140 (2014) and 2216 (2015), including by providing the Committee at any time with information relevant to the potential designation at a later stage of individuals and entities who may be engaging in acts that threaten the peace, security or stability of Yemen, as defined in paragraph 18 of resolution 2140 (2014) and paragraph 19 of resolution 2216 (2015);

(b) Gather, examine and analyse information from States, relevant United Nations bodies, regional organizations and other interested parties regarding the implementation of the sanctions measures and targeted arms embargo, in particular incidents undermining the political transition;

(c) Provide a midterm update to the Committee no later than 28 July 2017, and a final report to the Security Council no later than 28 January 2018, after discussion with the Committee;

(d) Assist the Committee in refining and updating information on the list of individuals subject to sanctions measures, including through the provision of identifying information and additional information for the publicly available narrative summary of reasons for listing;

(e) Cooperate with other relevant expert groups established by the Security Council, in particular the Analytical Support and Sanctions Monitoring Team established by Council resolution 1526 (2004).<sup>1</sup>

2. On 1 August 2017, the Panel presented a midterm update to the Committee,<sup>2</sup> in accordance with paragraph 6 of resolution 2342 (2017). An additional update containing information on the obstruction of commercial shipping through Red Sea ports in Yemen controlled by the Houthi-Saleh forces<sup>3</sup> was submitted to the Committee on 31 March 2017, and two updates on an escalation in relation to a missile attack against Riyadh on 4 November 2017 were submitted to the Committee on 10 and 24 November 2017.

3. The present report covers the period from 1 January 2017 to 31 December 2017. The Panel has also continued to investigate outstanding issues covered in its previous report, dated 31 January 2017 (S/2017/81).

<sup>1</sup> The Monitoring Team established by resolution 1526 (2004) and extended by resolution 2253 (2015).

<sup>2</sup> The midterm update and the additional updates provided to the Committee and to the members of the Security Council are confidential (archived in the files of the Secretariat).

<sup>3</sup> Houthi-Saleh forces refers to the armed units of the alliance up until its collapse on 1 December 2017.

## **B. Methodology**

4. In its investigations, the Panel complied with paragraph 11 of resolution 2342 (2017), which pertains to the best practices and methods recommended in the report of the Informal Working Group of the Security Council on General Issues of Sanctions (S/2006/997). The Panel placed emphasis on adherence to standards regarding transparency and sources, documentary evidence, corroboration of independent verifiable sources and providing the opportunity to reply.<sup>4</sup> The Panel has maintained transparency, objectivity, impartiality and independence in its investigations and has based its findings on a balance of verifiable evidence.

5. The Panel used satellite imagery of locations in Yemen procured by the United Nations from private providers to support investigations. It also used information from commercial databases that record maritime and aviation data and mobile phone records. Public statements by officials through official media channels were accepted as factual, unless contrary facts were established. While the Panel has been as transparent as possible, in situations in which identifying sources would expose them or others to unacceptable safety risks, the Panel decided not to include identifying information in the report and assigned the relevant evidence for safekeeping in United Nations archives.

6. The Panel reviewed social media, but no information gathered was used as evidence unless it could be corroborated using multiple independent or technical sources, including eyewitnesses, in order to meet the highest achievable standard of proof.

7. The spelling of place names within Yemen is often dependent on the ethnicity of the source or quality of translation. The Panel has adopted a consistent approach in the report, with personal names and major place names spelled out as in previous United Nations documents and in accordance with the standard spelling found in the United Nations Terminology Reference System (UNTERM). Dates in documents provided by Member States given according to the Islamic calendar have been converted to the corresponding dates according to the Gregorian calendar.

## **C. Programme of work**

8. In the course of its investigations Panel members have travelled to Belgium, Djibouti, Egypt, Ethiopia, France, the Islamic Republic of Iran, Israel, Italy, Jordan, the Netherlands, Oman, Qatar, Saudi Arabia, Spain, Sweden, Turkey, the United Arab Emirates, the United Kingdom of Great Britain and Northern Ireland, the United States of America and Yemen. The Panel twice requested official visits to areas of Yemen (Ma'rib and Mukalla) under the control of the legitimate Government: on both occasions the response from the legitimate Government and Saudi Arabia was too late to allow for the United Nations travel approval and security processes to be completed.

9. The Panel requested visits to territory controlled by the Houthi-Saleh alliance (Sana'a and Ta'izz) on three separate occasions. The Sana'a-based authorities initially approved the first visit, but withdrew that approval 24 hours later. They did not respond to the subsequent two requests after informing the Panel that they did not wish to cooperate with it.<sup>5</sup>

10. Oman initially agreed to a visit to the Mazyunah border crossing point with Yemen but cancelled the visit immediately prior to the Panel's departure for Oman.

<sup>4</sup> Information on methodology and opportunity to reply is contained in annex 1.

<sup>5</sup> Letter to the Panel dated 23 March 2017.

## **D. Cooperation with stakeholders and organizations**

### **1. United Nations system**

11. The Panel wishes to highlight the excellent level of cooperation with the Office of the Special Envoy of the Secretary-General for Yemen and the United Nations resident coordinators in the neighbouring States visited by the Panel. The United Nations country team and United Nations agencies with a regional mandate remain supportive of the Panel's work. The Panel has consistently had direct access to country team officials in Sana'a and the wider region to exchange information and expertise.

12. In conformity with paragraph 7 of resolution 2342 (2017), the Panel has maintained close cooperation with the Analytical Support and Sanctions Monitoring Team concerning Islamic State in Iraq and the Levant (ISIL) (Da'esh), Al-Qaida and the Taliban and associated individuals and entities,<sup>6</sup> the Somalia and Eritrea Monitoring Group,<sup>7</sup> and the Secretariat staff working on the implementation of resolution 2231 (2015).

### **2. Communications with Member States**

13. The Panel has sent 192 letters to Member States and entities requesting information on specific issues relevant to its mandate. The Panel wishes to affirm that such requests for information do not necessarily imply that those Governments, or individuals or entities in those States, have been violating the sanctions regime. The Panel notes, however, that 25 per cent of requests to Member States for information are still awaiting a response. At the time of submission of the present report, replies are awaited from: Australia, France, the Islamic Republic of Iran, Marshall Islands, Oman, the Russian Federation, Saudi Arabia, Serbia, Togo, the United Arab Emirates, the United Kingdom and Yemen. Furthermore, the ministry of foreign affairs, based in Sana'a, and several other entities have not yet replied. A summary of the Panel's correspondence during the reporting period is contained in annex 3 to the present report.

### **3. Government of Yemen**

14. The Panel met the Prime Minister of Yemen, Ahmed Bin Dagher, and other officials of the legitimate Government of Yemen in Aden in March 2017.<sup>8</sup> Although they expressed full support to the Panel, they provided information of insufficient evidential quality.

### **4. Houthi-Saleh alliance**

15. The Panel maintained phone contact with representatives of the Houthi Ansarallah movement and the leaders of the General People's Congress. The Panel also met with some of their representatives during visits to countries in the region.

<sup>6</sup> Established by resolution 1526 (2004) and extended by resolution 2253 (2015).

<sup>7</sup> Established by resolutions 751 (1992) and 1907 (2009), and recently extended by resolution 2317 (2016).

<sup>8</sup> In order to avoid confusion between the Government of Yemen and Houthi-Saleh alliance authorities and appointments, and to easily distinguish between the two in the present report, for Government of Yemen ministries and Government officials the Panel will use capitalization: for example, "Minister of Defence" and "Ministry of Defence". The Houthi duplicate administration would then be referred to as, the "Sana'a based minister of defence" and the "Sana'a based ministry of defence". Similarly, military ranks and appointments will follow the same format, for example, "General" and "general", "35th Armoured Brigade" and "62nd mechanized brigade" and so forth.



## II. Threats to the peace, security or stability of Yemen

16. In paragraph 18 of resolution 2140 (2014), the Security Council determined that obstructing or undermining the successful completion of the political transition, as outlined in the Gulf Cooperation Council initiative and the implementation mechanism agreement, poses a threat to the peace, security or stability of Yemen and can be used as designation criterion.

### A. Challenges to the authority of the legitimate Government of Yemen

17. The authority of the legitimate Government of Yemen has now eroded to the point that it is doubtful whether it will ever be able to reunite Yemen as a single country. The Panel bases this assessment on the following four factors: (a) President Hadi's inability to govern from abroad; (b) the formation of a "Southern Transitional Council", with the stated goal of creating an independent south Yemen; (c) the continued presence of the Houthis in Sana'a and much of the north; and (d) the proliferation and independent operations of proxy military forces funded and armed by members of the Saudi Arabia-led coalition.

18. President Hadi remained outside Yemen for much of 2017.<sup>9</sup> Several Governors either resigned or were removed<sup>10</sup> from their posts by President Hadi, including Nayif Salim Saleh al-Qaysi (QDi.402),<sup>11</sup> the then Governor of Bayda', who was sanctioned by the United Nations on 22 February 2017 for providing support to an Al-Qaida branch in Yemen.<sup>12</sup> The legitimate Government's inability to pay salaries to civil servants, soldiers and other Government employees has also undermined its authority and diminished popular support.

#### 1. Southern Transitional Council

19. On 11 May 2017, the former Governor of Aden, Major General Aydrus al-Zubaydi, announced the formation of the Southern Transitional Council<sup>13</sup> with the stated goal of creating an independent south Yemen.<sup>14</sup> On 30 November 2017 the Council announced the names of the 303 members of a "National Assembly".<sup>15</sup>

20. Throughout 2017, support for the Southern Transitional Council and its goal of an independent south Yemen has grown among the population as well as within the Yemeni Armed Forces and proxy forces. Uniformed members of the Security Belt Forces are frequently photographed at Council rallies carrying flags of the former People's Democratic Republic of Yemen. The Panel has also identified elements of the Hadrami Elite Forces posting Council logos and the flag of the former southern State at their checkpoints.

<sup>9</sup> Hadi's last publicly reported visit to Yemen was in February 2017.

<sup>10</sup> For a list of current Governors loyal to the legitimate Government see annex 4.

<sup>11</sup> See annex 5 for the network of Nayef al-Qaysi.

<sup>12</sup> Al-Qaysi was removed from his post as Governor on 23 July 2017.

<sup>13</sup> Information provided in the Panels' 2017 confidential midterm update report (paras. 9 and 10). For the leadership of the Southern Transitional Council see annex 7.

<sup>14</sup> South Yemen was an independent State from 1967 until unification in 1990.

<sup>15</sup> The first meeting was held in Aden on 23 December 2017. Ahmed bin Breik was elected president and Anis Youssef Ali Luqman as vice-president. The distribution of seats is: Hadramawt, 100 seats; Aden, 62 seats; Shabwah, 37 seats; Lahij, 36 seats; Abyan, 31 seats; Mahrah, 24 seats; Dali', 10 seats; and Socotra, 3 seats. Websites of the Southern Transitional Council can be viewed in Arabic (<http://www.southerntransitionalcouncil.net/>) and English (<http://en.southerntransitionalcouncil.net/>) (all hyperlinks, unless otherwise indicated, accessed on 29 December 2017). The Council has opened local or branch offices in all eight governorates. For a list of names see annex 7.

## 2. Houthi-Saleh alliance

21. Until its collapse in early December 2017 the Houthi-Saleh alliance, through its joint supreme political council, continued to undertake roles and responsibilities exclusively within the authority of the legitimate Government.<sup>16</sup> The Houthis have now taken unilateral control of all State institutions within their territory. The longer they remain in control, the more entrenched they will become.<sup>17</sup>

## B. Impediments to the cessation of hostilities and to the resumption of the political process

22. No real progress towards a peaceful settlement was made during 2017. The political process has stalled as all parties to the conflict continue to believe that they can achieve a military victory that would negate the necessity for political compromise.

23. Since the attack on the convoy of the Special Envoy of the Secretary-General for Yemen, Ismail Ould Cheikh Ahmed, in Sana'a on 25 May 2017,<sup>18</sup> he has been prevented from visiting Sana'a.<sup>19</sup> The Houthis have effectively banned the Special Envoy by refusing to accept any subsequent proposals from him.

24. The Houthis believe that they only have to survive and outlast the Saudi Arabia-led coalition in order to “win” the war, which limits their willingness to negotiate. The Saudi Arabia-led coalition, on the other hand, is faced with four broad choices: (a) unilaterally cease hostilities and leave the Houthis in control; (b) mount a massive ground invasion with no guarantee of success and certain casualties; (c) continue to carry out airstrikes and hope for different results, although after 33 months of air strikes the number of credible targets remaining is considered to be very low; or (d) attempt to resurrect Saleh's network as part of an anti-Houthi coalition. Although the battle lines may shift slightly in the coming months, as a result of the collapse of the Houthi-Saleh alliance, the Panel does not believe that any side is in a position to secure an outright military victory.

25. Another complicating factor is that the political decision makers on all sides are not bearing the brunt of the war, the Yemeni civilians are. The Houthi leadership is largely insulated from attacks, and from the shortages of food, fuel, medicine and water. The Saudi Arabia-led coalition relies on relatively low-risk airstrikes and a limited number of ground troops, which reduces the domestic political fallout.

<sup>16</sup> See S/2017/81, para. 20.

<sup>17</sup> Houthis control Amran, Dhamar, Hajjah, Ibb, Mahwit, Raymah, Sa'dah and Sana'a. Contested governorates are Bayda', Hudaydah, Jawf, Ma'rib and Ta'izz. The list of governors can be found in annex 8.

<sup>18</sup> See <https://www.reuters.com/article/us-yemen-security-un/u-n-wants-investigation-into-attack-on-yemen-envoys-convoy-idUSKBN18L18L>.

<sup>19</sup> See <https://www.reuters.com/article/us-yemen-security-un/houthis-ban-u-n-special-envoy-from-yemen-for-alleged-bias-idUSKBN18W2D0>.

### **Collapse of the Houthi-Saleh alliance and death of Saleh**

26. Tensions between the Houthis and Ali Abdullah Saleh (YEi.003) spiked in August 2017,<sup>20</sup> and again on 29 November 2017 when armed Houthi supporters clashed with Saleh supporters in and around the al-Saleh mosque in Sana'a. The latter incident sparked a five-day street war that led to the collapse of the Houthi-Saleh alliance and the death of Ali Abdullah Saleh.

27. Although Ali Abdullah Saleh initially appeared to have the upper hand in Sana'a, the Houthis quickly retook several military installations and sent reinforcements into the city, while isolating Saleh from military and tribal allies. Abdullah Yahya al-Hakim (YEi.002) and Mohammed Ali al-Houthi, the head of the Houthi's revolutionary committee, were instrumental in reaching out to tribes around Sana'a and convincing them not to support Ali Abdullah Saleh. The Panel believes that Mohammed Ali al-Houthi meets the designation criteria owing to his involvement in leading these events, which constitute a threat to the peace and security of Yemen.

28. On 2 December 2017 Ali Abdullah Saleh reached out to the Saudi Arabia-led coalition, promising a "new page" in relations and calling on his supporters to take up arms and fight.<sup>21</sup> But without the help of tribal sheikhs and key generals, who were either unwilling or unable to help, Saleh<sup>22</sup> and his soldiers in Sana'a were overrun and killed early on the morning of 4 December 2017.

<sup>20</sup> In August 2017, Abdulmalik al-Houthi and Ali Abdullah Saleh criticized one another in competing speeches ahead of the public celebration of the thirty-fifth anniversary of the General People's Congress. On 26 August 2017, a prominent Saleh supporter, Khaled Ahmed Zayd al-Radhi, the head of foreign relations for the General People's Congress and head of the Vulcan Group, was killed in a clash with the Houthis in Sana'a. On 12 September 2017 Abdulmalik al-Houthi and Ali Abdullah Saleh spoke directly in an attempt to ease the tensions. For an account of events escalating tensions within the alliance see annex 9.

<sup>21</sup> The Panel notes that during this time the Saudi Arabia-led coalition deployed air strikes against exclusively Houthi targets close to Saleh's armed supporters. Should this have been an attempt to protect Ali Abdullah Saleh then it would be a non-compliance with para. 14 of resolution [2216 \(2015\)](#) as it would equate to military support to a listed individual. The Panel continues to investigate this matter.

<sup>22</sup> Based on the imagery of Saleh's body, the Panel believes he was executed at close range with a bullet to the left side of the back of the head. The Houthis transported Saleh's body in an SUV outside of Sana'a, where they staged a mock ambush to make it appear as though he was killed while fleeing for his life. The Panel believes this is one of the many moves that the Houthis took in December 2017 as part of a strategy to discredit Ali Abdullah Saleh.

Figure I  
**Mohammed Ali al-Houthi and Abdullah Yahya Al Hakim in Sana'a  
(December 2017)<sup>a</sup>**



<sup>a</sup> Video from confidential sources: Mohammed Ali al-Houthi (left) and Abdullah Yahya Al Hakim (right).

29. There were also widespread reports that Ali Abdullah Saleh's nephew and senior military commander Tariq Muhammad Abdullah Saleh<sup>23</sup> was killed in the fighting. The Panel is working to independently confirm this. The Panel has confirmed that Arif al-Zuka, the Secretary-General of the General People's Congress and the top political aide of Ali Abdullah Saleh, was also killed. The Houthis also managed to capture several of Ali Abdullah Saleh's relatives.<sup>24</sup> The Panel believes that some of those individuals were wounded in the fighting, and that the Houthis are holding them as leverage in the event that either Ahmed Ali Abdullah Saleh (YEi.005) or Khaled Ali Abdullah Saleh attempt to resurrect the Saleh network.

30. Over the course of the next several days, the Houthis attempted to crush or co-opt the remnants of Saleh's network while simultaneously consolidating their own rule over Sana'a and much of northern Yemen. They executed key military commanders, who were part of Saleh's Sanhan tribe;<sup>25</sup> arrested prominent members

<sup>23</sup> Tareq Saleh was the commander of Saleh's Special Guards and de facto head of the Republican Guard.

<sup>24</sup> The Panel has determined that two of Saleh's six sons, Salah and Midyan, were captured along with Saleh's nephew, Muhammad Muhammad Abdullah Saleh, a key military figure and General Supervisor of the Vulcan Group (see <http://www.vulcanyemen.com/owners.htm>). The Panel also believes that the Houthis captured Tariq Saleh's eldest son, Afash, and Yahya Muhammad Abdullah Saleh's eldest son, Kenan. Lists of Saleh's sons and nephews are contained in confidential annexes 10 and 11. For the names of Saleh's daughters and sons-in-law, see confidential annex 12.

<sup>25</sup> On 5 December 2017 the Houthis executed major generals Mahdi Maqawlah, Abdullah al-Dhabaan (commander, 35th armoured brigade and former axis commander in Ta'izz) and Murad al-Awbali (commander 62nd mechanized brigade).

of the General People's Congress,<sup>26</sup> and intimidated others;<sup>27</sup> forcibly dispersed protests;<sup>28</sup> kidnapped the children of prominent families tied to Saleh;<sup>29</sup> destroyed the homes of Saleh supporters; and instigated a media blackout by blocking social media sites and much of the Internet. The Houthis also announced that they were changing the name of the al-Saleh mosque, and claimed that they found large quantities of gold, silver and cash in Saleh's house, which they were depositing in the Central Bank.<sup>30</sup> The Panel anticipates more crackdowns as the Houthis attempt to solidify their grip on power.

## C. Security and regional dynamics

### 1. Regional dynamics

31. Qatar was expelled from the Saudi Arabia-led coalition on 5 June 2017, and the withdrawal of its forces began on 7 June 2017. This has had little impact from a military perspective. However, tensions between Qatar and members of the Saudi Arabia-led coalition have spilled over into Yemen, as coalition members and their proxies have targeted the al-Islah party, which they see as an ally of Qatar.<sup>31</sup>

### 2. Areas under the control of forces allied to the legitimate Government of Yemen

32. Although the armed forces of the legitimate Government remain present throughout the eight southern provinces, (Abyan, Aden, Dali', Hadramawt, Lahij, Mahrah, Shabwah and Socotra), a number of other actors such as Al-Qaida in the Arabian Peninsula (AQAP), ISIL, tribal opponents, the recently formed Southern Transitional Council and proxy forces of the Saudi Arabia-led coalition challenge the Government's ability to govern and impose its authority. Armed forces loyal to President Hadi are also operating in Ta'izz and Ma'rib.

33. Forces of the United Arab Emirates in southern Yemen view the Security Belt Forces (for the leadership and structure of the Security Belt Forces, see annex 6) as key pillars of their security strategy for Yemen. This approach continues to marginalize Government institutions such as the National Security Bureau and the Political Security Organization, further undermining and reducing the legitimate Government's intelligence and security capabilities.

<sup>26</sup> List of members of the General People's Congress detained by the Houthis is contained in annex 13.

<sup>27</sup> In the aftermath of Saleh's death, the Houthi television channel, al-Masirah, broadcast footage of a meeting of the General People's Congress in Amran, at which individuals pledged their allegiance to the state and distanced themselves from Ali Abdullah Saleh. The Panel believes that this is the Houthi way of illustrating they will only go after Saleh's supporters, not the General People's Congress as a whole ([http://www.almasirah.net/gallery/preview.php?file\\_id=10509#.WihdwAa5gRg.twitter](http://www.almasirah.net/gallery/preview.php?file_id=10509#.WihdwAa5gRg.twitter)).

<sup>28</sup> On 6 December 2017 the Houthis fired shots to disperse a protest by women demanding that the Houthis surrender the body of Ali Abdullah Saleh for burial.

<sup>29</sup> Armed men affiliated with the Houthis entered the house of Ruqayah al-Hijri, the sister of one of Saleh's wives (see confidential annex 14), and seized at least one of her children (<http://www.almasdaronline.com/article/95978>).

<sup>30</sup> The Houthi imagery used to support this claim are stock images that originate outside Yemen (see <http://www.saba.ye/ar/news481198.htm>).

<sup>31</sup> On 11 October 2017, security forces in Aden, acting on the orders of Shallal Ali Shaye, the Head of Security, stormed an al-Islah party building, arresting 10 individuals (see <https://www.reuters.com/article/us-yemen-security/yemen-islamist-party-members-arrested-ratcheting-up-tensions-idUSKBN1CG1J1>).

### **3. Involvement of the Saudi Arabia-led coalition forces**

34. Saudi Arabia-led coalition forces continue to provide financial, political, military and logistic support to the Yemeni Armed Forces and a number of proxy armed groups. The main battlefronts for the forces of Saudi Arabia are Ma'rib and Midi, while those of the United Arab Emirates operate largely in Aden, Abyan, Hadramawt, Lahij, Mahrah, Mukha and Shabwah.

35. On 7 December 2017, southern resistance forces, with support from the Saudi Arabia-led coalition under Brigadier General Abdul Salam al-Shehi, took control of the Abu Musa al-Ashar camp outside Khawkhah and continued to push northward towards Hudaydah city.<sup>32</sup> As part of this security operation, southern elements under the command of Haitham Qassem Taher launched a military offensive in the Hudaydah governorate, meeting minimal resistance from Houthi elements north of Mukha city on the coast of the Red Sea.

36. The United Arab Emirates continues to expand its support to proxy forces in the south, primarily the Security Belt Forces in Abyan, Aden and Lahij, and to the Hadrami and Shabwani Elite Forces (see paras. 55 to 58 below). The United Arab Emirates maintains military training facilities in Shamussah and Rayyan near Mukalla, where a number of foreign military advisers and trainers are based in support of the Elite Forces.<sup>33</sup>

## **D. The “Southern question”**

37. The Panel assesses that, given the length of the war, lack of military progress and the divisions that have emerged, secession into a separate south Yemen is now a real possibility. Furthermore, the ability of the legitimate Government to administer and govern the eight governorates it claims to control has been significantly eroded during 2017. The situation in Aden and Mahrah provide solid examples of the background to this risk.

### **1. Aden**

38. Security within the governorate has deteriorated significantly over the course of 2017. ISIL has carried out several large-scale suicide attacks and has claimed responsibility for a number of assassinations (see para. 74 below). There have also been several politically motivated assassinations that have not been claimed by either AQAP or ISIL. For example, on 18 October 2017, Fahd al-Yunisi, the imam of the Sahaba mosque in Aden, was assassinated by an, as yet, unidentified gunman.<sup>34</sup>

39. The legitimate Government has also repeatedly failed to pay the salaries of Government workers and appears incapable of providing basic services to the city, including adequate electricity. On 16 November 2017, Abd al-Aziz al-Muflahi, the Governor of Aden, submitted his resignation, citing the Government's inability to pay salaries.<sup>35</sup> The Panel has seen billboards throughout Aden and other cities in the south of the country demonizing Prime Minister bin Daghir and the legitimate Government for their inability to provide for Yemenis.<sup>36</sup> There appear to be no efforts by local authorities to counter this campaign against the Government.

<sup>32</sup> See <http://adengad.net/news/291513/>.

<sup>33</sup> Evidence from Panel visits to Yemen and interviews with confidential sources.

<sup>34</sup> See <http://adengad.net/news/283179/>. The Panel has identified other, politically motivated, assassinations claimed by neither AQAP or ISIL in Yemen.

<sup>35</sup> Appointed in April 2017, after President Hadi removed Aydarus al-Zubaydi; Al-Muflahi had also clashed with Prime Minister bin Daghir, claiming that the latter often acted as the Governor.

<sup>36</sup> See <https://twitter.com/goldensla/status/926022844307378178>.

## 2. Mahrah

40. There are growing tensions in the eastern governorate of Mahrah over the deployment of new military forces into the region to combat smuggling.<sup>37</sup> On 15 November 2017, Brigadier General Abdullah Mansour Ali and the 123rd Infantry Brigade replaced the 137th Mechanized Brigade in Mahrah. Nearly two weeks later, on 27 November 2017, President Hadi appointed Rajih Said Bakrit as the new Governor of Mahrah, replacing Mohammed Abdullah Kudah.<sup>38</sup> The former Governor remains in Mahrah, protected by armed elements of his tribe and other officials with shared interests.<sup>39</sup> His tribe, the Al Kudah, controls access to coastal territory east of Ghaydah port, in Jarub and Zaghar, towards the border with Oman.

## E. Contested areas and potential fragmentation

41. The events in Bayda' and Ta'izz also provide further indication of the very real risks of the fragmentation of Yemen.

### 1. Bayda'

42. Located at the crossroads of the former north-south border, Bayda' occupies a highly valuable and strategic location. Of particular importance is the area of Bayhan, in northern Bayda', which is a primary smuggling route into Sana'a from the south, with links to Ma'rib and the Arabian Sea coast. The Houthi presence is centred on the city of Rada', while AQAP appears to be active near Dhahab and the surrounding areas in Suma and south throughout Zahir. ISIL operates from a small enclave within Qayfah, while resistance elements supported by the Saudi Arabia-led coalition are confined to the lower southwest in Humaiqan, Bayda' city and near Mukayras (see map in annex 17).<sup>40</sup>

### 2. Ta'izz

43. As described in paragraphs 28 to 33 of the Panel's confidential midterm update report, the city of Ta'izz remains a flashpoint in the conflict and a humanitarian disaster. Ta'izz has been the focus of the most sustained fighting over the past year. Houthi forces continue to besiege the city. Tension between local resistance elements, Salafi militias and Yemeni Army Forces spiked in October 2017, following the decision by the United States, Saudi Arabia and the Gulf Cooperation Council to sanction Abu al-Abbas,<sup>41</sup> a key Salafi leader. Like the Houthis in Sana'a, Abu al-Abbas continues to hold territory inside the city and exercises rights and responsibilities exclusive to the legitimate Government.<sup>42</sup> Prior to 25 October 2017, Abu al-Abbas had received significant support from the United Arab Emirates. The Panel is investigating whether this support continues.

<sup>37</sup> Attempts to create a Mahrahi Elite Force, similar to the Hadramawt and Shabwah Elite Forces, appear to have been tabled for the moment.

<sup>38</sup> See <http://adengad.net/news/289730/>: Kudah was named a Minister of State and a member of President Hadi's Council of Ministers.

<sup>39</sup> Principal Mahrah Governorate officials are listed in annex 15. Known AQAP affiliates operating in the governorate are listed in annex 16.

<sup>40</sup> These resistance elements are associated with the former Governor of Bayda', Nayif al-Qaysi (QDi.402), and Abd al-Wahhab al-Humayqani (see annexes 5 and 18).

<sup>41</sup> Abu al-Abbas was sanctioned by the United States and by the Saudi Arabia-led coalition on 25 October 2017. Known associates are listed in annex 19.

<sup>42</sup> Prior to being sanctioned, Vice-President Ali Muhsin al-Ahmar had attempted to incorporate Abu al-Abbas and his militia into the Yemeni Armed Forces. That attempt failed.

44. The various Salafi militias<sup>43</sup> that have emerged from the nearly three years of war are not only competing, and at times clashing, with Government forces, but also with each other. This competition has only increased in the wake of the sanctions against Abu al-Abbas. The militias view Ta'izz as a zero-sum game and a weakened Abu al-Abbas has meant that several smaller militias are fighting for more territory. In Ta'izz, the more urban territory a group holds, the more outside support they attract.

45. Sanctions on Abu al-Abbas may also have prompted Houthi-Saleh forces to step up their attacks on resistance forces inside the city of Ta'izz and in the surrounding areas. A number of airstrikes by the Saudi Arabia-led coalition on Ta'izz, believed to have been targeting Houthi-Saleh forces, have resulted in civilian casualties. One airstrike hit elements from the 22nd Armoured Brigade, loyal to President Hadi, in the al-Aroos area of Saber mountain.<sup>44</sup> Such incidents have disrupted relations between local forces and allies of the Saudi Arabia-led coalition, giving Houthi-Saleh forces the opportunity to mobilize their forces and exploit the situation to gain new ground along various fronts in Ta'izz.

46. Both AQAP and ISIL remain active in Ta'izz, although both groups have experienced defections and fragmentation (see para. 66 below).

## F. Maritime security

47. During 2017 there was an increase in the number and type of maritime security incidents affecting the safety and security of the strategic sea lines of communication and approaches to the Red Sea ports. This jeopardizes the delivery of humanitarian assistance to Yemen by sea, in violation of paragraph 19 of resolution 2216 (2015). Figure II illustrates the number and the distribution of maritime security incidents within the region during 2017, including:

(a) Attacks using missiles or explosives against Saudi Arabia-led coalition naval vessels and the Red Sea ports, including the emergence of new threats from: (i) remote controlled skiffs containing explosives (water-borne improvised explosive devices); and (ii) the use of a land-based anti-tank guided missiles;

(b) An attempted attack against the Marshall Islands-flagged tanker MV *Muskie* very similar in modus operandi to that against the Spanish-flagged MV *Galicia Spirit*;<sup>45</sup>

(c) An armed helicopter attack on 16 March 2017 by an as yet unidentified perpetrator against a civilian vessel containing migrants that resulted in at least 42 fatalities;

(d) The use of naval and improvised sea mines (see paras. 110–114 below).

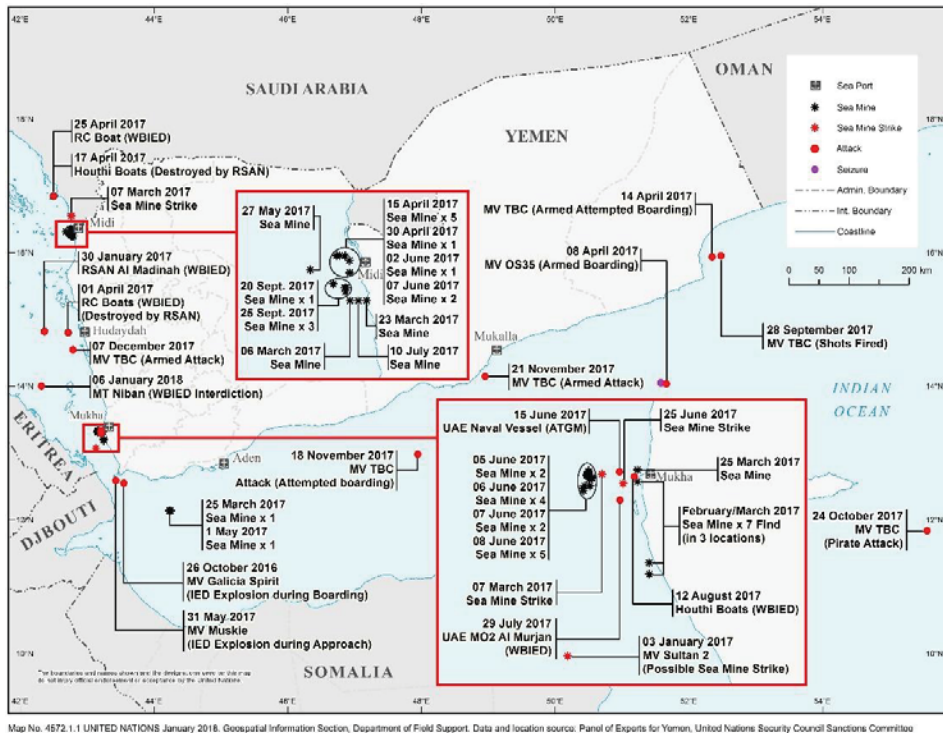
<sup>43</sup> Other militias in Ta'izz, include: the al-Sa'lik Brigade and those under the control of Hashem al-Sanani, Saud Mayub, Hareth al-Izzy and Abu Saduq.

<sup>44</sup> See <http://www.middleeasteye.net/news/saudi-forces-accused-deliberately-targeting-allies-yemens-Ta'izz-179331116>.

<sup>45</sup> MV *Galicia Spirit* attack reported in S/2017/81, paras. 37 and 38 and annex 14. MV *Muskie* attack reported in the Panels' 2017 confidential midterm update.



Figure II  
Maritime security incidents: 2017



48. While the tactics contained in the industry publication *Best Management Practices for Protection against Somalia Based Piracy* (BMP 4)<sup>46</sup> will protect vessels, to some degree, against attempted boarding of armed militants or pirates, they will not provide protection against attacks involving waterborne improvised explosive devices, anti-ship missiles,<sup>47</sup> land based anti-tank guided missiles or sea mines.

### III. Armed groups and military units

49. Pursuant to paragraph 17 of resolution 2140 (2014), and as reiterated by the Security Council in its resolutions 2216 (2015), 2266 (2016) and 2342 (2017), the Panel continues to investigate individuals and entities associated with armed groups who may be engaging in or providing support for acts that threaten the peace, security or stability of Yemen.

#### A. Yemeni Government and Saudi Arabia-led coalition regular forces

50. Troops under the ostensible control of President Hadi routinely display the flag of an independent south Yemen. At times, they have referred to the former Governor of Aden and current Head of the Southern Transitional Council, Aydarus al-Zubaydi,

<sup>46</sup> See [www.mschoa.org/docs/public-documents/bmp4-low-res\\_sept\\_5\\_2011.pdf?sfvrsn=0](http://www.mschoa.org/docs/public-documents/bmp4-low-res_sept_5_2011.pdf?sfvrsn=0).

Although addressing Somalia-based piracy, the practices also apply to transit in the Red Sea, and to protection against Yemeni-based pirates. The title is a legacy from the initial publication *Best Management Practices for Protection against Somalia Based Piracy* (BMP 1).

<sup>47</sup> See S/2017/81, paras. 35 and 36, and annex 13.

as their “president”.<sup>48</sup> It is the assessment of the Panel that President Hadi no longer has effective command and control over the military and security forces operating on behalf of the legitimate Government of Yemen.<sup>49</sup> One way President Hadi has attempted to arrest the erosion of his power is through the deployment of new military units, particularly the Ta‘izz-based 5th Presidential Protection Brigade, which is reminiscent of the Republican Guard Brigades that former President Ali Abdullah Saleh used to safeguard his rule.<sup>50</sup>

51. Regular military units, such as the 103rd Infantry Brigade in Abyan,<sup>51</sup> which are wholly or mostly dependent on the legitimate Yemeni Government for salaries and equipment, are underequipped, often paid late or paid only in part. The problem, for this particular Brigade, is further compounded by the fact that their camp in Abyan is on the frontlines and a frequent target of AQAP attacks.<sup>52</sup> In September, frustrated soldiers of the 103rd Infantry Brigade blocked a major road in Abyan to protest the fact that they had received only a partial salary.

52. The situation is slightly different in Ma’rib, where Vice-President Ali Muhsin al-Ahmar<sup>53</sup> has spent significant periods of time visiting the battlefronts in Sirwah and Nihm. The troops in that area are better paid and better equipped, which is a direct result of Vice President al-Ahmar’s support and patronage.

53. The most effective Yemeni security units, however, are the proxy forces formed and supported by member States of the Saudi-Arabia led coalition, which, in turn, act as proxies for those member States in Yemen.

## **B. Saudi Arabia-led coalition proxy forces**

54. The Panel believes that proxy forces funded and armed by member States of the Saudi Arabia-led coalition present a threat to the peace, security or stability of Yemen. Unless they are brought back under direct Yemeni command and control, with all salaries and equipment distributed through Yemeni Government channels, these forces will do more to further the fracturing of Yemen than they will to hold the State together.

### **1. Security Belt Forces**

55. The Security Belt Forces, which were formed in March 2016,<sup>54</sup> technically fall under the Ministry of the Interior. However, in practice, they are trained, supplied and paid for by the United Arab Emirates and operate outside the Yemeni military

<sup>48</sup> On 25 October 2017, the official twitter account of the Hadrami Elite Forces referred to Aydarus al-Zubaydi as *al-rai*, or “president.” (see <https://twitter.com/NokhbaHadramout/status/923209607174152192>).

<sup>49</sup> For a list of Yemen’s military districts and their commanders, see annex 20.

<sup>50</sup> Formed on 17 November 2017. Commanded by Brigadier General Adnan Ruzaiq, a Salafi fighter from the Al Qamush tribe in Shabwah, who arrived in Ta‘izz in 2015 with 160 fighters. Ruzaiq has previously come into conflict with Security Belt Forces, who attacked his house in Aden in January 2017, in what is another example of the fragmentation of the armed forces of the legitimate Government. For a list of Presidential Protection Brigades see annex 21.

<sup>51</sup> The Brigade was moved from its base in Aden to Abyan in late July 2017.

<sup>52</sup> On 8 August 2017, an AQAP suicide bomber, Arif Adil Hassan Habib, attacked their camp, killing 12 soldiers and wounding 28.

<sup>53</sup> Ali Muhsin al-Ahmar, a relative of former president Ali Abdullah Saleh, who broke with him in 2011, is one of the most powerful military commanders in recent Yemeni history, and still has a strong network of support within Yemen’s military.

<sup>54</sup> As early as September 2015 then Governor of Aden, Nayif Bakri, was talking about forces of Saudi Arabia and the United Arab Emirates forming a “security belt” in the south (see <https://sputniknews.com/middleeast/201509051026642155/>).

command-and-control structure. Initially numbering around 10,000 soldiers, the Security Belt Forces have grown to more than 15,000 troops and are active in the governorates of Aden, Abyan and Lahij.<sup>55</sup>

56. At times, Security Belt Forces have clashed with Yemeni military units loyal to President Hadi,<sup>56</sup> and have also been implicated in a number of violations of international humanitarian law and international human rights law (see para. 166 below).<sup>57</sup> Security Belt Forces have also been among the most active in combatting AQAP and ISIL in Yemen, particularly since August 2017 (see para. 38 above).

## 2. “Elite Forces”

57. In early 2016, the United Arab Emirates formed and funded the Hadrami Elite Forces ahead of a planned assault on Mukalla.<sup>58</sup> Like the Security Belt Forces, the Hadrami Elite Forces are better paid than their regular Yemeni army counterparts and operate outside the Yemeni military command-and-control structure.

58. In late 2016, the United Arab Emirates also formed and funded the Shabwani Elite Forces, using the same model. Like the Hadrami Elite Forces, the Shabwani units are made up of local fighters who operate outside the Yemeni military command-and-control structure.<sup>59</sup> The Panel estimates the Shabwani Elite Forces currently number between 3,000 to 4,000 fighters.<sup>60</sup> Although these forces have been active in the fight against AQAP and ISIL in Yemen, the Panel finds them to be proxy forces that are undermining the authority of the legitimate Government of Yemen.

## C. Houthi forces

59. Militarily, the Houthis are a tribal-based militia<sup>61</sup> grafted on to, and allied with, a professionally trained military from elements of the former Yemeni Armed Forces.<sup>62</sup> When the Houthis took control of Sana’a in late 2014 they needed the political and military experience provided by the network of Ali Abdullah Saleh (see paras. 43–45 below). By late 2017 this had ceased to be the case. Over the past year, the Houthis have gradually eased out Saleh loyalists from key positions and replaced them with their own supporters. This process culminated in a five-day street war in Sana’a in late November and early December 2017 that ended with the death of Ali Abdullah Saleh (see para. 29 above).

<sup>55</sup> For an overview of the command structure see annex 6.

<sup>56</sup> The Panel has identified several clashes between the two sides, for example on 16 September 2017, Hadi’s Presidential Protection Force refused to hand over a military checkpoint at Arish on the Aden-Abyan road to the United Arab Emirates-backed security forces (see <https://www.reuters.com/article/us-yemen-security-clash/gunfight-erupts-in-southern-yemen-one-civilian-killed-witnesses-idUSKCN1BR0M4>).

<sup>57</sup> Elements affiliated with Security Belt Forces have also been implicated in a number of extrajudicial detentions of civilians in Aden (see annex 22).

<sup>58</sup> The initial impetus for the creation of the Hadrami Elite Forces was to create a local face for the efforts to retake the city of Mukalla from AQAP in April 2016 (see S/2017/81, para. 51).

<sup>59</sup> The Panel has identified clashes in October 2017 between the Shabwani Elite Forces and the 23rd Mechanized Brigade, loyal to Vice-President Ali Muhsin al-Ahmar.

<sup>60</sup> The Shabwani Elite Forces command structure is set out in annex 23.

<sup>61</sup> Key security and military figures for the Houthis are listed in annex 24. Key Houthi political figures are listed in annex 25.

<sup>62</sup> The Houthi militia has been fighting for much of the past 13 years, first in a series of six successive wars against then President Saleh’s Government from 2004 to 2010, and since March 2015 against the Saudi Arabian-led coalition. After the Houthis took control of Sana’a in early 2015, Yemen’s military fragmented, with several key officers joining the Houthis, others remaining loyal to former President Saleh and others siding with President Hadi.

60. Although there will likely be defections from soldiers still loyal to Ali Abdullah Saleh's network, the Panel does not believe these defections will take place in significant enough numbers, or be carried out in an organized enough fashion, to threaten the Houthis' hold on Sana'a and much of the north, at least in the near term. In the immediate aftermath of the death of Ali Abdullah Saleh the Houthis moved quickly to crush or co-opt what remained of his network, while consolidating their rule through a series of brutal crackdowns, arrests and executions (see para. 29 above).

61. On 4 November 2017, the Houthis launched a short-range ballistic missile attack on Riyadh (see para. 82 below). Saudi Arabia responded two days later by, among other things, issuing a "wanted" list of 40 Houthis, with significant rewards for information leading to their capture or death.<sup>63</sup>

62. With the collapse of the Houthi-Saleh alliance the Houthis may look for international partners to offset the loss of domestic allies. Indeed, the Panel considers that further "internationalization" of the war is likely. The more isolated the Houthis become, the more they will look to make common cause with countries seeking to combat the member States of the Saudi Arabia-led coalition. The Panel is aware of media reports that the Islamic Republic of Iran has provided "advisers" to the Houthis and it is investigating this matter.<sup>64</sup>

63. Although the Houthis continue to recruit new fighters, including children (see paras. 185 and 186 below), the movement is at heart a family organization.<sup>65</sup> This means that the most trusted commanders are those related to the leader, Abdulmalik al-Houthi (YEi.004).<sup>66</sup> This explains why, in April 2017, when it looked as though the Saudi Arabian-led coalition was planning an offensive against Hudaydah, the Houthis named Yusuf Ahsan Isma'il al-Madani<sup>67</sup> as the commander of the 5th military district in Hudaydah.<sup>68</sup> The Houthis made a similar move later in 2017, transferring Abd al-Khaliq al-Houthi (YEi.001) from the Midi front to the Nihm front near Sana'a, to better protect the capital.

#### **D. The network of Ali Abdullah Saleh**

64. The Panel does not believe that Ahmed Ali Abdullah Saleh, Khaled Ali Abdullah Saleh, or any other single individual is capable of reconstituting Ali Abdullah Saleh's network. Soldiers from the republican guards and special guards are now faced with a choice of either allying themselves with the legitimate Government forces and the Saudi Arabia-led coalition, whom they have been fighting for most of the past three years, or joining the Houthis, who executed Ali Abdullah Saleh and senior military

<sup>63</sup> The Government of the former president Ali Abdullah Saleh issued a similar list of 55 "wanted" Houthis in 2009. The list issued by Saudi Arabia is in annex 26.

<sup>64</sup> In a response to a letter from the Panel dated 28 November 2017, the Islamic Republic of Iran replied, on 6 December 2017, that "Iran has no military presence in Yemen, but has a diplomatic representation in Sana'a, providing 'advisory assistance' to support efforts at finding a political solution to the current crisis".

<sup>65</sup> The first leader was Husayn Badr al-Din al-Houthi. When he was killed in 2004, the leadership transferred to his father, Badr al-Din al-Houthi, and then to his half-brother and the current leader, Abdulmalik al-Houthi. The Houthi family tree is provided in annex 27.

<sup>66</sup> This is also true at the political level, for example, Saleh al-Samad, head of the supreme political council, is close to Abdulmalik al-Houthi, and studied under both Husayn Badr al-Din al-Huthi and his father, Badr al-Din al-Houthi.

<sup>67</sup> Al-Madani is related to the Houthi family by marriage. He was one of Husayn Badr al-Din al-Houthi's most trusted commanders in the initial Houthi war of 2004 and later married one of Husayn's daughters.

<sup>68</sup> A list of Houthi military district commanders is provided in annex 28.

commanders in December 2017. Any attempt at full-scale resistance to the Houthis is complicated by the fashion in which small groupings of republican guard soldiers have been distributed to various battlefronts. This distribution of forces meant that Saleh was unable to count on large numbers of loyal soldiers at short notice when he needed them on 3 December 2017.

65. Given the extrajudicial executions and mass detentions carried out by the Houthis after the death of Ali Abdullah Saleh (see para. 29 above) it is likely that there will be a cycle of revenge killings, which may last for years. For example, in 2004, Saleh's soldiers killed Husayn Badr al-Din al-Houthi, the first leader of the Houthi movement. Thirteen years later, when Houthi forces killed Ali Abdullah Saleh, their fighters claimed that this avenged Husayn's death.<sup>69</sup> In a televised appearance after Saleh's death, Abdulmalik al-Houthi was wearing Husayn's dagger, a clear sign that he considered his brother's death avenged. Saleh's family and supporters will likely attempt to seek their own revenge against the Houthis. The key difference, however, is that Husayn Badr al-Din al-Houthi led a movement, while Ali Abdullah Saleh headed a network.

## E. Al-Qaida in the Arabian Peninsula

66. Throughout 2017 AQAP averaged slightly more than one attack every two days.<sup>70</sup> These attacks fell into five broad categories: (a) suicide attacks;<sup>71</sup> (b) mortar attacks; (c) assassinations;<sup>72</sup> (d) improvised explosive device attacks; and (e) small-scale assaults. The attacks have taken place mostly in the following three governorates: Bayda', Abyan, and Hadramawt.<sup>73</sup>

67. AQAP is fighting a multi-front war in Yemen against three enemies: (a) the Houthis; (b) the United States and the West; and (c) the Government of Yemen and Saudi Arabian-led coalition forces,<sup>74</sup> with the ultimate goal of acquiring and governing territory.<sup>75</sup> Internationally, the group continues to have two goals:

<sup>69</sup> These chants can be heard on the video of Houthi fighters placing Saleh's body in the back of a pick-up truck.

<sup>70</sup> There have been more than 200 attacks claimed during 2017 by AQAP. This is roughly similar to the number of attacks claimed by AQAP in 2016.

<sup>71</sup> A list of suicide (person-borne improvised explosive device/suicide vehicle improvised suicide device) attacks by AQAP is provided in annex 29.

<sup>72</sup> The majority of assassination attempts by AQAP used improvised explosive devices. The Panel differentiates between general improvised explosive device attacks and assassinations; for example, on 3 October 2017 AQAP placed an improvised explosive device under the vehicle of Arif Said Abdullah al-Muhammadi, a criminal investigator, in Mukalla. Al-Muhammadi survived the attack.

<sup>73</sup> There has also been AQAP activity and attacks in Shabwah, Ma'rib, Lahij and Aden, but the vast majority of attacks have taken place in the three governorates listed. More than half of all attacks claimed by AQAP in 2017 took place in Bayda'.

<sup>74</sup> The clearest articulation of this approach came in March 2017, during an interview with the AQAP leader Qasim al-Rimi (QDi.282), which was released on 29 April 2017 (see [https://azelin.files.wordpress.com/2017/05/al-qacc84\\_idah-in-the-arabian-peninsula-22interview-with-qacc84sim-al-raymicc8422-en.pdf](https://azelin.files.wordpress.com/2017/05/al-qacc84_idah-in-the-arabian-peninsula-22interview-with-qacc84sim-al-raymicc8422-en.pdf)).

<sup>75</sup> AQAP has held and governed territory in Yemen, from 2011 to 2012 and again in 2015 and 2016; both times it alienated the local population and chose to withdraw instead of remaining behind to fight.

launching attacks against Western targets from its base in Yemen; and inspiring or inciting individuals living in the West to carry out terrorist attacks.<sup>76</sup>

68. Although the Panel assesses that AQAP is still quite capable of launching and inspiring attacks against international targets,<sup>77</sup> it also believes that AQAP is currently more vulnerable than it has been in years. The Panel bases its assessment on the following four factors: (a) a dramatic increase in air and drone strikes by the United States; (b) a sustained ground campaign by Yemeni and international forces; (c) the arrests of several mid and low-level AQAP figures; and (d) internal dissension among members of the organization.<sup>78</sup>

69. In 2017, the United States increased the number of air and drone strikes in Yemen, which rose from 30 in 2016 to well over 120 in 2017.<sup>79</sup> The United States has also declared three governorates in Yemen to be “areas of active hostilities”, a designation which authorizes target approval to be taken at a lower level.<sup>80</sup>

70. In August 2017, Yemeni troops backed by the United Arab Emirates, with advisers provided by the United Arab Emirates and the United States, launched a ground offensive against AQAP targets in Shabwah, Hadramawt and parts of Abyan.<sup>81</sup> This offensive expanded and continued through late 2017, resulting in the death or capture of several low and mid-level AQAP members.<sup>82</sup> Despite this, the core leadership of AQAP in Yemen remains intact.<sup>83</sup>

71. On 17 August 2017, AQAP released a statement warning the tribes of Abyan not to join the forces of the United Arab Emirates and its proxies, such as the Security Belt Forces. Five days later, on 22 August 2017, it released a similar statement in Shabwah,<sup>84</sup> again warning local tribes against joining the Shabwani Elite Forces. Both of these statements illustrate exactly how vulnerable AQAP is to tribal politics. AQAP recruits within the tribes, but more importantly it relies on tribal non-aggression to

<sup>76</sup> On 7 May 2017, al-Rimi released a video message, entitled “A Lone Mujahid or an Army by Itself”, encouraging individuals in the west to carry out attacks (see <http://jihadology.net/2017/05/07/new-video-message-from-al-qaidah-in-the-arabian-peninsulas-shaykh-qasim-al-raymi-an-inspire-address-1-a-lone-mujahid-or-an-army-by-itself/>). On 13 August 2017, AQAP released issue No.17 of its English-language magazine *Inspire*, with the title “Train Derail Operations;” the first issue of the magazine since November 2016.

<sup>77</sup> The Panel continues to investigate how AQAP is using the money it acquired when it had control of Mukalla in 2015 and early 2016.

<sup>78</sup> The Panel considers that many of these actions, particularly air and drone strikes, can have a detrimental impact in the long term, essentially killing one terrorist today but creating two more tomorrow, particularly if civilians are killed as collateral damage.

<sup>79</sup> The United States carried out “multiple ground operations and more than 120 strikes” in 2017, primarily against AQAP (see <http://www.centcom.mil/MEDIA/PRESS-RELEASES/Press-Release-View/Article/1401383/update-on-recent-counterterrorism-strikes-in-yemen/>).

<sup>80</sup> See <https://www.nytimes.com/2017/03/12/us/politics/trump-loosen-counterterrorism-rules.html>. Within “areas of active hostilities” United States forces are granted latitude to conduct strikes without explicit approval from the White House, which may explain, at least in part, the increase in the number of strikes.

<sup>81</sup> On 29 January 2017, the United States carried out a raid on a suspected AQAP target in Bayda’, which resulted in the death of one American soldier. A second American soldier, Staff Sergeant Emil Rivera-Lopez, was killed in a helicopter crash “off the coast of Yemen” on 25 August 2017. The United States denied that Rivera-Lopez, who was part of a special operations support unit, was on a combat mission (see <http://www.centcom.mil/MEDIA/PRESS-RELEASES/Press-Release-View/Article/1298631/dod-declares-dustwun-soldier-deceased/>).

<sup>82</sup> The majority of those captured or killed have been mid and low-level AQAP figures, for example, on 31 October 2017, Security Belt Forces in Abyan made a surprise raid on an AQAP camp, capturing several individuals, including Muhammad al-‘Awadh, a former bodyguard to Osama bin Laden (see <http://www.almasdaronline.com/article/95157>).

<sup>83</sup> A list of AQAP figures of interest to the Panel is provided in annex 30.

<sup>84</sup> A description of the AQAP relationship with the tribes in Yemen is contained in annex 31.

survive. If the tribes of Yemen were to turn against AQAP, the organization would not survive.

72. On 17 September 2017, AQAP released the eighth in a series of films, this one entitled “Repulsing the Aggression”, which, for the first time, talked more about the role of the United Arab Emirates in Yemen than it did about the Houthis.<sup>85</sup> This media focus mirrored what AQAP was doing on the battlefield. Throughout the first half of 2017 more than two-thirds of AQAP attacks were directed against Houthi targets. Since August that trend has been reversed and AQAP now targets United Arab Emirates-backed troops more than it does the Houthis. More international pressure on AQAP came on 25 October 2017 when the newly formed Terrorist Financing Targeting Center<sup>86</sup> announced that it was sanctioning 11 Yemenis and two Yemeni organizations for ties to AQAP and ISIS.<sup>87</sup>

73. Partly as a result of this increased pressure and partly due to fighting on so many fronts at once, AQAP has also struggled to maintain a sense of organizational unity across the country. In a sign of internal fissures within the organization, AQAP released a statement in October 2017 saying that the Shariah court in Ta’izz was no longer operating under its instructions. Additionally, many of the group’s media releases in recent months have focused on surviving in times of “adversity” and amidst “setbacks.” However, AQAP’s branch in Yemen has endured setbacks before, most notably in 2004 and 2005 when the group was virtually eradicated. It has managed to resurrect itself since that time. The Panel assesses that the longer the current conflict lasts in Yemen, the more recruits AQAP will attract.

## F. Islamic State in Iraq and the Levant

74. Although much smaller than AQAP, the ISIL affiliate in Yemen is still capable of carrying out coordinated large-scale attacks.<sup>88</sup> Much like AQAP, ISIL is mostly active in Yemen’s southern and central governorates, particularly Bayda’, Abyan and Aden.<sup>89</sup> Indeed, some areas of Bayda’, where AQAP was active in 2016 and early 2017, are now active battle fronts for ISIL, which has led some to believe that the two organizations are working together. The Panel has seen no evidence to suggest that the two groups are either working together or coordinating attacks. Instead, the evidence suggests that, at most, there is a tacit non-aggression pact between AQAP

<sup>85</sup> See <http://jihadology.net/2017/09/17/new-video-message-from-al-qaidah-in-the-arabian-peninsula-repulsion-of-aggression-8/>.

<sup>86</sup> The Terrorist Financing Targeting Centre was established in May 2017 during a visit by the President of the United States, Donald Trump, to Saudi Arabia. The United States and Saudi Arabia are co-chairs, and the other member countries are: Bahrain, Kuwait, Oman, Qatar and the United Arab Emirates (see <https://www.treasury.gov/press-center/press-releases/Pages/sm0092.aspx>).

<sup>87</sup> The names of AQAP-affiliated individuals sanctioned by the member countries of the Terrorist Financing Targeting Centre are listed at: <https://www.treasury.gov/press-center/press-releases/Pages/sm0187.aspx>. Among the individuals sanctioned were the former Governor of Bayda’, Nayif al-Qaysi (QDi.402), who was replaced on 23 July 2017. Also sanctioned was Abu al-Abbas, a Salafi leader in Ta’izz, who has previously received funding and support from the United Arab Emirates (see para. 45 above).

<sup>88</sup> On 5 November 2017, ISIL attacked a Criminal Investigation Department building in Aden: a suicide bomber rammed his vehicle into the gates, and along with three more individuals in suicide vests, rushed into the building. ISIL later claimed that the attack killed 69 individuals, and it identified its four fighters as coming from the governorates of Hadramawt, Ibb, Ta’izz and Shabwah.

<sup>89</sup> In general, ISIL has carried out three types of attacks in Yemen: suicide attacks, close quarter assassinations and mortar attacks.

and ISIL based on their common enemies. the Houthis,<sup>90</sup> and the security forces tied to the legitimate Government and the Saudi Arabia-led coalition.

75. On 16 October 2017, the United States carried out its first direct strikes on ISIL in Yemen, hitting two camps in Bayda'.<sup>91</sup> Less than two weeks later, on 25 October, the United States, Saudi Arabia and the other countries partners in the Terrorist Financing Targeting Center sanctioned five individuals for their ties to ISIL in Yemen.<sup>92</sup> Since its initial strikes in mid-October 2017, the United States has carried out several more air and drone strikes against ISIL, all of which, to date, have taken place in Bayda'.<sup>93</sup>

76. In addition to the increased pressure from the air, ISIL has also suffered from the collapse of the group's so-called caliphate in Iraq and the Syrian Arab Republic. The Panel has yet to see any evidence of an influx of ISIL fighters into Yemen. Instead the opposite appears to be happening: low-level ISIL fighters appear to be defecting to AQAP.<sup>94</sup> The Panel continues to investigate whether this is related to a lack of outside funding coming into Yemen or to other factors.

#### **IV. Arms and implementation of the targeted arms embargo**

77. Pursuant to paragraphs 14 to 17 of resolution 2216 (2015), the Panel continues to focus on a range of monitoring and investigative activities in order to identify if there have been any violations of the targeted arms embargo involving the direct or indirect supply, sale or transfer to, or for the benefit of individuals and entities listed by the Committee and the Security Council.

78. There have been no changes to the options for supply chains for the delivery of weapons and ammunition to the individuals and entities listed by the Committee and the Security Council and those acting on their behalf or at their direction reported by the Panel on 31 January 2017.<sup>95</sup> There have been no reported maritime seizures of weapons and ammunition during 2017, and only very limited seizures of arms-related material have been identified on the main land supply route from the east of Yemen.<sup>96</sup>

79. The Panel has now identified strong indicators of the supply of arms-related material manufactured in, or emanating from, the Islamic Republic of Iran subsequent to the establishment of the targeted arms embargo on 14 April 2015, particularly in the area of short-range ballistic missile technology (see paras. 86 to 96 below) and unmanned aerial vehicles (paras. 98 to 105 below).

<sup>90</sup> Like AQAP, ISIL has a hierarchy of enemies with the Shia Houthis at the top. In August 2017, the group released photographs of a Houthi commander it had crucified, identified as Abu Murtada al-Muhatawari.

<sup>91</sup> See <http://www.centcom.mil/MEDIA/PRESS-RELEASES/Press-Release-View/Article/1344652/us-forces-conduct-strike-against-isis-training-camps-in-yemen/>. The two camps were named for deceased ISIL leaders: Abu Bilal al-Harbi and Abu Muhammad al-Adnani. One week prior to the United States strikes, on 9 October 2015, ISIL had released training photographs from those camps.

<sup>92</sup> See <https://www.treasury.gov/press-center/press-releases/Pages/sm0187.aspx>. A list of ISIL figures of interest to the Panel is provided in annex 32.

<sup>93</sup> For example, the United States carried out three successive drone strikes on 10, 11, and 12 November 2017 in Bayda', which killed five individuals.

<sup>94</sup> However, the United States estimates that ISIL in Yemen has "doubled in size over the past year" (see <http://www.centcom.mil/MEDIA/PRESS-RELEASES/Press-Release-View/Article/1401383/update-on-recent-counterterrorism-strikes-in-yemen/>).

<sup>95</sup> See S/2017/81, para. 60 and table 1.

<sup>96</sup> See annex 33.

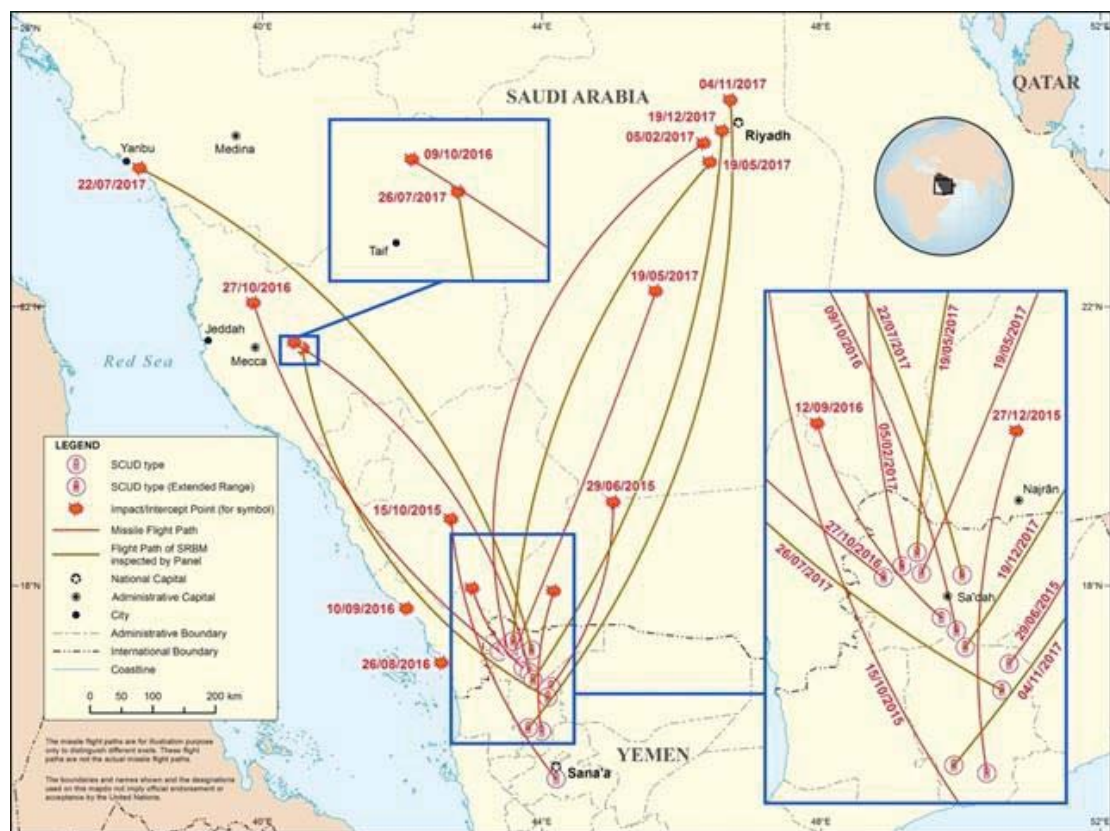


## A. Houthi-Saleh “land missile campaign”

### 1. Overview

80. The strategic “land missile campaign” of the Houthi-Saleh alliance against Saudi Arabia continued during 2017, although at a reduced level of intensity (64 per cent of the level in 2016). The Houthi-Saleh alliance continues to demonstrate a mobile short-range ballistic missile or free flight rocket<sup>97</sup> capability to strike at Saudi Arabia. This has a strategic impact by: (a) demonstrating a defensive weakness on the part of Saudi Arabia to this threat, and compelling it to deploy disproportionately costly counter-measures to protect itself from such attacks; (b) demonstrating the vulnerability of the Saudi Arabian civilian population to such attacks; (c) countering inaccurate Saudi Arabia-led coalition claims to have destroyed the missile stockpiles in 2015, thus undermining the credibility of their wider media operations; and (d) demonstrating that the Houthi-Saleh alliance is capable of directly threatening Saudi Arabia. A summary of reported and confirmed launches of short-range ballistic missiles and free flight rockets is contained in annex 34 to the present report. Figure III illustrates launches of short-range ballistic missiles only.

Figure III  
Launches of short-range ballistic missiles: 2015–2017



<sup>97</sup> The free flight rockets are the improvised S-75 Dvina surface-to-air missile, referred to by the Houthis as Qaher-1 missiles (see S/2017/81, para. 81 and annex 42).

81. The tactical military impact of short-range ballistic missiles is limited due to their small numbers, inherent inaccuracy and relatively small high explosive warhead size (less than 600 kg to 950 kg).

## **2. Increased regional tensions**

82. At approximately 20.07 hours (local time) on 4 November 2017 remnants of a short-range ballistic missile landed within the perimeter of King Khaled International Airport in Riyadh.<sup>98</sup> This particular attack<sup>99</sup> by the Houthi-Saleh alliance resulted in an immediate escalation of regional tensions, with an announcement by the Saudi Arabia-led coalition of the temporary closure of all ground, sea and air routes into Yemen as of 6 November 2017.

83. The Panel travelled to Riyadh from 17 to 21 November 2017 to inspect the remnants of the short-range ballistic missile attacks launched against Saudi Arabia by Houthi-Saleh forces on 19 May, 22 July, 26 July and 4 November 2017. The Panel also visited Saudi Arabia from 24 to 26 December 2017 to inspect remnants of a further short-range ballistic missile attack on Riyadh on 19 December 2017. The findings and conclusions of the Panel are set out below (see paras. 88–92).

## **3. Short-range ballistic missile capability of the Houthi-Saleh forces**

84. It is certain that the pre-conflict Yemeni Missile Defense Command possessed at least 18 SS-1 Scud-B missiles in 2004, and had also procured 90 Hwasong-6 (Scud-C type) missiles during the first decade of the 2000s.<sup>100</sup> During hostilities in early 2015, the 5th and 6th missile brigades aligned themselves with the Houthi-Saleh forces.

85. The initial Saudi Arabia-led coalition air strikes failed to completely destroy the supply of short-range ballistic missiles. The first confirmed<sup>101</sup> Scud-C type<sup>102</sup> short-range ballistic missile launch against Saudi Arabia took place on 29 June 2015, with the last probable Scud-C type attack being on 26 July 2017.<sup>103</sup> The Qaher-1 free flight rocket attacks covered in the report of the Panel dated 31 January 2017<sup>104</sup> continued in 2017 until the last confirmed firing on 27 March 2017.<sup>105</sup>

<sup>98</sup> It was initially reported that this short-range ballistic missile was interdicted in flight by a MIM-104 Patriot surface-to-air missile before reaching its intended target. From the physical evidence inspected, the Panel can only comment that the rocket motor assembly may have been intercepted. The propellant tank, which is designed to separate, had no traces of fragmentation from an interceptor missile warhead. There was also a crater at the point of impact (King Khalid International Airport).

<sup>99</sup> There were two previous short-range ballistic missile attacks against the Riyadh area on 5 February 2017 (Muzahimiyah) and 19 May 2017 (Riyadh governorate).

<sup>100</sup> Including: (a) Jane's Defence Equipment and Technology Intelligence databases; and (b) a report of the United States Congressional Research Services (see <http://www.dtic.mil/cgi-bin/GetTRDoc?AD=ADA521480>). Twelve Scud-type missiles were discovered in transit to Yemen on 10 December 2002, but after an initial detention the vessel was allowed to proceed to Yemen to make the delivery as there was no legal reason to seize them at that time.

<sup>101</sup> Letter to the Panel dated 4 October 2017 from Saudi Arabia.

<sup>102</sup> Either Scud-B upgraded to Scud-C level, or a Hwasong-6 supplied by the Democratic People's Republic of North Korea.

<sup>103</sup> Confirmed by the Panel from imagery of the warhead, which was a cluster munition type fitted to Scud-C type short-range ballistic missile.

<sup>104</sup> See S/2017/81, paras. 81–84 and annex 42.

<sup>105</sup> There have been two unconfirmed reports of missiles been fired on 7 and 27 August 2017, which could have been Qaher-1 type missiles.

## B. Extended-range short-range ballistic missiles

### 1. Background

86. In the reporting period, there have been four confirmed attacks by short-range ballistic missiles with an extended range substantially beyond that normally expected of the missiles known to be in the inventory of the Houthi-Saleh alliance. The launch of the first missile was on 19 May 2017 (see table 1).<sup>106</sup>

Table 1  
Confirmed launches of extended-range short-range ballistic missiles by the Houthi-Saleh alliance in 2017<sup>a</sup>

Date	Event	Range (km)	Remarks
19 May	Impacts in Riyadh province	965	First confirmed launch
22 July	Impacts on Yanbu', west of Medina	900+	Approximately 2 months since previous launch
4 Nov.	Missile launched towards Riyadh	1,043 <sup>b</sup>	Approximately 3 months since launch of previous missile
19 Dec.	Missile launched towards Riyadh	915	Release of a video of the launch by the Houthi on 19 December 2017 <sup>c</sup> Probably intercepted in flight

<sup>a</sup> Source: letter from member State of 4 October 2017 (first two launches).

<sup>b</sup> Since it is possible that the missile flew further than 1,000 km, it could more accurately be referred to as a medium-range ballistic missile. As the range overlap is so small, the Panel will continue to refer to it as a short-range ballistic missile as it is derived from that class of missiles. The range is based on the target event report from the Patriot system. The data obtained through the Shared Early Warning Systems places the estimated launch point one degree of longitude further north, which would mean a range of 937 km.

<sup>c</sup> See <https://mobile.almasdarnews.com/article/video-footage-houthis-long-range-missile-launch-saudi-arabia/>.

87. A Houthi military spokesperson, major general Sharaf Luqman, admitted for the first time on 30 March 2017 that missiles damaged by the air strikes were being repaired and modified by Yemeni specialists.<sup>107</sup> The Panel has also not discounted the idea that foreign missile specialists may be providing technical advice in Yemen,<sup>108</sup> or that Houthi-Saleh missile specialists may have visited a third country for training. The Houthi forces almost certainly do not have the design or engineering capability to manufacture a new type of short-range ballistic missile.

### 2. Technical analysis and finding

88. The Panel initially examined the options available to extend the range of the Scud-C type short-range ballistic missile known to be in the Houthi-Saleh inventory, and concluded that sufficient weight savings could not be made to such missiles, nor could the power output be upgraded sufficiently to account for an extension of range from a known maximum of 600 km to over 1,000 km.

<sup>106</sup> There were also unconfirmed media reports of a short-range ballistic missile landing in Riyadh province on 5 February 2017. If confirmed, this would be the first identified launch of an extended-range short-range ballistic missile from Yemen.

<sup>107</sup> [sputniknews.com/middleeast/201703301052137016-yeminis-repair-soviet-missiles/](https://sputniknews.com/middleeast/201703301052137016-yeminis-repair-soviet-missiles/).

<sup>108</sup> <https://english.alarabiya.net/en/features/2018/01/01/Who-are-the-Iranian-Revolutionary-Guard-officers-leading-Houthis-in-Yemen-.html>.

89. Launches of short-range ballistic missiles beyond the range of 670 km were observed in 2016, which indicates that a weight-saving programme to the Scud-C types almost certainly took place in 2016 (see annex 35), achieving a limited range extension of approximately 11.75 per cent for that type of missile. Evidence of this includes the use of composite material compressed air bottles of a United States design instead of the standard steel air bottles.<sup>109</sup> The Houthi refer to this missile as the Borkan-2.

90. After inspecting the remains of the “22 July” and “4 November” extended range short-range ballistic missile in Riyadh the Panel now finds that:

(a) Many of the internal design features,<sup>110</sup> external characteristics<sup>111</sup> and dimensions of the remnants of the missile inspected by the Panel are consistent with those of the Iranian designed and manufactured Qiam-1 missile. This means that they were almost certainly produced by the same manufacturer. Figure IV shows the position of the main components inspected by the Panel in relation to a Qiam 1. Figure V is an illustration of the Scud-C type missile, while figure VI is an illustration, for comparison, of the extended-range short-range ballistic missile inspected by the Panel;

Figure IV  
Major components and their relative position compared to a Qiam-1 short-range ballistic missile<sup>a</sup>



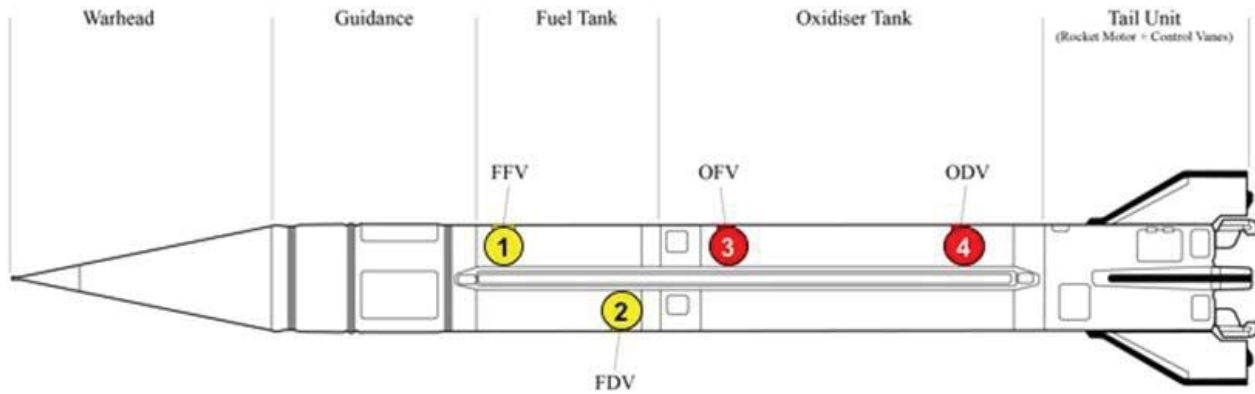
<sup>a</sup> Image of the extended-range-short-range ballistic missile taken by the Panel in Riyadh on 19 and 20 November 2017 (Qiam-1 image from <http://3.bp.blogspot.com/-qsK7VV6oZfc/Tq1ET0NyVdI/AAAAAAAAADo/NGlhWpeJTsw/s1600/Qiam-1.jpg>).

<sup>109</sup> The company could not trace these components owing to the large production volumes of such bottles.

<sup>110</sup> For example, the reversal of the positions of the fuel and oxidizer tanks in the missile body. This configuration is only seen, within the known short-range ballistic missile systems, on the obsolete Scud-A and the Iranian Qiam-1 missiles. Other design features of the extended-range short-range ballistic missile include: (a) composite compressed air bottles; and (b) an upgraded guidance system.

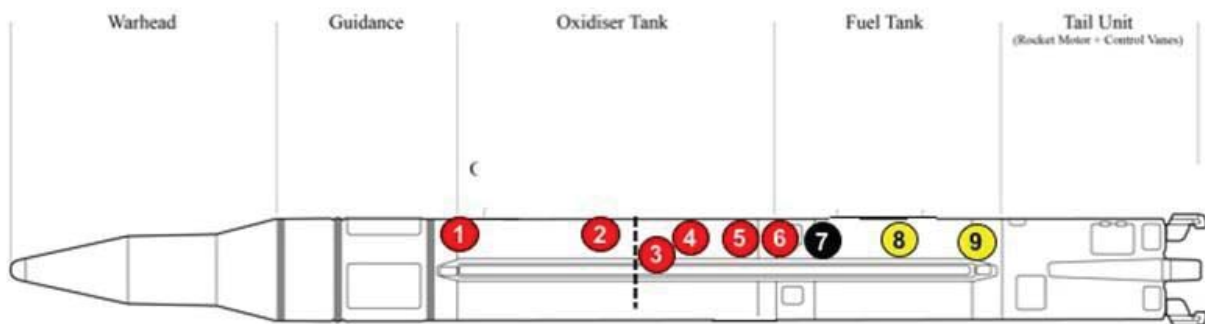
<sup>111</sup> For example: (a) the use of a mainly aluminium airframe; and (b) the lack of fins at the rear of the missile. Scud-C variants have fins, the Iranian Qiam-1 does not.

Figure V  
**Illustrative main section layout of Scud-C missile<sup>a</sup>**



<sup>a</sup> Panel diagram (not to scale). Valves are shown larger proportionally than on real missile to assist in identification (see annex 36, appendix C, figure C.36.1).

Figure VI  
**Illustrative main section layout of an extended-range short-range ballistic missile<sup>a</sup>**



<sup>a</sup> See annex 36, appendix C, figure C.36.2.

(b) A standard Qiam-1 missile has an operational range of 750 to 800 km, as compared to the over 1,000km range of the missile examined by the Panel. The Panel finds it is not a Qiam-1 short-range ballistic missile, but a derived lighter version, designed specifically by the manufacturers of the Qiam-1 to extend the range to over 1,000 km by reducing weight;<sup>112</sup>

(c) Variations in build quality and welding standards identified by the Panel mean that the technology was almost certainly transferred in modular system form,<sup>113</sup> requiring the missile engineers of the Houthi-Saleh alliance to assemble and functionality test the missiles prior to operational deployment;

(d) Three jet vane housings from the remnants of the 4 November 2017 missile had markings (see figure VII) very similar in design to the company logo of Shahid

<sup>112</sup> The Iranian designed and manufactured Shabab-3 missile has a range of 1,300 km, so this missile was almost certainly not designed to fill in a “range gap” in the Iranian ballistic missile suite.

<sup>113</sup> The modular system consists of: (a) warhead; (b) guidance unit; (c) fuel tank; (d) oxidizer tank; and (e) rear section (rocket motor, actuators and pumps).

Bagheri Industries,<sup>114</sup> based in the Islamic Republic of Iran (see figure VIII). A tracing request has been sent to the authorities in the Islamic Republic of Iran;<sup>115</sup>

Figure VII  
Enhanced image of Shahid Bagheri Industries logo on a jet vane housing<sup>a</sup>



<sup>a</sup> Image taken by the Panel.

Figure VIII  
Shahid Bagheri Industries logo on a trade stand<sup>a</sup>



<sup>a</sup> Source: <http://www.sns.co.ir/?p=327>.

(e) The Houthi-Saleh alliance has obtained access to “extended-range” missile technology more advanced than the Scud-C and Hwasong-6 short-range ballistic missiles that the alliance was known to possess in January 2015. They refer to this missile as the Borkan-2H, and this is the name attributed to the missile by the Panel;

(f) It is highly probable that the route used to supply the Borkan-2H components was the main land supply route into Houthi-Saleh-held territory following a ship-to-shore transfer to the ports in the area of Nishtun and Ghaydah in Mahrah governorate.<sup>116</sup> Although concealment in cargo of vessels offloading in the Red Sea ports is unlikely, it cannot be excluded as an option;

(g) The use of the Borkan-2H against civilian targets in Saudi Arabia is a violation of international humanitarian law (see para. 179 below and annex 64);

(h) As of yet, the Panel has no evidence as to the identity of the supplier, or any intermediary third party;<sup>117</sup>

(i) As the Islamic Republic of Iran has not provided any information to the Panel of any change of custody of the components for the building of extended-range short-range ballistic missiles, the country is in non-compliance with paragraph 14 of resolution 2216 (2015) in that it failed to take the necessary measures to prevent the

<sup>114</sup> Also possibly known as Shahid Bakeri Industries. This organization is a subsidiary of the Iranian Aerospace Industries Organization.

<sup>115</sup> Request sent in Panel letters dated 9 and 12 December 2017.

<sup>116</sup> The Panel notes the redeployment of the 123rd Infantry Brigade to Ghaydah and the appointment of a new Governor of Mahrah, Rajih Said Bakarit, on 27 November 2017, as part of the strategy to improve security along this main supply route.

<sup>117</sup> The Panel sent tracing requests to the Member State of the manufacturer on 26 November, 11 December and 14 December 2017.

direct or indirect supply, sale or transfer of such technology to the Houthi-Saleh forces, an entity acting at the direction of listed individuals.<sup>118</sup>

91. The Panel's observations and full technical analysis to support the above findings are presented in annex 36.

### 3. Related case: liquid propellant oxidizer field storage tanks for short-range ballistic missiles

92. In January 2017, a consignment of industrial process equipment was seized by a member State of the Saudi Arabia-led coalition near Ma'rib, along the main supply route from the Mahrah governorate. Two hazardous chemical storage tanks, which were also seized in the shipment, are almost identical in design, configuration and size to the oxidizer storage field tanks used for the Scud-type missile or other short-range ballistic missile systems (see figures IX and X for comparison).

Figure IX  
Oxidizer field storage tanks seized near Ma'rib<sup>a</sup>



<sup>a</sup> Source: confidential.

Figure X  
Scud oxidizer field storage tank<sup>a</sup>



<sup>a</sup> Stored at Gharyan Air Defence base, Libya (2017). Confidential source.

93. Although most of the other equipment seized is also standard for the chemical or food processing industries, some items show artisanal crafting such as unusual welding connectors (pipelines and flanges) and other improvised engineering features. This proves adaptation for a purpose other than initially designed for. The Panel finds that the equipment has military utility for the reprocessing of inhibited red fuming nitric acid, the oxidizer for the liquid bipropellant used in short-range ballistic missiles.

94. Tracing requests by the Panel have identified that: (a) two components were manufactured in the Islamic Republic of Iran; (b) three components were supplied to the Islamic Republic of Iran from foreign manufacturers, one of which was paid for through a European bank account and had Farsi labelling added to it.<sup>119</sup>

95. The Panel as of yet has no evidence as to the identity of the supplier, or any intermediary third party.<sup>120</sup>

<sup>118</sup> The Panel wrote to the Islamic Republic of Iran on 15 December 2017, informing the authorities of this finding and again requested any information the Government may have as to any change in custody of these components. The Panel then visited the Islamic Republic of Iran from 15 to 17 January 2018 for further discussions. For the Islamic Republic of Iran's response to the Panel's findings, see annex 36, appendix E.

<sup>119</sup> See full analysis in annex 36, appendix A.

<sup>120</sup> The Panel sent tracing requests to the Member State involved on 11 December 2017.

96. Since it has not provided any information to the Panel of any change of custody of the liquid bipropellant storage tanks or accounted for the presence of Iranian manufactured components, the Islamic Republic of Iran is in non-compliance with paragraph 14 of resolution 2216 (2015) in that it failed to take the necessary measures to prevent the direct or indirect supply, sale or transfer of military equipment related to extended-range short-range ballistic missiles to the Houthi-Saleh forces, an entity acting at the direction of listed individuals.<sup>121</sup>

## C. Houthi use of unmanned aerial vehicles

97. During 2017 the forces of the Houthi-Saleh alliance continued to make limited use of small and medium-sized unmanned aerial vehicles for intelligence, surveillance, target acquisition and reconnaissance,<sup>122</sup> and in the case of the medium-sized unmanned aerial device, explosive attacks.<sup>123</sup> The small unmanned aerial vehicles are all based on commercially available systems, such as the X-8 Skywalker, which have a military utility for surveillance and target planning.

### 1. Qasef-1 unmanned aerial vehicles

98. On 27 November 2016, a Dubai registered truck (Dubai/13933) was intercepted at the al-Milh checkpoint near Ma'rib and was found to contain components for at least six complete Qasef-1 unmanned aerial vehicles and components for up to another 24.<sup>124</sup> Components were also recovered by forces of the United Arab Emirates from crashed unmanned aerial vehicles in Ma'rib (19 September 2016)<sup>125</sup> and Aden airport (16 November 2016).<sup>126</sup>

99. The Panel finds that the medium-sized Qasef-1 unmanned aerial vehicle is virtually identical in design, dimensions and capability to that of the Ababil-T,<sup>127</sup> manufactured by the Iran Aircraft Manufacturing Industries.<sup>128</sup> The analysis of the Qasef-1 UAV is provided in annex 38.

100. The Panel has identified that at least two components of the system were supplied to the Islamic Republic of Iran after the implementation of the targeted arms embargo on 14 April 2015. The route for the funding of one of the components used a third party broker, and an intermediary account in a third country. This is indicative of a deliberate attempt to disguise the final destination of the components.

101. The Panel finds that, based on: (a) the design of the unmanned aerial vehicles; and (b) the tracing of component parts, the material necessary to assemble the Qasef-1 unmanned aerial vehicles, emanated from the Islamic Republic of Iran.

<sup>121</sup> See footnote 118 above.

<sup>122</sup> Initially reported in the Panels' 2017 confidential mid-term update.

<sup>123</sup> See annex 37 for summary of explosive attacks on forces of the United Arab Emirates.

<sup>124</sup> Information contained in a letter from a Member State: information includes Qasef-1 serial Nos. 22-122-33, 22-122-34, 22-122-38, 22-1721-39, 22-1721-X, 22,1721-0 and 22-1722-9.

<sup>125</sup> Letter from Member State, including Qasef-1 serial No. 22-1728.

<sup>126</sup> Qasef-1 serial No. 22-122-39.

<sup>127</sup> Janes' database (see [www.janes.his.com](http://www.janes.his.com)).

<sup>128</sup> Iran Aircraft Manufacturing Industries is a subsidiary of the Iran Aircraft Industries Organization, owned by the Government of the Islamic Republic of Iran, and is part of the Defence Industries Organization conglomerate.



## **2. The “Rased” unmanned aerial vehicles**

102. The unmanned aerial vehicles referred to as the “Rased” (surveyor) by the Houthi-Saleh alliance is almost certainly the Skywalker X-8 unmanned aerial vehicle (see annex 39).

## **3. Embargo violations**

103. The Panel considers that the supply of unmanned aerial vehicles specifically designed for military intelligence, surveillance, target acquisition and reconnaissance or attack operations to entities acting on behalf of individuals or entities designated by the Security Council falls within the scope of “military equipment” under paragraph 14 of resolution [2216 \(2015\)](#).

104. As the Islamic Republic of Iran has not provided any information to the Panel of any change of custody of the Qasef-1 or the components,<sup>129</sup> the Islamic Republic of Iran is in non-compliance with paragraph 14 of resolution [2216 \(2015\)](#) in that it failed to take the necessary measures to prevent the direct or indirect supply, sale or transfer of military related equipment to the Houthi-Saleh forces, an entity acting at the direction of listed individuals.

105. The Panel considers that since commercially available unmanned aerial vehicles can have significant military utility for surveillance and target reconnaissance, or can be easily modified to operate as attack drones, they should also fall within the scope of “military equipment” under paragraph 14 of resolution [2216 \(2015\)](#) when used for military purposes.

## **D. Waterborne improvised explosive devices**

106. The Houthi have successfully deployed waterborne improvised explosive devices on at least two occasions: (a) an attack against a Royal Saudi Arabian Navy frigate; and (b) in the port of Mukha. The Panel notes that the United Arab Emirates have released information on a seizure of this type of explosive device to the United States and a commercial armament investigative company.

107. Although the Panel has seen imagery and third-party analysis of waterborne improvised explosive devices, it does not include any analysis or findings in the present report as the information it has seen does not meet the criteria of transparency and verification contained in paragraphs 21 and 22 of the best practices and methods recommended in the report of the Informal Working Group of the Security Council on General Issues of Sanctions ([S/2006/997](#)).

108. The Panel finds that the United Arab Emirates is in non-compliance with paragraph 8 of Security Council resolution [2342 \(2017\)](#), in that it did not provide unhindered access to documents and sites, in order for the Panel of Experts to execute its mandate. The Panel further finds that it is also in non-compliance with paragraph 17 of Council resolution [2216 \(2015\)](#), in that it did not promptly supply an initial written report on the seizure to the Committee, nor a subsequent written report within 30 days of the seizure.

109. The Panel cannot therefore independently confirm that the technology was transferred to Yemen after the implementation of the targeted arms embargo on 14 April 2015 (see resolution [2216 \(2015\)](#), para. 14), and continues to investigate.

<sup>129</sup> Panel letter to Islamic Republic of Iran dated 19 December 2017.

## E. Sea mines

110. The Panel has identified further use of sea mines during 2017. The chronology of incidents is contained in annex 40 to the present report.

### 1. Iranian manufactured “bottom” sea mines

111. The United Arab Emirates reported the discovery of at least three sea mines in the port of Mukha to the Panel.<sup>130</sup> The recovered sea mines (see figure XI) are consistent in shape and size to the Iranian manufactured “bottom” sea mine (see figure XII), which was first identified at an Iranian arms fair in October 2015.

Figure XI  
Sea mine recovered from Mukha (2017)

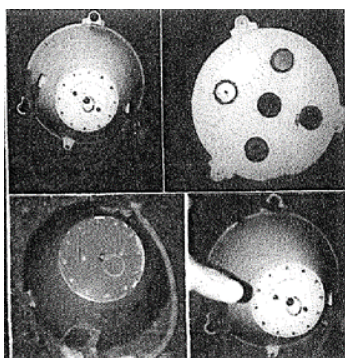


Figure XII  
Sea mine at Iranian Arms fair (2015)



112. The Panel has written to Iran requesting clarification as to the nomenclature and export status of the type of sea mine shown in figure XII but has yet to receive a response.

### 2. Use of improvised sea mines by the Houthi-Saleh alliance

113. The Panel has investigated the confirmed use of improvised sea mines<sup>131</sup> by the Houthi-Saleh alliance.<sup>132</sup> One mine was recovered from Midi on 23 March 2017 (see figure XIII) and two of a similar but not identical design from Thwaq Island<sup>133</sup> (see figure XIV) on, or around, 27 May 2017. The recovery from Thwaq Island, which is uninhabited, is evidence that these types of mines have been deployed in the Red Sea by the Houthi. Since approximately 12 improvised mines were seen in a shore storage area in Houthi-controlled territory in November 2016<sup>134</sup> it is highly likely that more than the three recovered improvised mines were deployed, and thus a threat to the sea lines of communication in the Red Sea now exists. The length of the threat posed by such mines is dictated by the battery life of their power source, which is dependent on the type of AA battery used, however, it could be between 6 to 10 years.

<sup>130</sup> Initially reported in para.61 of the 2017 confidential midterm update.

<sup>131</sup> Reported in a letter to Committee dated 13 September 2017.

<sup>132</sup> Initially reported in paras. 63 and 64 of the 2017 confidential midterm update.

<sup>133</sup> Coordinates 16° 18' 42.61" N, 42° 41' 10.77" E.

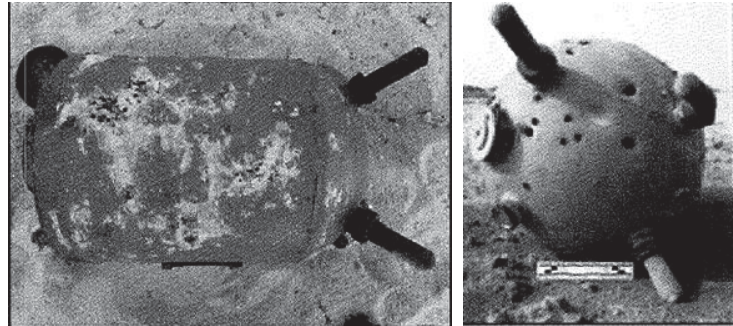
<sup>134</sup> Confidential source.

Figure XIII  
**Improvised sea mine recovered near Midi  
(23 March 2017)<sup>a</sup>**



<sup>a</sup> See [www.youtube.com/watch?v=6H04M4Vpif8&feature=youtu.be](https://www.youtube.com/watch?v=6H04M4Vpif8&feature=youtu.be).

Figure XIV  
**Improvised sea mines recovered from area of Thwaq Island  
(May 2017)<sup>a</sup>**



<sup>a</sup> Imagery from a Member State and confirmed by the Panel.

The Panel would not normally use uncorroborated single source social media, but as the imagery shows a design virtually identical to that described by a confidential eyewitness the Panel has included it.

114. Although designed to be used as moored contact mines, the design is flawed and these mine types will not always moor as designed, or may break free of their mooring. The recovered mines from Thwaq Island are evidence that some of these mines have already become drifting sea mines. A detailed technical and threat analysis is provided in annex 41.

## **F. Anti-tank guided missiles**

115. In its report dated 31 January 2017,<sup>135</sup> the Panel reported on the seizure and operational use of anti-tank guided missiles with characteristics very similar to that of the Iranian manufactured Dehleyvah. The lack of open source information at the time prevented the Panel from confirming them as Dehleyvah missiles.

116. The Panel has now compared the markings and design features of the 9M133 Kornet and Iranian Dehleyvah missiles seized by the French naval vessel *La Provence* on 20 March 2016.<sup>136</sup> The findings, provided in annex 42 to the report, will act as a definitive source<sup>137</sup> for future investigations and identification.

## **G. Black market**

### **1. Small arms ammunition**

117. The Panel has continued to monitor the price of small arms ammunition on the black market. Although prices have now started to rise (by 20 per cent during 2017), as shown in annex 43, the cost of (for example) one type of 7.62 mm x 39 mm round in Aden is now still significantly less (\$0.94) than it was prior to the conflict (\$1.60). This gives a strong indication that small arms ammunition is still readily available to all parties in Yemen, and that no external resupply is needed as yet.

<sup>135</sup> S/2017/81, paras. 76 and 77 and annex 37.

<sup>136</sup> See S/2017/924, annex 7.2.

<sup>137</sup> See also <https://www.ihs.com/products/janes-weapons-ammunition.html>.

## 2. Suspicious end user certificates

118. The Panel has obtained<sup>138</sup> a copy of a number of end-user certificates issued by the Houthi-Saleh administration that are designed to support the procurement of weapons and ammunition from Bulgaria, China, the Philippines, the Islamic Republic of Iran, Serbia and the Slovak Republic by the then Houthi-Saleh administration (see annex 44). The Panel has contacted these Member States; Bulgaria, China, the Philippines and the Slovak Republic have all confirmed that these end-user certificates have not been presented for any arms purchases from them.

119. The company authorized to broker the above potential arms trades, Al Fosal Trading (also known as Fusal), is listed as being managed by Adeeb Fares Mohamed Mana'a, the son of designated individual, and known arms trafficker, Fares Mohammed Hassan Mana'a (SOi.008).<sup>139</sup> Fares Mana'a is currently a Sana'a based minister of state.<sup>140</sup>

120. The date of the documentation, 6 July 2015, is three months after the Houthi-Saleh alliance took control of Sana'a. By that time, as reported by the Panel in its report dated 31 January 2017,<sup>141</sup> the Houthi-Saleh alliance had taken control of potentially up to 68 per cent of the national arms stockpile. It is thus unlikely that they would have needed at that point to be exploring means of procuring the small arms, light weapons and ammunition listed in these end-user certificates. It is more likely that Fares Mohammed Hassan Mana'a seized an opportunity to use his contacts in the then new Houthi-Saleh administration to obtain appropriate documentation that could be used to support arms procurement for his regional arms business.

121. As previously reported by the Panel,<sup>142</sup> both Fares Mana'a and Adeeb Mana'a were involved in a separate illicit regional arms transfer during the period from 2013 to 2015. The involvement of Fares Mohammed Hassan Mana'a as part of the brokering company, and his known relationship with the Houthis, means that any future potential regional transfer using these end-user certificates would still be to the financial benefit of listed individuals, and thus a violation of paragraph 14 of resolution 2216 (2015).

## H. Increasing the effectiveness of the targeted arms embargo

122. The deployment of advanced extended-range short-range ballistic missiles technology by the Houthi-Saleh forces demonstrates a vulnerability in the current inspection and enforcement measures to well-planned shipments of non-explosive arms and arms-related material.<sup>143</sup> Only the Government of Yemen and the Saudi Arabia-led coalition are in a position to improve interdiction measures to cover the land route from Mahrah.

123. The Panel has examined options for enhancing inspection rates for the United Nations Verification and Inspection Mechanism for Yemen (UNVIM) system so as to improve the confidence of the Saudi Arabia-led coalition in the process. A permanent UNVIM presence at Hudaydah port, would: (a) serve to increase the confidence of the Saudi Arabia-led coalition that illicit shipments through that port would be made more

<sup>138</sup> Confidential source.

<sup>139</sup> Listed under authority of paragraph 8 to resolution 1844 (2008) on 12 April 2010 by the Security Council Committee pursuant to resolutions 751 (1992) and 1907 (2009) concerning Somalia and Eritrea.

<sup>140</sup> Appointed on 28 November 2016.

<sup>141</sup> See S/2017/81, para. 78 and annex 39.

<sup>142</sup> Ibid., para. 80 and annex 41.

<sup>143</sup> As noted in the Panel's confidential medium-term update, the seizure of components for military unmanned aerial vehicles from the Houthi-Saleh forces by the Saudi Arabia-led coalition forces in Ma'rib in 2016 is another indicator of this vulnerability.

difficult; (b) act as a deterrent to any illicit shipments that may be taking place. The deployment of a naval or fleet support vessel anchored at the entrance of Hudaydah port under the auspices of the United Nations would negate the known problems of a permanent shore-based presence. Such a vessel would have the necessary surveillance and weapons systems for self-protection, with the ability to take UNVIM inspectors ashore, when necessary. When ashore, armed naval ratings or marines from the host vessel could provide close protection, with port security being contracted to private security companies approved by the Houthi administration under a memorandum of understanding. This would significantly reduce the personal risk to UNVIM inspectors and negate the logistic and security requirements needed for a permanent shore presence, while ensuring a neutral inspection and monitoring presence during commercial vessel discharges. The vessel could also serve as a base for capacity- building training of a neutral Yemeni coast guard, which would combine elements from both parties.

## **V. Economic context and overview of finance**

124. In accordance with its mandate, the Panel has investigated the economic context in which individuals designated pursuant to resolutions 2140 (2014) and 2216 (2015) and their networks have continued to operate in violation of sanctions measures. In particular, the Panel has examined the flow of money, the transfer of wealth and the establishment of new shell companies to finance operations that threaten the peace, security or stability of Yemen.

125. The Panel finds that during 2017 the legitimate Government, local authorities, the Houthi-Saleh alliance and other militia forces all continued to collect “State” revenues in their respective areas with only a limited return by way of the provision public services. Their actions have eroded the foundations of the formal economy and created a liquidity problem, increasing the likelihood of a collapse of the Yemeni banking and financial system. Conditions now exist that are conducive to money laundering, an additional impediment to a peaceful political transition and recovery. The continuing conflict has enabled new profiteers of war to emerge from Yemen, who are gradually replacing the traditional business communities based in Sana’a and Ta’izz. This will certainly create new challenges and additional spoilers.

### **A. Control of State economic resources by the Houthis and their affiliates**

#### **1. Revenue collected by the Houthis from State assets**

126. The Houthis continue to directly control most of the national economy in their areas through ministers and managers loyal to them, or through deputies and revolutionary committees who act as supervisors within their organizations.

127. The Panel has analysed non-tax revenues from the latest available State budget (2011) in order to evaluate what could potentially be available for Houthi exploitation. This equates to approximately 2,818 billion rials (\$11.3 billion),<sup>144</sup> of which a minimum of 407 billion rials (\$1.62 billion) might be under their control (see annex 45).

<sup>144</sup> The official exchange rate is fixed by the Central Bank of Yemen at \$1 to 250 Yemeni rials in Sana’a and at a floating rate of about \$1 to 370 rials (since 15 August 2017); the market rate on that date. The rate has increased continuously since then, reaching 400 rials per dollar by 31 December 2017. The Panel, in analysing the Sana’a-based economy, has used the official rate of 250 rials to the dollar or the market rate of 370 rials to the dollar (figures rounded to nearest \$100,000).

128. Telecommunications companies are the main source of revenue for the Houthis in Sana'a.<sup>145</sup> On 21 August 2017, the Sana'a based minister of telecommunications, Julaidan Mahmood Julaidan,<sup>146</sup> an affiliate of the General People's Congress, informed a media conference that mobile telecommunications companies have transferred 98 billion rials (\$264.8 million) during the 20 months since he took over the ministry on 1 December 2016.<sup>147</sup> This amount, which is not denied by the Houthis, represents an equivalent of \$159 million per annum.

129. Tobacco sales account for the second main source of revenue available to the Houthis. For example, Kamaran Industry and Investment declared that its 2015 tax and customs duties bill was 23.9 billion rials (\$64.7 million).<sup>148</sup> The Panel estimates an equivalent amount from the other two producers.<sup>149</sup>

130. In order to increase custom revenues the Houthis started to collect additional customs duties on commodities imported through the areas under the control of the legitimate Government (see annex 46).

131. On 28 May 2016, Yahya Mohamed Abdullah al-Osta was appointed by Mohamed Ali al-Houthi as the acting head of the Sana'a-based Yemen customs authority.<sup>150</sup> Since then he has overseen the implementation of illegal mechanisms for the collection of customs duties for the benefit of entities and individuals acting on behalf and under the control of Abdulmalik al-Houthi.

132. On 4 April 2017, the Sana'a based ministry of finance established new permanent customs posts at the Amran and Dhamar checkpoints,<sup>151</sup> designed to exploit the additional road traffic as a result of the decrease of traffic through the Hudaydah port route.

## 2. Black market fuel

133. The Panel finds that the distribution of fuel and oil products remains one of the main sources of revenue for the Houthis. The monopoly on the import and distribution of oil products by the Yemen Petroleum Company was terminated by the Houthis on 28 June 2015.<sup>152</sup> They orchestrated a private bidding competition for the distribution, which now allows them to control the sector, mainly through the use of black market distributors under their control.

134. Data available to the Panel between May 2016 and July 2017, when the official exchange rate was at 250 rials to \$1, indicates that Houthi revenue from the black-

<sup>145</sup> Four telecommunications companies are operating in Yemen: (a) mobile (State owned); (b) Y Telecom (under State control); (c) Sabafon, associated with Hamed Al Ahmar; and (d) MTN, known to be associated with Shaher Abdulhaq, although the Panel has learned that he probably transferred his shares to MTN South Africa in exchange for shares in that company.

<sup>146</sup> Reported as executed by the Houthis after 4 December 2017.

<sup>147</sup> General People's Congress-affiliated television, Al-Yemen Alyoum, 21 August 2017 (see <https://www.youtube.com/watch?v=RlsXBIGWvhk>).

<sup>148</sup> See [http://www.kamaran.com/english/research\\_and\\_development.php](http://www.kamaran.com/english/research_and_development.php).

<sup>149</sup> Three companies associated with brands such as Pall Mall and Rothmans control the sale of tobacco in Yemen. One being the Kamaran United Industries Company of the HSA Group. The State collects 90 per cent of the sales price for each pack sold, in addition to 18 rials for various other fees.

<sup>150</sup> Mohamed Abdullah al-Osta was a mid-level staff member working as a legal adviser within the ministry of finance.

<sup>151</sup> Decision 138 of 2017 (see [http://customs.gov.ye/news\\_show\\_ar.php?id=132](http://customs.gov.ye/news_show_ar.php?id=132)).

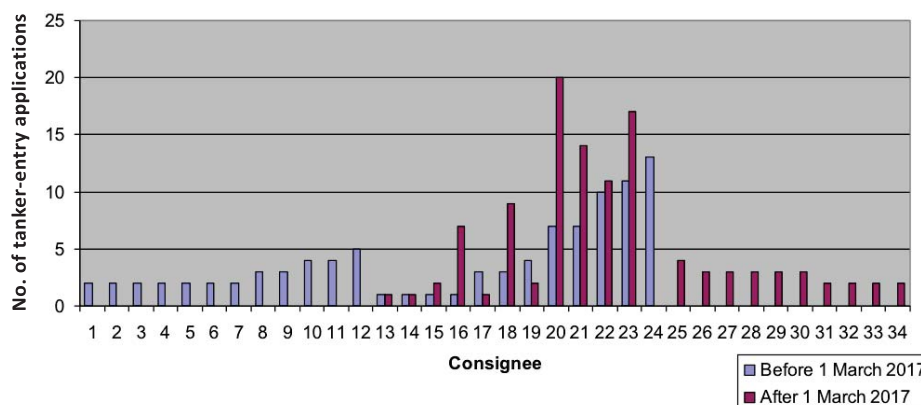
<sup>152</sup> Fuel distribution in Yemen has always included revenue gained from smuggling across the region. Fuel in Yemen was not taxed, but subsidized, the arbitrage thus making it profitable for smuggling across the Horn of Africa. The Houthis took Sana'a using the pretext of the removal of fuel subsidies by the Government under the former Prime Minister Mohammed Basindawa. Currently there are no taxes or subsidies on fuel imports.

market sale of oil products delivered at the Red Sea ports of Hudaydah and Ra’s Isa<sup>153</sup> could be as high as 318 billion rials (\$1.27 billion)<sup>154</sup> (see annex 47).<sup>155</sup>

135. The Panel noted that to date 61 companies have applied for entry clearance through UNVIM<sup>156</sup> for 234 tankers, of which 173 have been allowed to deliver fuel.<sup>157</sup> The list of consignees is provided in confidential annex 48. The Panel noted that only 11 companies have continued to import fuel during 2016 and 2017 while 12 companies appear to have ceased importing to Yemen after 1 March 2017 and 11 new companies have emerged since that date. This is indicative of a Houthi strategy to take control of oil imports. Further evidence includes:

- (a) Only the Alhuthaily Group, with a previous track record in the oil industry, has continued to operate at the same level, (see consignee line 22 in figure XV: details are given in annex 48, appendix 2);<sup>158</sup>
- (b) The Falak Shipping Company, used by the Tawfiq Mathar brothers, which used to import fuel to Yemen for the Yemen Petroleum Company during the Saleh era, has ceased to operate through the Yemeni Red Sea ports;
- (c) All current active oil importers are Houthi affiliated.

Figure XV  
Change of fuel consignees during 2016 and 2017



136. The Panel continues to monitor the situation in order to assess if the space lost by pre-Houthi era businessmen is a consequence of the conflict, or part of a strategy to replace them with what Yemenis are calling “Generation 2017” businessmen, (in reference to Houthi business associates in Yemen). The Panel is investigating the change of beneficial ownership of the Vulcan Group, the most important supplier for the Yemeni Ministry of Defence during the Saleh era.<sup>159</sup>

<sup>153</sup> Closed since June 2017.

<sup>154</sup> Central Bank of Yemen rate of \$1 = 250 rials.

<sup>155</sup> Data collected from: (a) UNVIM records of fuel delivered since May 2016; (b) market prices in Yemen for fuel delivery, transport and storage; and (c) other fees corroborated with traders and sources inside Yemen.

<sup>156</sup> See [https://www.vimye.org/docs/GoY Announcement of UNVIM Launch.pdf](https://www.vimye.org/docs/GoY%20Announcement%20of%20UNVIM%20Launch.pdf).

<sup>157</sup> The amount delivered equals 2,358,953 tons of fuel products, as at 30 November 2017.

<sup>158</sup> ATICO Trading and Company, registered in Yemen, is a traditional operator in the oil industry (see <http://www.alhuthaily.com/index.php/contact>).

<sup>159</sup> See <http://vulcanyemen.com/>. The Panel has evidence indicating the owner’s (Khalid Ahmed Alradi) involvement of previous contracts. The Houthis killed him on 26 August 2017 for being a Saleh supporter.

### 3. Risk of the looting and trafficking of antiquities and cultural objects

137. The Panel has investigated the risks of smuggling of antiquities and cultural objects from conflict areas in Yemen for sale abroad (see annex 49).

138. A case of artefacts seized in Switzerland between 2009 and 2010 arriving from Qatar and the United Arab Emirates, although still under a judicial process,<sup>160</sup> could assist the Panel in identifying smuggling methods and networks. Although the artefacts left Yemen before the imposition of sanctions, the Panel is investigating this case as the objects in question were illegally exported, in violation of the Yemen Law of Antiquities N21/1994,<sup>161</sup> during the Saleh regime and may lead to the identification of more of the Saleh family assets. The market value of the artefacts is estimated at more than \$1.5 million.

139. As there is no official record of Yemeni cultural heritage, the interdiction of antiquities exported and sold for profit abroad is very difficult to ascertain. The Panel has seen images posted on the official media sites of parties in Lahij, Sana'a and Ta'izz showing precious artefacts abandoned without any protection mechanism. Recently, al Masirah television, showed images of the house of Tawfiq Saleh Abdulla Saleh, the former chairman of Kamaran.<sup>162</sup>

## B. Money supply problems

### 1. Liquidity in Yemen and the Central Bank of Yemen

140. In Houthi-controlled territory, a central bank structure with private banks and finance institutions continues to operate.<sup>163</sup>

141. In 2017 the legitimate Government managed to print 600 billion rials (\$1.6 billion).<sup>164</sup> The printing was aimed at: (a) securing a reserve to restart the payment of salaries; (b) improving the circulation of cash in all of Yemen as the M1<sup>165</sup> money supply is now depleted; and (c) to replace damaged banknotes. None of these objectives have yet been achieved.<sup>166</sup>

142. The Houthis tried to solve the liquidity problem using several approaches, which have all failed so far, including:

(a) The corrupt use of a food voucher system by an individual reported to be “Abu Nabil al-Qaramani”, who operates with Houthi permission for their financial benefit (see annex 52);

(b) An attempt to use 5,000 rial promissory notes printed outside Yemen was foiled by a seizure in the Government controlled area of Jawf, on 25 May 2017, of a

<sup>160</sup> See <http://ge.ch/justice/vestiges-archeologiques-le-ministere-public-confisque-des-objets-provenant-de-palmyre-en-syrie-du-ye>.

<sup>161</sup> Amended by Law 8/1997 of 17 February 1997.

<sup>162</sup> See <http://www.yafa-news.net/archives/263955> and [http://almasirah.net/gallery/preview.php?file\\_id=10481#.WiiFXroebms.whatsapp](http://almasirah.net/gallery/preview.php?file_id=10481#.WiiFXroebms.whatsapp) (at minute 15.36).

<sup>163</sup> All of the 18 banks licensed to operate in Yemen have their main office in Sana'a, apart from the National Bank of Yemen, known as Al Ahli Bank, which has its main office in Aden (see annex 50).

<sup>164</sup> Printing by the Russian GOZNAK Joint Stock Company (see <http://goznak.ru/en/>).

<sup>165</sup> M1 is a metric that measures the most liquid components of the money supply. It includes cash and assets that can quickly be converted to currency.

<sup>166</sup> The M0 (or M-zero) money supply in Yemen is estimated to be 1,129.5 billion rials according to a 2014 report issued by the Central Bank of Yemen. This could represent 50 per cent of the M1 money supply according to a Bank official (information provided to the Panel meeting in Riyadh, June 2017). Banknotes older than six years are likely to be torn and invalidated for transactions. Data on the annual printing of banknotes is provided in annex 51.



truck carrying 35 billion rials (\$140 million) worth of such notes. This denomination has not been used so far for transactions (see annex 53).

143. The Panel submitted a 5,000 Yemeni rial note for forensic analysis in order to identify the parties behind the counterfeit as well as external entities and individuals supporting them.

144. The Panel noted that on 20 November 2017, the Office of Foreign Assets Control of the United States Department of the Treasury designated an Iranian network and *ForEnt Technik GmbH*,<sup>167</sup> an Iranian-owned, Frankfurt-based company, for their involvement in the printing of the above-mentioned counterfeit Yemeni bank notes.<sup>168</sup> The Panel continues to investigate this matter.

## 2. Cross-border trafficking of money and gold

145. The Panel has investigated three cases of trafficking of finance assets for the benefit of the Houthi-Saleh alliance acting on behalf of listed individuals (see table 2).

Table 2

### Financial seizures in Mahrah: 2017

(Value given in millions of United States dollars)

<i>Date</i>	<i>Location</i>	<i>Route</i>	<i>Smugglers</i>	<i>Item seized</i>	<i>Value</i>
9 May	Shehen, Mahrah	Yemen to the United Arab Emirates	Yemeni	Banknotes 7 gold bars	3.42
17 July	Shehen, Mahrah	Yemen to the United Arab Emirates	United Arab Emirates-based Yemenis	7,174,700 Saudi riyals	1.91
27 July	Shehen, Mahrah	Yemen to the United Arab Emirates	Citizens of the United Arab Emirates	700,000 Saudi riyals 42 gold bars	0.19

146. These cases illustrate the level of smuggling activity in Mahrah governorate (see annex 54).

## C. Financial consequences of the conflict on the import of food

147. Restrictions imposed by the parties to the conflict on imports has resulted in significant additional financial costs to importers. Many suppliers and freighters are no longer willing to take the risk of entering into transactions with Yemeni importers.

### 1. Hard currency exchange problems

148. The main challenge is that hard currency is now mainly exchanged through the underground economy, with all the associated risks linked to corruption and money laundering. Currency transfers from Yemeni workers and the diaspora abroad has mainly been in Saudi riyals. Prior to the current conflict, any excess of Saudi riyals accumulated by Yemeni banks and money exchanges used to be transferred by air to Bahrain, where it was exchanged for United States dollars and converted into letters of credit.

<sup>167</sup> See <http://forent-tech.com/index.html>.

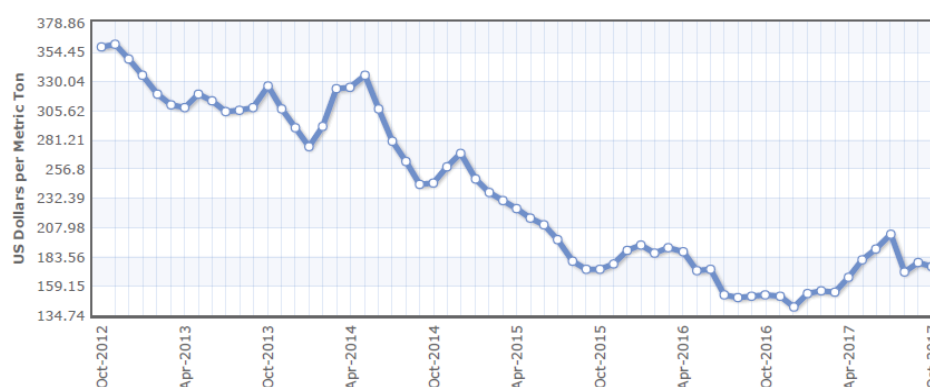
<sup>168</sup> See <https://www.treasury.gov/press-center/press-releases/Pages/sm0219.aspx>.

## 2. Challenges facing the import of goods

149. The situation in Yemen would have been far worse were it not for the fact that the outlook for the international trade in food products has been favourable to importers. The current cost of food commodities and shipping from suppliers remains low compared to the pre-conflict period (see example in table 3), although some additional shipping costs are incurred for the final leg of the journey into Yemeni ports due to delays at sea and demurrage at the ports.<sup>169</sup>

Table 3  
**Cost of wheat (No.1 Hard Red Winter): 2012–2017<sup>a</sup>**

(In United States dollars per ton)



<sup>a</sup> Source: United States Department of Agriculture, Market News (see <http://www.indexmundi.com/commodities/?commodity=wheat&months=60>).

150. Delays, diversions and seizures of cargo of commercial vessels by the Saudi Arabia-led coalition during inspections have contributed to significant financial losses for ship owners and traders. The cost of these delays to owners and shippers, which can reach \$30,000 per day, have gradually eroded their credibility with their international trading partners (suppliers, insurers and freighters). Details of the case study on the confiscation of the Liberia-flagged tanker, MV *Androussa*, on 4 April 2017, while it was proceeding to Ra's Isa, are given in confidential annex 55. The Panel visited the tanker in Yanbu, on 25 December 2017, with Saudi Arabian officials. The Panel and the officials of Saudi Arabia were shown some steel pipes next to a workshop that the officials considered to be suspicious, but which the Panel estimated were most probably for the vessel's maintenance. Saudi Arabia has not yet submitted an inspection report, which is required within 30 days under paragraph 17 of resolution 2216 (2015).<sup>170</sup> The case illustrates the loss for traders and shipping companies operating in Yemen.<sup>171</sup> One trader has seen three planned cargo deliveries for the remainder of 2017 cancelled owing to the risk posed by the conflict (figure XVI).

<sup>169</sup> Houthi ministry of transport and trade (see <http://www.moit.gov.ye/moit/sites/default/files/%20%D8%A7%D9%84%D8%AB%D8%A7%D9%84%D8%AB%D9%85%D9%86%D8%A3%D9%83%D8%AA%D9%88%D8%A8%D8%B1.pdf>).

<sup>170</sup> UNVIM submitted an interim Member State monitoring report on 12 May 2017, covering the inspection in Jeddah, between 8 and 16 April 2017, as well as subsequent inspections in Yanbu port between 17 April and 11 May 2017. The report concluded that no prohibited items were found on board the vessel, but that the inspection team had discovered a series of inconsistencies, irregularities and misdeclarations as well as traces of high explosives in ballast tanks 3, 4 and 6.

<sup>171</sup> The tanker, and its cargo of 41,500 tons of gas oil worth more than \$23 million, was subsequently formally confiscated on 14 September 2017 (see <https://www.uqn.gov.sa/articles/1507838892820964500/>).

Figure XVI

Extract from a cancellation letter received by an importer<sup>a</sup>

Ref : Your next three (3) grain shipments of 50,000 mts 10pct each ex [REDACTED] and [REDACTED]  
to Saleef , Yemen.

=====

This is to inform you that despite we have tried our best to secure tonnage for your shipments ex [REDACTED] for second half November and first half December, as well as for your shipment ex [REDACTED] for mid December dates onwards to Saleef, Yemen, up to now we have not been able to do so for a number of reasons out of which the most important are the reluctance of owners to trade into a High War Risk Area on the one hand and especially - on the other - during the present conjuncture which finds both the ports of Saleef and Hodeidah to be closed, due to the well known political situation which creates uncertainty and insecurity not only to the majority of all prudent owners but also to their underwriters responsible for Extra War Risk Cover.

<sup>a</sup> Confidential source: Importer.

## VI. Assets freeze

151. Pursuant to paragraphs 11 and 21 (b) of resolution 2140 (2014), as extended by paragraph 5 of resolution 2342 (2017), the Panel has continued to gather, examine and analyse information regarding the implementation by Member States of assets freeze measures. The Panel has continued to focus on the five listed individuals and on identifying and investigating other individuals and entities that may be acting on their behalf or at their direction and entities owned or controlled by them.

152. Since the death of Ali Abdullah Saleh, the resultant inherited wealth will no longer be within the scope of the Panel's mandate unless: (a) those funds are made available to Ahmed Ali Abdullah Saleh or any other individual acting on the latter's behalf, including Khaled Ali Abdullah Saleh; or (b) Houthi fighters, acting on behalf of the three Houthi listed individuals, seize Saleh assets. The Panel has sent letters to the Government of Yemen and Ahmed Ali Abdullah Saleh requesting official documentation that certifies the death of Ali Abdullah Saleh in order to allow the Committee to update the list. The Panel met with Ahmed Ali Abdullah Saleh in Abu Dhabi on 27 December 2017. He indicated that he had not yet received confirmed information as to where his father was buried, that members of his family are still being held by the Houthis in Yemen and that members of his family have been dispossessed by the Houthis. He complained that his listing was unjust as he has never been and is not involved in any act that threatens the peace, security or stability of Yemen.

153. The status of the estimated assets owned by listed individuals of the Saleh family and individual entities acting on their behalf traced by the Panel are shown in table 4 below.

Table 4

**Estimated assets owned by the Saleh family that meet the assets freeze criteria<sup>a</sup>**

(Estimated in United States dollars)

<i>Country</i>	<i>Identified</i>	<i>Frozen</i>	<i>Status</i>	<i>Remarks</i>
France	11 350 000		To be confirmed	2 apartments owned by Ahmed Ali Abdullah Saleh
Malaysia		780 000	Frozen	Owned by Ahmed Ali Abdullah Saleh (balance in 2016)
Netherlands		To be confirmed	Frozen	Acting on behalf of Ahmed Ali Abdullah Saleh (asset is in France)
Oman		25 818 000	Frozen	Transferred by Ahmed Ali Abdullah Saleh from an account in Yemen in 2012
Singapore		460 000		Securities owned by Ahmed Ali Abdullah Saleh
Switzerland		4 431 000	Frozen	Owned by Ali Abdullah Saleh
United Arab Emirates		166 000	Frozen	Owned by Ahmed Ali Abdullah Saleh
United Arab Emirates	55 000 000		To be confirmed	Owned by Ali Abdullah Saleh, and transferred in June 2011
United Arab Emirates	51 720 000		To be confirmed	Transferred by Trice Bloom Ltd. and Towkay Ltd. from Bank of New York Mellon Corporation in 2014 from an initial inward transfer of 71 493 448
United Arab Emirates	33 472 000			Transferred by PACT Trust, Ali Abdullah Saleh, (October 2014)
United Arab Emirates	58 140 000			Transferred by Wildhorse Investments, Ali Abdullah Saleh (October 2014)
United Arab Emirates	3 024 000			Transferred by Ansan Wikfs Investments Limited, a company owned by Shaher Abdulkhak <b>Total in the United Arab Emirates: 198 332 000</b>
United Kingdom		3 700 000	Frozen	Owned by Ahmed Ali Abdullah Saleh; Panel notified by United Kingdom authorities to the Civil Forum for Asset Recovery in 2017. <sup>a</sup> This asset is in a United Kingdom-registered bank, but in an account in another European country
United States of America	90 000 000 <sup>b</sup>	To be determined		Transferred from or through banks in the United States to banks in the United Arab Emirates for the benefit of Khaled Ali Abdullah Saleh between August 2013 and December 2014
<b>Subtotals</b>	<b>191 036 000</b>	<b>35 355 000</b>		
<b>Grand total</b>	<b>226 391 000</b>			

<sup>a</sup> Managed by Khaled Ali Abdullah Saleh.<sup>b</sup> Part of this amount is included in funds traced in the United Arab Emirates. Once details are confirmed, reconciliation of funds can take place between United States and United Arab Emirates data.

154. The Panel is investigating assets seizures by the Houthis for their benefit. An order was issued on 23 December 2017 to the Sana'a based Central Bank of Yemen by "the committee for identification and seizure of assets owned by traitors" to seize all bank accounts owned by 1,223 individuals (see annex 56).

155. The Panel shared information on bank accounts and account transfers in relation to listed individuals with five Member States and awaits their replies. This lack of information on already frozen assets constrains the Panel from tracing further financial assets. In 2017, no information on the freezing of assets was submitted to

the Committee or Panel, while one notification of an intent to unfreeze was submitted to the Committee.

### **Khaled Ali Abdullah Saleh**

156. In its report dated 31 January 2017<sup>172</sup> the Panel identified Khaled Ali Abdullah Saleh<sup>173</sup> as a financier acting on behalf and/or at the direction of his father, Ali Abdullah Saleh, and his brother, Ahmed Ali Abdullah Saleh. The Panel is investigating potential funds that could be made available by Khaled Ali Abdullah Saleh for the benefit of listed individuals from transfers and investments equalling \$20.9 million made by Raydan Investments Limited in the United Arab Emirates (see annex 57).

157. The Panel has received a bank statement related to a credit card (4XXXXXXXXXXXX3455) owned by Khaled Ali Abdullah Saleh, who has used two passports from a Member State. The bank statement confirms that he travelled during late 2016 and early 2017 to Munich, Germany, Budapest, Prague, Vienna and Zurich, Switzerland. The Panel noted that he sought the services of Keyana Management Consulting in Munich.<sup>174</sup> The card was also used to support personal PayPal purchases of potential weapons and specialized equipment prohibited by the targeted arms embargo on Yemen on 26 December 2016 (<http://www.nashq.com/>) and 18 January 2017 (<https://www.dmhq-shop.de/>). He continues to manage the Saleh family assets in such a way so as to circumvent the asset freeze and targeted arms embargo sanctions measures.

## **VII. Travel ban**

158. Pursuant to paragraph 15 of resolution 2140 (2014), the Panel continues to focus on a range of monitoring and investigative activities in order to identify whether the individuals designated by the Committee and Security Council have violated the travel ban. No violations have been identified.

## **VIII. Acts that violate international humanitarian law and human rights law**

159. In paragraph 9 of resolution 2140 (2014), the Security Council called upon all parties to comply with their obligations under international law, including applicable international humanitarian law and human rights law. In paragraphs 17, 18 and 21 of that resolution and in paragraph 19 of resolution 2216 (2015), the Council further clarified the Panel's responsibilities with regard to investigations of violations of international humanitarian law and international human rights law and human rights abuses, including investigation into obstructions to the delivery of humanitarian assistance.

<sup>172</sup> S/2017/81, sect. VI, paras. 42–44.

<sup>173</sup> Born 2 August 1987.

<sup>174</sup> See <http://www.keyana-consulting.com/>: the company, based in Munich, offers financial investment services.

## A. Incidents attributed to the Saudi Arabia-led coalition

### 1. Air strikes

160. During the reporting period, the Panel investigated 10 air strikes<sup>175</sup> that led to at least 157 fatalities and 135 injuries, including at least 85 children. The strikes also destroyed five residential buildings, two civilian vessels, a market, a motel and a Government of Yemen forces location (see table 5). Detailed case studies of the first four incidents, which include assessments of compliance with international humanitarian law, are contained in annex 58.

Table 5  
Air strikes: 2017

<i>Appendix in annex 58</i>	<i>Date</i>	<i>Location</i>	<i>Incident and target</i>	<i>Type of ordnance</i>	<i>Civilian casualties</i>
A	16 March	Red Sea	Migrant boat	Small arms ammunition	42 dead 34 injured
B	25 Aug.	Sana'a	Residential building	High explosive aircraft bomb	16 dead 17 injured
C	2 Sept.	Hajjah	Residential building	High explosive aircraft bomb	3 dead 13 injured
D	1 Nov.	Sa'dah	Night market	High explosive aircraft bomb fitted with "Paveway" guidance unit	31 dead 26 injured
E	9 June	Sana'a	Residential building	Mark 82 or 84 high explosive aircraft bomb with "Paveway" guidance unit	4 dead 8 injured
F	4 Aug.	Sa'dah	Residential building	Mark 84 high explosive aircraft bomb	9 dead 3 injured
G	23 Aug.	Arhab	Motel	Mark 82 or 84 high explosive aircraft bomb with "Paveway" guidance unit	33 dead 25 injured
H	16 Sept.	Ma'rib	Vehicle	High explosive aircraft bomb or air-to-ground missile	12 dead
I	10 Nov.	Sa'dah	Residential building	Mark 82 or 84 high explosive aircraft bomb with "Paveway" guidance unit	4 dead 4 injured
J	14 Nov.	Ta'izz	Government forces	Mark 82 or 84 high explosive aircraft bomb with "Paveway" guidance unit	3 dead 5 injured

161. In the 10 incidents investigated the Panel finds that:

(a) The use of precision-guided weapons is a strong indicator that the intended targets were those affected by the air strikes;

(b) In all cases investigated, there was no evidence that the civilians in, or near this infrastructure, who are prima facie immune from attack, had lost their civilian protection;

(c) Even if in some of the cases listed in table 5, the Saudi Arabia-led coalition had targeted legitimate military objectives, the Panel finds that it is highly unlikely

<sup>175</sup> These and other incidents referred to in this section were selected because the available evidence met the standards set out in annex 1, appendix B.

that the principles of international humanitarian law of proportionality and precautions in attack were respected;

(d) The cumulative effect on civilians and the civilian infrastructure demonstrates that even if precautionary measures were taken, they were largely inadequate and ineffective.

162. On the individual case studies, the Panel finds that:

(a) Except for incident A, the only military entity capable of carrying out these airstrikes was the Saudi Arabia-led coalition. In incident A, it is highly unlikely that an entity other than a member State in the Saudi Arabia-led coalition could have carried out the attack;

(b) Except for incidents B and D, the Saudi Arabia-led coalition has not acknowledged its involvement in any of the attacks, nor clarified, in the public domain, the military objective it sought to achieve. In incidents B and D, the Panel is unable to concur with the justifications provided by the Saudi Arabia-led coalition (see annex 58);<sup>176</sup>

(c) Measures taken by the Saudi Arabia-led coalition in its targeting process to minimize child casualties, if any, remain largely ineffective,<sup>177</sup> especially when it continues to target residential buildings.

163. The Panel requested information throughout 2017 from the Saudi Arabia-led coalition in reference to the rationale that the coalition had applied in order to justify the collateral damage to civilians and civilian infrastructure identified by the Panel. The response received contained no verifiable information. In the case of the air strikes listed in table 5, the Panel’s independent investigations could not find any evidence of the presence of high value targets that would justify the collateral damage at these target sites. In another incident, in which the Saudi Arabia-led coalition admitted to killing a high value target in a strike on an alleged training camp, which then turned out to be a school, the Joint Incident Assessment Team later denied that a strike by the Saudi Arabia-led coalition had taken place (see annex 59).

164. The Panel also identified two cases (see table 6) where the Joint Incident Assessment Team found that the Saudi Arabia-led coalition did not conduct strikes, but the Panel’s independent investigations found clear evidence of air strikes. The Panel thus concluded that the only entity capable of carrying out these two attacks was the Saudi Arabia-led coalition (details are provided in annex 60).

Table 6  
**Findings of the Joint Incident Assessment Team and conclusions of the Panel**

<i>Date</i>	<i>Incident</i>	<i>Joint Incident Assessment Team</i>	<i>Panel conclusions</i>
9 Aug. 2016	Sana’a food factory	Saudi Arabia-led coalition did not carry out an air strike on the location	High explosive aircraft bomb used Saudi Arabia-led coalition is responsible
24 Sept. 2016	Ibb residential complex	Saudi Arabia-led coalition did not carry out an air strike on the location	Mark 82 high explosive aircraft bomb with “Paveway” guidance unit used Saudi Arabia-led coalition is responsible

<sup>176</sup> Statement of the official spokesman of the official Saudi Arabia-led coalition.

<sup>177</sup> See S/2017/821, para. 200, for information on measures reportedly taken by the Saudi Arabia-led coalition to reduce child casualties.

165. Those individuals responsible for planning, authorizing and/or executing air strikes that disproportionately affect civilians and civilian infrastructure are likely to fall under the designation criteria contained in paragraphs 17 and 18 of resolution 2140 (2014). The Panel continues to investigate this issue.

## 2. Ground operations: detentions by the United Arab Emirates

166. In 2017, the Panel investigated 12 instances of individuals deprived of their liberty being held in detention facilities at the United Arab Emirates base in Burayqah, at Al Rayyan airport and in the port of Balhaf (see confidential annex 61 and annex 62). The Panel finds that:

(a) The forces of the United Arab Emirates in Yemen detained individuals in least three places of detention in Yemen, which were administered and supervised exclusively by the United Arab Emirates;

(b) The Government of Yemen had no authority over individuals detained in the bases administered by the United Arab Emirates;

(c) The forces of the United Arab Emirates engaged in, or supervised, joint arrest operations with the Hadrami and Shabwani Elite Forces;

(d) The forces of the United Arab Emirates have engaged with Yemeni security forces in regular detainee transfers;

(e) The forces of the United Arab Emirates were responsible for: (i) torture (including beatings, electrocution, constrained suspension and imprisonment in a metal cell ('the cage') in the sun); (ii) ill treatment; (iii) denial of timely medical treatment; (iv) denial of due process rights; and (v) enforced disappearance of detainees, in violation of international humanitarian law and international human rights law.<sup>178</sup>

167. The Panel estimates that the total number of detainees<sup>179</sup> in the custody of the forces of the United Arab Emirates in Yemen, as at 1 November 2017, was over 200.

168. The Panel requested, but did not receive, either from the United Arab Emirates or Yemen, the relevant legal authority under which the United Arab Emirates, as a foreign force, was authorized to engage in the arrest and the deprivation of liberty of individuals in Yemen. Instead, the representatives of the United Arab Emirates denied that the country supervises or administers detention facilities in Yemen.<sup>180</sup>

169. The widespread and systematic nature of the arbitrary arrest, deprivation of liberty and enforced disappearance of individuals by the United Arab Emirates in Yemen demonstrates a pattern of behaviour that is clearly inconsistent with the country's obligations under international humanitarian law and international human rights law. At the same time, the continued denial of the role of the United Arab Emirates in arbitrary arrests and detentions contributes to violations occurring with impunity by both United Arab Emirates forces and its Yemeni proxies. This denial offers them protection and the ability to operate without any foreseeable consequences.

170. For the United Arab Emirates, working with Government of Yemen security forces provides plausible deniability for violations,<sup>181</sup> while also providing a veneer

<sup>178</sup> A legal assessment of the situation is given in annex 62. Information provided by detainees was verified through medical reports, testimonies of other detainees and their families and/or satellite imagery, in accordance with Panel methodology.

<sup>179</sup> The term detainees in this report refers to individuals deprived of their liberty, including internees.

<sup>180</sup> Letter from the United Arab Emirates to the Panel dated 8 November 2017.

<sup>181</sup> *Ibid.*



of legitimacy and authority for the arbitrary arrests and consequent detentions undertaken on their behalf.

171. Both Governments refuse to conduct credible investigations into such abuses or to act against the perpetrators. The United Arab Emirates is in Yemen with the consent of the legitimate Government, which has full authority to revoke, limit or to clarify the boundaries of its consent, in order to further the compliance of the forces of the United Arab Emirates with international humanitarian and international human rights law. The Government of Yemen has also failed to assert effective command and control over its own forces in this regard (see para. 54 above).

172. The Panel finds that those responsible for detention-related abuses in Yemen fall within the designation criteria under paragraph 17 and/or paragraph 18 of resolution 2140 (2014).

## **B. Houthi and Saleh forces: violations associated with the deprivation of liberty**

173. The Panel investigated 16 cases of arbitrary arrest and the deprivation of liberty and other violations of international humanitarian law and human rights norms committed by Houthi-Saleh forces. Eleven individuals were identified who either committed or held command responsibility for the violations.<sup>182</sup> These violations were committed by officials of the Sana'a-based political security organization (3), the Sana'a-based national security bureau (3) and other Houthi authorities (10). In the national security bureau, Motlaq Amer al-Marrani (also known as Abu Emad), deputy head of the national security bureau, was involved in all violations investigated by the Panel.

174. These violations by the members of the Sana'a-based political security organization and the Sana'a-based national security bureau and by other Houthi authorities involved: arbitrary arrest and deprivation of liberty; torture, (including of a child); denial of timely medical assistance; prolonged enforced disappearances; lack of due process; and three deaths in custody.

175. During the course of the past year, the Panel has observed that some individuals within the detaining authorities are now profiting from detentions. The Panel identified the release of one detainee after his family paid 1,000,000 rials (\$4,000) to officials of the Sana'a-based political security organization.

176. The Panel investigated the detention of individuals in the Dhammar Community College, an informal place of detention.<sup>183</sup> One of the major reasons for the continued detention of individuals in this prison is the inability of the leaders of the Houthi-Saleh forces and the leaders of the "resistance" forces to agree on a local prisoner exchange. Some detainees were informed that they would be released either: (a) upon payment of a ransom; or (b) during an exchange. Any detention of civilians, solely as leverage for future prisoner exchanges, is hostage taking, which is prohibited under international humanitarian law.<sup>184</sup>

### **Violations by Houthi authorities after 1 December 2017**

177. The Panel initiated investigations into the arbitrary arrest, deprivation of liberty and extrajudicial execution of affiliates of the General People's Congress, including

<sup>182</sup> A legal assessment is provided in confidential annex 63.

<sup>183</sup> The total number of detainees in the facility vary from 25 to 100.

<sup>184</sup> Customary international humanitarian law rule 96 on hostage-taking (see [https://ihl-databases.icrc.org/customary-ihl/eng/docs/v2\\_rul\\_rule96](https://ihl-databases.icrc.org/customary-ihl/eng/docs/v2_rul_rule96)). Under the terms of international humanitarian law, civilians are to be detained only if they pose an imminent security threat and then, only for as long as that threat is existent.

incitement of violence against them. A significant deprivation of liberty took place on 2 December 2017 when 41 local journalists were arbitrarily detained.<sup>185</sup>

### C. Indiscriminate use of explosive ordnance against civilian populated areas

178. The Panel investigated 10 incidents of the indiscriminate use of explosive ordnance in densely populated areas such as Ta'izz, which, together, resulted in 23 civilian deaths (see table 7). The Panel finds that in these cases, there was almost certainly an indiscriminate use of explosive ordnance. Detailed case studies of three of the incidents, which include assessments of compliance with international humanitarian law, are provided in annex 64. The responsibility for all case studies, except for case study C in table 7, is attributed to the Houthi-Saleh forces.<sup>186</sup>

Table 7

#### Summary of the indiscriminate use of explosive ordnance in civilian populated areas: 2017

<i>Date</i>	<i>Location</i>	<i>Incident and target</i>	<i>Type of explosive ordnance</i>	<i>Civilian casualties</i>	<i>Appendix to annex 64</i>
18 Jan.	Nur, Ta'izz	Residential area	120 mm high explosive mortar bomb	9 dead 8 injured	E
21 May	Jahmila, Ta'izz	Residential area	High explosive ordnance (to be confirmed)	2 dead	F
21 May	Thabat, Ta'izz	Residential area	High explosive ordnance (to be confirmed)	3 dead 3 injured	G
21 May	Humayrah, Ta'izz	Commercial area	High explosive ordnance (to be confirmed)	2 dead 5 injured	H
29 May	Nur, Ta'izz	Residential area	120mm high explosive mortar bomb	1 dead 7 injured	A
30 June	Jumhuri, Ta'izz	Residential area	106 mm recoilless rifle	1 dead 9 injured	I
6 Sept.	Rawdah, Ma'rib	Residential area	120mm high explosive mortar bomb	3 injured	B
21 Sept.	Sinah, Tai'zz	Residential area	Rocket-propelled grenade-7 variant	0	J
2 Nov.	Onsowa, Ta'izz	Residential area	120mm high explosive mortar bomb	5 dead	D
11 Nov.	Riyadh	Civilian airport	Short-range ballistic missile	0	C

<sup>185</sup> See <https://rsf.org/en/news/houthis-holding-41-journalists-hostage-inside-yemeni-tv-station>.

<sup>186</sup> In the 2 November 2017 mortar attack, technical analysis demonstrates that the mortar base plate was in an area under the control of Abu al-Abbas.

179. The indiscriminate use of explosive ordnance against civilian locations in Yemen and Saudi Arabia committed by the Houthi-Saleh forces falls within paragraph 17 and/or paragraph 18 of resolution 2140 (2014). The Panel finds that the continued use of such weapons could not happen unless sanctioned as a policy by the high-level Houthi leadership, including Abdulmalik al-Houthi personally.

#### **D. Violations by the Government of Yemen**

180. The Panel investigated violations of international humanitarian law and international human rights law relating to arbitrary arrest and detention, enforced disappearance, torture, ill-treatment and denial of timely medical assistance for 21 individuals. These individuals were in the custody of or in locations controlled by the Security Belt Forces in Aden and Lahij; the Special Forces in Ma'rib; the Hadrami and Shabwani Elite Forces; Major General Shallal Ali Shaye;<sup>187</sup> Brigadier General Ali Abdullah Taher;<sup>188</sup> Ghassan al-Aqrabi;<sup>189</sup> Colonel Abu Mohammad Abdul Ghani Shaalan;<sup>190</sup> and Imam al-Nubi.<sup>191</sup> Further information on such violations is provided in annex 65 and confidential annex 66. Nine deaths also occurred in custody, including that of three children.

181. Some officials maintained extrajudicial detention sites. In Aden, this included a house under the control of Major General Shallal Ali Shaye in At-Tawahi, formerly the Waddah nightclub. Bir Ahmed I was an extrajudicial detention site administered by Ghassan al Aqrabi, who is affiliated with the Security Belt Forces and United Arab Emirates forces. On 12 November 2017, the United Arab Emirates moved detainees to Bir Ahmed II. On 13 November 2017, the Attorney General of Yemen received the case files of the detainees. In early December 2017, following his intervention, some detainees had family visits in Bir Ahmed II and some were released.

182. Also in November 2017, 133 detainees were reportedly transferred from Al Rayyan airport to Mukalla Central Prison,<sup>192</sup> although there is inadequate information to conclude that all detainees who were in Al Rayyan were transferred, as some families still have not been able to gain access to their relatives who were detained in Al Rayyan.

<sup>187</sup> Director of General Security, Aden. The detention-related abuses investigated occurred at a house in At-Tawahi under his control.

<sup>188</sup> Former Security Director, Ma'rib (see <https://yemensaeed.net/news.php?id=61163>).

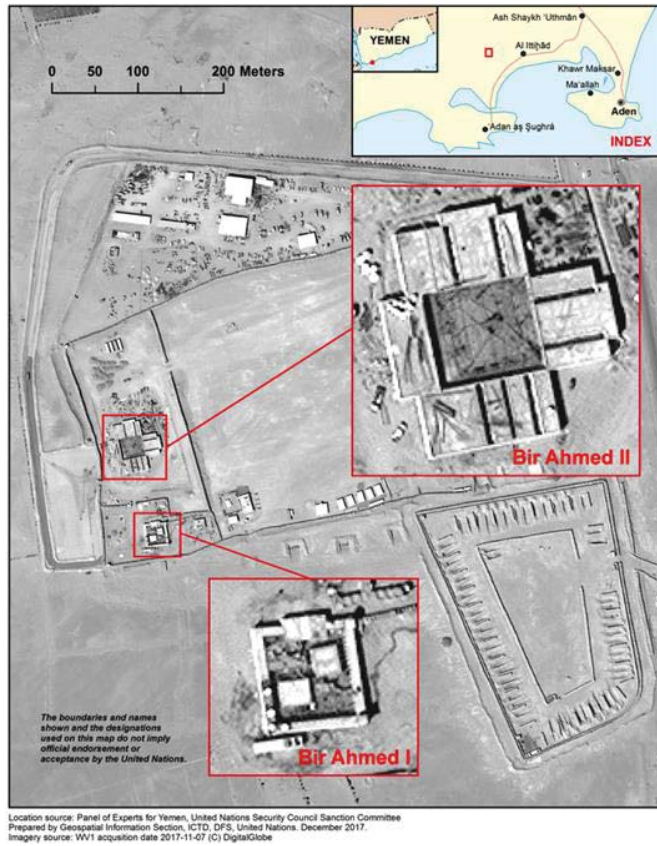
<sup>189</sup> Supervisor of Bir Ahmed I and II.

<sup>190</sup> Special Forces Commander, Ma'rib. Colonel Shallan was present and in control of his troops when a child was killed.

<sup>191</sup> Former Commander of Camp 20, Aden.

<sup>192</sup> See <http://www.chicagotribune.com/sns-bc-ml--yemen-prisoners-20171113-story.html>.

Figure XVII  
Bir Ahmed I and Bir Ahmed II



## E. Attacks inside hospitals

183. The Panel investigated two incidents, in which two seriously ill patients were assassinated inside the Revolution Hospital on 24 March 2017 and 13 December 2017 (see confidential annex 67).

184. In Sana'a, following the death of Ali Abdullah Saleh, the Panel is investigating incidents in which injured persons were killed inside hospitals. Wounded, sick and out of action personnel are protected under international humanitarian law.<sup>193</sup>

## F. Recruitment and use of children in armed conflict

185. The Panel investigated individuals and networks operating in Yemen that engage in child recruitment. The Panel has identified two individuals who recruited a total of five children on behalf of Houthi forces (see annex 68 and confidential annex 69). The Panel finds, based on their analysis over the past year, that these cases are representative of a much larger problem.

<sup>193</sup> See common article 3 to the Geneva Conventions of 1949 and article 7(1) of the Protocol Additional to the Geneva Conventions relating to the Protection of Victims of Non-International Armed Conflicts (Protocol II).

186. The Panel finds that the following also contributes to the increase in the recruitment of children:

(a) The non-payment of salaries results in children being compelled to search for economic alternatives on behalf of their families: Houthi-Saleh forces paid newly recruited children approximately 15,000 to 20,000 rials per month (\$60 to \$80);

(b) The disruption to education means that children often have little to do, thus making them vulnerable to street level recruitment;

(c) As families continue to live in areas controlled by the Houthi-Saleh forces, they are afraid to speak out against such recruitment, thus allowing it to continue unchallenged;

(d) For parents with financial means, the airport closure and visa restrictions mean that they cannot send or take their children out of the country for their own protection.

## **IX. Obstruction of humanitarian assistance**

187. Pursuant to paragraph 19 of resolution [2216 \(2015\)](#), the Panel continues to investigate the obstruction of the delivery of humanitarian assistance to Yemen or access to, or distribution of, humanitarian assistance in Yemen.

### **A. Obstruction of deliveries of humanitarian assistance**

188. The Saudi Arabia-led coalition continued to obstruct the entry of humanitarian and commercial goods to Yemen by: (a) continuing the blockade on the Sana'a airport to commercial flights (see annex 70); (b) imposing gradual restrictions on civilian items entering Yemen through the Red Sea ports (see confidential annex 71) and (c) through severe restrictions on the imports of commercial and humanitarian goods from 6 to 23 November 2017. During the latter period, over 750,600 tons of commercial and humanitarian goods were diverted from Yemen or their entry to the country delayed.<sup>194</sup>

189. The imposition of more access restrictions on 6 November 2017 was another attempt by the Saudi Arabia-led coalition to use paragraph 14 of resolution [2216 \(2015\)](#) as justification for obstructing entry of commodities into Yemen that are essentially civilian in nature. Obstructing the entry into Yemen of many of the commodities listed in confidential annex 71 is contrary to the spirit of resolution [2216 \(2015\)](#).

190. The blockade is essentially using the threat of starvation as a bargaining tool and an instrument of war. The Houthi forces are also using the population as a pawn when they escalate their strikes against Saudi Arabia, knowing full well the brunt of reprisals will be felt by the civilian population. The Houthis are relying on public condemnation of Saudi Arabia's reprisals to offset any liability on their part for those actions.

191. The continued non-reporting in 2017 by Member States of inspections undertaken in their territory means that they are in non-compliance with paragraph 17 of resolution [2216 \(2015\)](#). This undermines the monitoring responsibilities of the Committee as envisaged in paragraph 17 of resolution [2216 \(2015\)](#) and undermines

<sup>194</sup> Information from UNVIM and LogCluster data.

the safeguards placed to ensure that the sanctions regime is not misused to achieve unilateral objectives.

## **B. Obstruction to the distribution of humanitarian assistance**

192. In 2017, Houthi-Saleh forces continued to obstruct the distribution of humanitarian assistance and prevented humanitarian access.<sup>195</sup> The Panel investigated obstructions, which included: (a) aid diversion; (b) delays or refusals that affect timely distribution; (c) arrests, detentions, intimidation and torture of humanitarian staff and confiscation of equipment; (d) interference in the selection of beneficiaries, areas of operation and implementing partners; (e) declaration of areas as military zones, making them inaccessible to humanitarians; (f) extortion and demands for payment under threats of violence; (g) obstruction of the delivery of cholera response material; (h) issues relating to customs clearance; and (i) delays in clearing the importation of medicine from Sana'a International Airport. These obstacles are compounded by the non-payment of public sector salaries and visa restrictions for humanitarian workers.

193. The Panel also investigated obstructions to humanitarian access by the executive unit (in Ta'izz, Hajjah and Hudaydah), the Sana'a-based ministries of education and health, and the Sana'a-based national security bureau. Some of these actors are militarizing the distribution of aid. The Panel finds that Motlaq Amer al-Marrani (also known as Abu Emad), the deputy head of the Sana'a-based national security bureau was also responsible for the arbitrary arrest, detention and ill treatment of humanitarian workers and other authorities working on humanitarian assistance. He has also unduly used his authority and influence over humanitarian access as a leverage to generate profit.

194. At the request of humanitarian stakeholders, the confidential information and analysis relating to this section is provided in confidential annex 72.

## **X. Recommendations**

195. The Panel recommends that the Security Council:

(a) Consider including in its resolution or presidential statement a call on the member States of the Saudi Arabia-led coalition not to misuse resolution 2216 (2015) as a justification to obstruct the delivery of essential goods and humanitarian aid by air or sea;

(b) As a confidence-building measure, consider authorizing the deployment of a neutral naval vessel to the sea approaches and entrance of Hudaydah port, under the auspices of UNVIM, thus increasing discharge rates and ensuring a neutral inspection and monitoring presence during commercial vessel discharges in Houthi-controlled territory;

(c) Consider including in its resolution language specifying that the components used for the manufacture of military equipment may fall within the scope of the targeted arms embargo;

(d) Consider commissioning an ad hoc report from the Committee, with assistance from its Panel of Experts, and working with other relevant United Nations bodies, including the Office for Disarmament Affairs, and in consultation with international and regional organizations and entities, to examine the use and impact

<sup>195</sup> United Nations, international and national non-governmental organization sources.

of commercially available unmanned aerial vehicles in conflict zones for military purposes, and to make recommendations on appropriate counter-measures to their transfer and use.

196. The Panel recommends that the Committee:

(a) Consider engaging with the International Maritime Organization (IMO),<sup>196</sup> with a view to recommending that it liaise with the industry shipping group responsible for the publication *Best Management Practices for Protection against Somalia Based Piracy* (BMP4) to ensure that the protection measures set out in the publication are still appropriate for addressing the new threats that have emerged in the Red Sea area;

(b) Consider engaging with the Combined Maritime Forces to encourage them to cooperate with the Panel in accordance with paragraph 10 of resolution 2117 (2013) and paragraph 8 of resolution 2342 (2017), and to respond to Panel's requests for information;

(c) Consider reminding Member States of their obligation under paragraph 11 of resolution 2140 (2014) to freeze without delay all funds, other financial assets and economic resources on their territories that are owned or controlled, directly or indirectly, by individuals or entities acting on behalf or at their direction of listed individuals, or by entities owned or controlled by them, in particular the United Arab Emirates with regard to Khaled Ali Abdullah Saleh and the assets he manages that are identified herein and in the report of the Committee dated 31 January 2017 (S/2017/81);

(d) Consider engaging with the United Nations Educational, Scientific and Cultural Organization, encouraging it to issue a communiqué informing international auctioneers and museums that the export and sale of Yemeni artefacts is illegal and that measures should be taken to ensure that funding raised from transactions relating to Yemen's cultural heritage will not be used to finance armed groups;

(e) Consider encouraging the Government of Yemen to establish mechanisms with international financial institutions and the Saudi Arabia-led coalition to allow those Yemeni banks with effective anti-money-laundering measures to transfer hard currency outside of Yemen in order to raise the letters of credits necessary to support imports;

(f) Consider engaging with the Office of the Secretary-General to examine the development and institution, within UNVIM, of a complaints mechanism for shippers and freight forwarders, to be made available through the UNVIM website.

<sup>196</sup> See <http://www.imo.org>.



## Security Council

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### Third report of the Secretary-General on the implementation of Security Council resolution 2231 (2015)

#### I. Introduction

1. On 20 July 2015, the Security Council, in its resolution 2231 (2015), endorsed the Joint Comprehensive Plan of Action concluded by China, France, Germany, the Russian Federation, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the European Union and the Islamic Republic of Iran.

2. At the start of my tenure as Secretary-General, I am encouraged by the continued implementation of the Joint Comprehensive Plan of Action. I hope that ongoing commitments to the Plan can provide an example of the benefits of diplomacy, which leads to the reduction of tensions among States. I encourage all States to act in accordance with and support this historic agreement, and avoid provocative actions and speech.

3. The International Atomic Energy Agency (IAEA) continues to verify and monitor the implementation by the Islamic Republic of Iran of its nuclear-related commitments under the Joint Comprehensive Plan of Action. On 15 January 2017, IAEA announced that it had verified that the Islamic Republic of Iran had removed, within one year from Implementation Day, as required by the Plan, all excess centrifuges and infrastructure from the Fordow Fuel Enrichment Plant and transferred them to storage at the Natanz Fuel Enrichment Plant under IAEA continuous monitoring.

4. In March and June 2017, the Agency issued quarterly reports on its verification and monitoring in the Islamic Republic of Iran in the light of resolution 2231 (2015) (S/2017/234 and S/2017/502). The Agency reported that it has been verifying and monitoring the implementation by the Islamic Republic of Iran of its nuclear-related commitments since Implementation Day and that the Islamic Republic of Iran continues to provisionally apply the Additional Protocol to its Safeguards Agreement, pending its entry into force, and the transparency measures contained in the Joint Comprehensive Plan of Action. The Agency also reported that it continues to verify the non-diversion of declared nuclear material and that its evaluation regarding the absence of undeclared nuclear material and activities for the Islamic Republic of Iran remained ongoing.

5. I welcome the recent recommitment by the participants in the Joint Comprehensive Plan of Action, in Vienna on 25 April 2017, to the full and effective implementation of the Plan. I call upon them to continue to work together in good faith and reciprocity to ensure that all participants benefit from the Plan. In





resolution 2231 (2015), the Security Council called upon all Member States, regional organizations and international organizations to take such actions as may be appropriate to support the implementation of the Plan. It is in the interest of the international community, writ large, that this achievement of multilateral diplomacy endures transitions and implementation challenges, cementing our collective commitment to diplomacy and dialogue.

6. The present report, the third on the implementation of resolution 2231 (2015), provides an assessment of the implementation of the resolution, including findings and recommendations, since the second report of the Secretary-General, issued on 30 December 2016 (S/2016/1136). Consistent with the first and second 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, my predecessor and I have not received any report 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).

8. Since 30 December 2016, 10 additional proposals to participate in or permit activities with the Islamic Republic of Iran for nuclear or non-nuclear civilian end uses were submitted to the Security Council for approval through the procurement channel. Five of the proposals have been approved by the Council.

9. On 29 January 2017, the Islamic Republic of Iran launched a Khorramshahr medium-range ballistic missile. As in the case of the ballistic missile launches by the Islamic Republic of Iran in March 2016 (see S/2016/649, paras. 17-22), there was no consensus in the Security Council on how this particular launch related to resolution 2231 (2015). I call upon the Islamic Republic of Iran to avoid such ballistic missile launches, which have the potential to increase tensions. I appeal to all Member States to redouble their efforts to promote peace and stability in the region.

10. The Secretariat has examined the weapons and analysed the information related to the arms shipment seized by the French frigate *Provence* in the northern Indian Ocean in March 2016 (see S/2016/1136, para. 27). On the basis of the information analysed, the Secretariat is confident that the weapons seized are of Iranian origin and were shipped from the Islamic Republic of Iran.

11. Iranian entities, including the Defence Industries Organisation, which is on the list maintained pursuant to resolution 2231 (2015), once again participated in the International Defence Exhibition in Iraq. The present report also provides information on additional travel by Major General Qasem Soleimani. I reiterate my call upon all Member States to fully implement their obligations in relation to resolution 2231 (2015), including those regarding the travel ban and asset freeze of individuals and entities on the list maintained pursuant to resolution 2231 (2015).

## III. Implementation of nuclear-related provisions

12. 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).

13. Since 30 December 2016, 10 new proposals to participate in or permit the activities set forth in paragraph 2 of annex B to resolution 2231 (2015) were submitted to the Security Council, bringing to 16 the total number of proposals submitted since Implementation Day for approval through the procurement channel. At the time of reporting, 10 proposals were approved by the Council, two were withdrawn by the proposing States and four are currently under review by the Joint Commission.

14. In addition, the Security Council received six new notifications pursuant to paragraph 2 of annex B to resolution 2231 (2015) for certain nuclear-related activities that do not require approval but do require a notification to the Security Council or to both the Security Council and the Joint Commission.

## **IV. Implementation of ballistic missile-related provisions**

### **A. Restrictions on ballistic missile-related activities by the Islamic Republic of Iran**

15. 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.

16. On 1 February 2017, the Minister of Defence of the Islamic Republic of Iran confirmed that the Islamic Republic of Iran had flight-tested a ballistic missile, while stressing that the launch did not contradict the Joint Comprehensive Plan of Action or resolution 2231 (2015).<sup>1</sup> In the same period, the Minister for Foreign Affairs of the Islamic Republic of Iran reiterated that the Islamic Republic of Iran's ballistic missiles "have not been designed to be capable of carrying a nuclear weapons" and therefore were not in violation of resolution 2231 (2015).<sup>2</sup>

17. On 7 February 2017, I received a joint letter from France, Germany, the United Kingdom and the United States on the launch by the Islamic Republic of Iran of a Khorramshahr medium-range ballistic missile on 29 January 2017. Those States underscored that the phrase "ballistic missiles 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, which are inherently capable of delivering nuclear weapons and other weapons of mass destruction. Those States considered that since the Khorramshahr is designed to be capable of delivering a 500 kg payload to a range of at least 300 km, the launch of the missile constituted an "activity related to ballistic missiles designed to be capable of delivering nuclear weapons" and "[a] launch using such ballistic missile technology", which the Islamic Republic of Iran has been called upon not to undertake pursuant to paragraph 3 of annex B to resolution 2231 (2015). In the letter it was also stated that the launch was destabilizing and provocative and that it had been conducted in defiance of resolution 2231 (2015).

<sup>1</sup> Fars News Agency, "Iran Confirms Missile Test", 1 February 2017.

<sup>2</sup> Mehr News Agency, "Iran not to hesitate in reinforcing defense capabilities", 31 January 2017.

18. In identical letters dated 10 February 2017 addressed to me and the President of the Security Council (S/2017/123), the Permanent Representative of Israel to the United Nations expressed Israel's strong condemnation of the ballistic missile test conducted by the Islamic Republic of Iran on 29 January 2017. He indicated that the Khorramshahr medium-range missile had travelled a distance of 1,000 km. He also stated that the Khorramshahr is a Missile Technology Control Regime Category I missile "capable of delivering a nuclear payload of 500 kilograms for a range of over 300 kilometres". He concluded that the test constituted "yet another flagrant violation" of resolution 2231 (2015) and that "the development of surface-to-surface missiles with nuclear warhead capability reveals the true intentions of Iran not to comply with resolution 2231 (2015)".

19. In a letter dated 9 March 2017 addressed to the President of the Security Council (S/2017/205), the Permanent Representative of the Islamic Republic of Iran to the United Nations stated that the above-mentioned letter from the Permanent Representative of Israel was "replete with baseless speculations about the name, range, performance and technical characteristics of a missile". He also stated that "Iran's indigenous missiles are an indivisible part of its conventional deterrence and defensive capabilities" and underlined that "no universal norm, treaty or agreement bans or limits the development and testing of missiles equipped with conventional capabilities for self-defence requirements". He further stated that "nothing in Security Council resolution 2231 (2015) prohibits Iran's conventional missile activities" and concluded that "in this context, any demand for the cessation of Iran's legitimate and conventional defence activities is groundless and unwarranted".

20. The Security Council discussed the Iranian ballistic missile launch on 31 January and 2 March 2017. There was no consensus among Council members on how that particular launch related to resolution 2231 (2015). The third six-month report of the Facilitator on the implementation of Security Council resolution 2231 (2015) provides the details of Council deliberations on this issue.<sup>3</sup>

## **B. Restrictions on ballistic missile-related transfers or activities with the Islamic Republic of Iran**

21. Pursuant to paragraph 4 of annex B to resolution 2231 (2015), provided that they have obtained prior approval from the Security Council, on a case-by-case basis, all States 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,<sup>4</sup> the provision of various services or assistance, and the acquisition by the Islamic Republic of Iran of an interest in certain commercial ballistic missile-related activities. At the time of reporting, no proposal had been submitted to the Council pursuant to that paragraph.

22. In his identical letters dated 10 February 2017, the Permanent Representative of Israel stated that the Khorramshahr missile originated from the Democratic People's Republic of Korea, which had also conducted several tests of the same kind of missile in 2016. He added that "this serves as additional proof of the cooperation between Iran and DPRK on the development and transfer of surface-to-surface missile technologies". In his letter dated 9 March 2017, the Permanent

<sup>3</sup> Document symbol not yet assigned.

<sup>4</sup> The items, materials, equipment, goods and technology concerned are those set out in the Missile Technology Control Regime list (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.

Representative of the Islamic Republic of Iran stated that the aforementioned letter from the Permanent Representative of Israel contained “misleading information, lies and allegations”.

23. In a letter dated 7 June 2017, the United States brought to the attention of the Secretariat information on a shipment of ballistic missile-related items that, in its assessment, was undertaken contrary to resolution 2231 (2015). The letter stated that “in October 2016, an Iranian firm that supports the ballistic missile program received a consignment of controlled carbon fiber”. The letter concluded that “because this shipment did not receive advance, case-by-case approval as specified in Annex B of UN Security Council resolution 2231 (2015), this export to Iran’s ballistic missile program was a violation of that resolution”.

24. The Secretariat has not been able to independently corroborate these reports. I will provide a further update on these issues should additional information become available to the Secretariat.

## **V. Implementation of arms-related provisions**

### **A. Restrictions on arms-related transfers to the Islamic Republic of Iran**

25. 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 case-by-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 United Nations 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.

26. On 20 January 2017, the State Border Guard Service of Ukraine announced the discovery of 17 boxes containing missile system components and aircraft parts without accompanying documents in a cargo plane in Kyiv bound for the Islamic Republic of Iran. In its interactions with the Secretariat, the Permanent Mission of Ukraine to the United Nations confirmed that competent Ukrainian authorities had prevented an unauthorized shipment of suspected military items on 19 January 2017, including possible component parts of the “Fagot” anti-tank missile system, had initiated criminal proceedings on 30 January 2017 and were in the process of determining whether the confiscated items were covered by paragraph 5 of annex B to resolution 2231 (2015). On 13 June 2017, during consultations in Kyiv, Ukrainian authorities shared additional information on the unauthorized shipment with the Secretariat, including on the status of the judicial proceedings and classification process of the confiscated items. I intend to report to the Security Council in due course as additional information becomes available.

27. In a letter dated 1 June 2017, the Permanent Representative of Turkey to the United Nations confirmed to the Secretariat that on 27 April 2017, in the port of Zonguldak, Turkish authorities confiscated component parts of 9K111 Fagot and 9K113 Konkurs anti-tank guided missiles concealed in a truck that was transiting from Ukraine to the Islamic Republic of Iran on board a vessel named *CENK Y*. According to Turkish authorities, the Iranian truck driver stated that he had obtained the items from another Iranian citizen in Kyiv, to be transported to the Islamic

Republic of Iran. A criminal investigation has been launched by the Office of the Prosecutor of Zonguldak Province. On 9 June 2017, during consultations in Ankara, Turkish authorities confirmed to the Secretariat that judicial proceedings were ongoing. I will report to the Security Council accordingly as additional information becomes available, including on whether the confiscated items are covered by paragraph 5 of annex B to resolution 2231 (2015).

28. With regard to the provision of services or assistance related to the maintenance of arms and related materiel specified in paragraph 5 of annex B to resolution 2231 (2015), open-source information indicated that services had been provided to a warship<sup>5</sup> of the Navy of the Islamic Republic of Iran in the port of Durban, South Africa, in late 2016.<sup>6</sup> In a letter dated 16 May 2017, the Permanent Representative of South Africa to the United Nations confirmed to the Secretariat that “following a distress call from the Iranian vessel *Bushehr*, the vessel was allowed to enter Durban port on 15 November 2016” and “departed on 22 January 2017 following emergency repairs on its hull”. He also indicated that “its accompanying vessel, the *Alvand*, requested access to the Durban Port on 19 November 2016 to support the *Bushehr* and departed on 10 January 2017”. The Permanent Representative stressed that “the assistance provided to the *Bushehr* related to emergency repairs undertaken in accordance with South Africa’s international obligations to assist a vessel in distress and was not related to ‘the supply, sale, transfer, manufacture, maintenance, or use of arms and related materiel’ as provided for in paragraph 5 of Annex B of UN Security Council resolution 2231 (2015)”.

## **B. Restrictions on arms-related transfers from the Islamic Republic of Iran**

29. 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.

30. In July 2016, France brought to the attention of my predecessor information on the seizure of an arms shipment on board a stateless dhow on 20 March 2016 in the northern Indian Ocean. In its assessment, the arms shipment had originated in the Islamic Republic of Iran and was likely bound for Somalia or Yemen. In January 2017, France provided to the Secretariat additional information regarding the dhow, including its course prior to its interception, documents found on board and the identity of some of the crew members. The Secretariat notes that the dhow was stopped by the frigate *Provence* at a point on the most direct and economical route between its home port, Konarak, Islamic Republic of Iran, and its destination off the coast of Somalia, as declared by the crew master, an Iranian individual.

<sup>5</sup> Warships are defined in the Register of Conventional Arms as “vessels or submarines armed and equipped for military use with a standard displacement of 500 metric tons or above, and those with a standard displacement of less than 500 metric tons, equipped for launching missiles with a range of at least 25 kilometres or torpedoes with similar range”. It is the understanding of the Secretariat that the Iranian vessel involved had a displacement of more than 500 metric tons and was armed and equipped for military use.

<sup>6</sup> Jeremy Binnie, “Iranian navy flotilla stuck in South Africa”, *Jane’s Defence Weekly*, 19 January 2017.

31. In March 2017, French authorities granted full access to the Secretariat to examine the assault rifles, sniper rifles, light machine guns and anti-tank missiles seized. The Secretariat was able to independently ascertain that the 2,000 assault rifles and 64 sniper rifles were in new condition. Although lacking country or factory marking, the weapons corresponded to known features of Iranian-manufactured weapons. The 2,000 assault rifles have characteristics identical to Iranian-produced KLS-7.62 mm,<sup>7</sup> an assault rifle type AK-47. The 64 sniper rifles have characteristics identical to those of the Iranian-produced SVD sniper rifle. Furthermore, the Secretariat confirmed with the foreign manufacturer of the optical sights fitting the sniper rifles that they were produced as recently as 2015 and were sold to an Iranian company.

32. My predecessor and I received several letters regarding the arms shipments seized by Australia and the United States in early 2016, information that was already provided to the Security Council in the first and second reports on the implementation of resolution 2231 (2015). They include identical letters dated 15 May 2017 addressed to me and the President of the Security Council from the Permanent Representative of Saudi Arabia to the United Nations (S/2017/427), as well as a note verbale dated 27 October 2016 from the Permanent Mission of the United Arab Emirates to the United Nations (A/71/581). The latter brought to the attention of my predecessor a letter dated 18 October 2016 addressed to the President of the General Assembly from the Permanent Representatives of Bahrain, Egypt, Jordan, Kuwait, Morocco, Oman, Qatar, Saudi Arabia, the Sudan, the United Arab Emirates and Yemen (*ibid.*, annex).

33. In a letter dated 18 February 2017 addressed to me, the Permanent Representative of Yemen to the United Nations stated that “multiple reports of similar interceptions documented the seizure of considerable quantities of weapons and ammunition” that, in the assessment of Yemen, included “Iranian-made anti-tank missiles, assault rifles, Dragunov sniper rifles, AK-47s, spare barrels, mortar tubes, and hundreds of rocket-propelled grenades, and RBG launchers”. He also stated that three disassembled spy drones found concealed in a truck at the Yemen-Oman border on 12 December 2016 by Yemeni armed forces and a spy drone belonging to the Houthis intercepted in-flight by coalition forces in the Al-Mokha area on 28 January 2017 were a “clear manifestation of the involvement of Iranians in providing the Houthis with weapons and expertise”. The Government of Yemen was invited to provide detailed information, documents and images. I will report thereon to the Council accordingly as additional information becomes available.

34. In a letter dated 18 May 2017, the Permanent Representative of the United Arab Emirates to the United Nations brought to the attention of the Secretariat information regarding arms and related materiel seized or recovered by the armed forces of the United Arab Emirates in Yemen since 16 January 2016 that, in the assessment of the United Arab Emirates, were Iranian-made or sourced. This included detailed information and images of anti-tank missiles and unmanned aerial vehicles reportedly seized or recovered by the Presidential Guard forces of the United Arab Emirates. The Secretariat is examining the information and will provide an update to the Council, as appropriate, in due course.

35. In the second report of the Secretary-General, information was provided that arms and related materiel are shipped by the Islamic Revolutionary Guard Corps to Hizbullah using commercial flights from the Islamic Republic of Iran, either directly to Beirut or via Damascus (see S/2016/1136, para. 32). In a statement dated 24 November 2016, the Chair of Rafic Hariri International Airport strongly refuted

<sup>7</sup> The KLS is the fixed stock version of the Iranian-produced KL-7.62 mm assault rifle.

those allegations. In identical letters dated 25 January 2017 addressed to me and the President of the Security Council (A/71/770-S/2017/80), the Permanent Representative of Lebanon to the United Nations stated that the letter of the Permanent Representative of Israel dated 21 November 2016 (S/2016/987) contained fabrications and false claims and reiterated that his Government respects its obligations pursuant to international resolutions.

36. Information released by the organizers of the sixth International Defence Exhibition in Iraq, held in Baghdad from 5 to 7 March 2017, indicates that several Iranian entities participated in the exhibition for the second year in a row. According to press coverage of the event, items displayed by those entities appear to have included small arms, artillery ammunition, rockets, anti-tank guided missiles and man-portable air defence systems. The Secretariat again raised the issue with the Permanent Mission of Iraq to the United Nations. The Permanent Mission of the Islamic Republic of Iran to the United Nations had previously stated that it believed that no prior approval was required from the Security Council for that activity since the Islamic Republic of Iran retained ownership of the items exhibited. I intend to report thereon to the Council in due course as additional information becomes available.

## **VI. Implementation of the asset freeze provisions**

37. Pursuant to paragraphs 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)<sup>8</sup> and ensure that no funds, financial assets or economic resources are made available to those individuals and entities.

38. It appears that an entity presently on the list maintained pursuant to resolution 2231 (2015), the Defence Industries Organisation, may have participated again in the International Defence Exhibition in Iraq, which was held in March 2017 (see para. 36 above). Its name is on the exhibitors list released by the organizers of the exhibition and, according to images released by the Iraqi and Iranian media, its official company logo appears on several visual displays next to exhibited items. All of the entity's funds, other financial assets and economic resources on Iraqi territory on the date of adoption of the Joint Comprehensive Plan of Action or at any time thereafter should have been frozen by the Iraqi authorities. The issue was raised again with the Permanent Mission of Iraq to the United Nations. I intend to report thereon to the Council in due course.

## **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

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<sup>8</sup> Available from [www.un.org/en/sc/2231/list.shtml](http://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 Security Council 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 in resolution 2231 (2015). There are currently 23 individuals and 61 entities on the list maintained pursuant to resolution 2231 (2015).

(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 the second report of the Secretary-General, additional information has surfaced regarding travel by Major General Qasem Soleimani. New pictures and video showing the General in the vicinity of Aleppo, Syrian Arab Republic, in late December 2016 were reproduced in early January 2017. In February 2017, in an interview with an Iranian media outlet (Tasnim News Agency), the President of Iraq, in response to a question about the presence of the General in Iraq, reportedly stated that “the presence of General Qasem Soleimani is in the context of the presence of foreign military advisors in Iraq”. He stressed that Iranian military advisors, including the General, had a right to be present in Iraq, as did advisors from other countries, to provide military advice in the fight against terrorism.

41. Furthermore, in early April 2017, Iranian and Arab media outlets (Fars News Agency, Al-Masdar News) reproduced a picture allegedly showing Major General Soleimani in the central province of Hama in the Syrian Arab Republic for a meeting with officers of the Syrian Arab Army. A few days later, media from the Kurdish region of Iraq (Rudaw Media Network) reported that Major General Soleimani had visited Sulaymaniyah, in Iraqi Kurdistan. Several Iranian and Arab media outlets (Fars News Agency, Al-Masdar News) also reported that the General had been photographed with Iraqi popular mobilization forces in north-western Iraq on 29 May 2017. According to those reports, Major General Soleimani was present in the area as part of an Islamic Revolutionary Guard Corps advisory mission during an operation of the popular mobilization forces along the Iraq-Syrian Arab Republic border crossing.

### **VIII. Secretariat support provided to the Security Council and its facilitator for implementation of resolution 2231 (2015)**

42. The Security Council Affairs Division of the Department of Political Affairs has continued to support the work of the Security Council and of its facilitator for the implementation of resolution 2231 (2015). The Division has also continued to liaise with the Procurement Working Group of the Joint Commission on all matters related to the procurement channel.

43. The Division continued to promote publicly available information on the restrictions imposed by resolution 2231 (2015) through the Security Council website.<sup>9</sup> Relevant documents were regularly added in all official languages to the website. 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 Security Council dated 16 January 2016 (S/2016/44). On 18 January 2017, the Division participated in an export control seminar organized by the Awa Aussenwirtschafts-Akademie (Foreign Trade Academy) in Frankfurt, Germany. On 12 June 2017, the Division also participated in a public awareness-raising seminar related to the procurement channel organized by the Vienna Centre for Disarmament and Non-Proliferation, held in Vienna.

44. 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.

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<sup>9</sup> [www.un.org/en/sc/2231/](http://www.un.org/en/sc/2231/).



## Chapter 1 Strategic Assessment

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Although terrorist attacks and fatalities from terrorism declined globally for the second year in a row in 2016, terrorist groups continued to exploit ungoverned territory and ongoing conflict to expand their reach, and to direct and inspire attacks around the world. The Islamic State of Iraq and Syria (ISIS) remained the most potent terrorist threat to global security, with eight recognized branches and numerous undeclared networks operating beyond the group's core concentration in Iraq and Syria. Al-Qa'ida (AQ) and its regional affiliates remained a threat to the U.S. homeland and our interests abroad despite counterterrorism pressure by U.S. partners and increased international efforts to counter violent Islamist ideology and messaging. Terrorist groups supported by Iran – most prominently Hezbollah – continued to threaten U.S. allies and interests even in the face of U.S.-led intensification of financial sanctions and law enforcement.

ISIS was driven out of roughly a quarter of the territory it held in Syria and Iraq at the beginning of the year through the combined efforts of Iraqi Security Forces and Syrian armed groups, enabled and supported by the 73 members of the Global Coalition to Defeat ISIS. At the same time, diplomatic efforts contributed to strengthening a broad range of travel controls that helped choke off the flow of foreign terrorist fighters to ISIS-held territory in Iraq and Syria. Along with battlefield deaths, the reduction in the flow of recruits left ISIS at its lowest battlefield strength since at least 2014. In Libya, government forces and aligned armed groups, supported by U.S. air strikes, drove ISIS out of its main Libyan stronghold in Sirte. Many ISIS fighters in Darnah and Benghazi also were driven out by the end of 2016.

ISIS attacks outside its territorial strongholds in Iraq, Syria, and Libya were an increasingly important part of its terrorism campaign in 2016. Most of these attacks took place in countries where ISIS has a declared branch, such as Afghanistan, Egypt, Saudi Arabia, and Yemen. Elsewhere around the globe, returning foreign terrorist fighters and homegrown violent extremists carried out attacks directed, assisted, or inspired by ISIS. The attacks in Brussels on March 22, carried out by the same operational cell that conducted the November 2015 Paris attacks, and attacks in Istanbul, are examples of this. Other operations outside of Iraq and Syria were conducted by individuals who were unable to travel to that region and instead conducted attacks in their home countries or regions. ISIS sought to exploit refugee and migrant flows to disguise the travel of its operatives, causing alarm but resulting in increased vigilance in many of the destination countries.

ISIS continued to commit atrocities against groups in areas under its control, including Yezidis, Christians, Shia Muslims, Sunni Muslims, Kurds, and other groups.

In 2015 and 2016, ISIS abducted, systematically raped, and abused thousands of women and children, some as young as eight years of age. Women and children were sold and enslaved, distributed to ISIS fighters as spoils of war, forced into marriage and domestic servitude, or subjected to physical and sexual abuse. ISIS established “markets” where women and children were sold with price tags attached and has published a list of rules on how to treat female slaves once captured. (For further information, refer to *the Trafficking in Persons Report 2016*, <https://www.state.gov/j/tip/rls/tiprpt/index.htm>.)

The recruitment of violent extremists through social media remained central to ISIS's terrorist campaign in 2016. The United States and its partners worked closely with social media companies and others to lawfully counter and curtail use of the internet for terrorist purposes. Due in part to these efforts, ISIS content on the internet declined 75 percent from August 2015 to August 2016, while ISIS-related traffic on Twitter declined 45 percent from mid-2014 to mid-2016. This coincided with a steep reduction in the monthly rate of official visual media releases by ISIS, from 761 in August 2015 to 194 in August 2016, according to a study published by the Combating Terrorism Center at West Point.<sup>1</sup> Moreover, ISIS had 19 active media outlets at the beginning of 2017, down from at least 40 in 2015, according to another study published by the Council on Foreign Relations.<sup>2</sup>

Even as ISIS attacks increased in 2016, the world experienced fewer terrorist attacks and fewer fatalities from terrorism for the second year in a row, due largely to declines in South and Central Asia and the Lake Chad Basin region of Africa. In the Lake Chad Basin, military gains by the Multinational Joint Task Force (MNJTF) and its member states against both Boko Haram and ISIS-West Africa, a Boko Haram off-shoot that emerged in 2016, helped drive down terrorist attacks and fatalities in Nigeria and elsewhere in the Lake Chad Basin region over much of the year.

Al-Qa'ida and its regional affiliates exploited the absence of credible and effective state institutions in some states and regions to remain a significant worldwide threat despite sustained pressure by the United States and its partners. Despite leadership losses, al-Qa'ida in the Arabian Peninsula (AQAP) remained a significant threat to Yemen, the region, and the United States, as ongoing conflict in Yemen hindered U.S. efforts to counter the group. Al-Qa'ida's affiliate in Syria, al-Nusrah Front, continued to exploit ongoing armed conflict to maintain a territorial safe haven in select parts of northwestern Syria. Al-Shabaab, which pledged allegiance to al-Qa'ida in 2012, continued to conduct asymmetric attacks throughout Somalia and parts of Kenya despite weakened leadership and increasing defections. In February, al-Shabaab claimed responsibility for a suicide bomb attack aboard a Daallo Airlines flight from Mogadishu that resulted in the death of the attacker, but failed to destroy the aircraft as intended. The attack demonstrated that civilian aviation targets remain a high priority for international terrorist groups despite the broad improvements in aviation security. Al-Qa'ida in the Islamic Maghreb (AQIM) and its affiliates in Mali shifted their operational emphasis from holding territory to perpetrating asymmetric attacks against government and civilian targets, including hotels in Burkina Faso and Cote d'Ivoire, as well as UN peacekeeping forces in northern Mali. Al-Qa'ida in the Indian Subcontinent (AQIS) continued to operate in South Asia, which the AQ-core has historically exploited for safe haven, and it claimed several attacks targeting religious minorities, police, secular bloggers, and publishers in Bangladesh. In Afghanistan,

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<sup>1</sup> Daniel Milton, "Communication Breakdown: Unraveling the Islamic State's Media Efforts," Combating Terrorism Center at West Point, October 2016, <https://www.ctc.usma.edu/posts/communication-breakdown-unraveling-the-islamic-states-media-efforts>.

<sup>2</sup> Charlie Winter and Colin P. Clarke, "Is ISIS Breaking Apart? What Its Media Operations Suggest," Foreign Affairs (website), January 31, 2017, <https://www.foreignaffairs.com/articles/2017-01-31/isis-breaking-apart?cid=int-lea&pptype=hpg>.

al-Qa'ida suffered significant losses, including its regional leader, Faruq al-Qahtani, who was killed in a U.S. operation in October 2016.

Regional and international military coalitions supported to varying degrees by the United States and its allies continued to make progress against terrorist groups in fragile states, particularly in Africa. The African Union Mission in Somalia (AMISOM), in concert with the Somali National Army (SNA), was able to hold key sections of rural areas in south-central Somalia, although al-Shabaab's leveraging of clan politics and exploitation of poor economic conditions to recruit fighters undermined AMISOM and SNA territorial gains. In the Lake Chad Basin, the MNJTF contributed to an overall reduction in terrorist attacks and fatalities, although national forces within the group had difficulty holding cleared areas and rebuilding civilian institutions, especially in Nigeria. In the Sahel region, the UN Multidimensional Integrated Stabilization Mission in Mali and French forces provided a measure of stability and security in Mali's north.

The use of Chemical, Biological, Radiological, or Nuclear (CBRN) materials and expertise remained a terrorist threat, as demonstrated by terrorists' stated intent to acquire, develop, and use these materials; the nature of injury and damage these weapons can inflict; the ease with which information on these topics now flows; and the dual-use nature of many relevant technologies and material. As evidence of this challenge, the third report of the Organisation for the Prohibition of Chemical Weapons-UN Joint Investigative Mechanism found that ISIS was responsible for a sulfur mustard attack in Marea, Syria, on August 21, 2015. Given the well-understood ISIS interest and intent in CBRN capabilities, the United States has been working proactively to disrupt and deny ISIS's (and other non-state actors') chemical weapons capability, as well as to deny ISIS and other non-state actors access to CBRN-useable materials and expertise through interdictions and strengthening the ability of regional governments to detect, disrupt, and respond effectively to suspected CBRN activity.

Terrorist attacks on public spaces and other soft targets – sometimes using unsophisticated means and methods – resulted in mass casualties. The terrorist attack in Nice on July 14, claimed by ISIS, epitomized this phenomenon. The attacker, a Tunisian national residing permanently in France, drove a 19-ton cargo truck through crowds gathered on a seaside promenade to celebrate Bastille Day, France's national holiday, killing 86 and injuring hundreds before police shot and killed him. In Germany, an ISIS-claimed truck attack killed 12 in a crowded Christmas market in Berlin on December 19, 2016. Other notable terrorist attacks on soft targets during the year included AQIM attacks on a restaurant and hotel in Ouagadougou on January 15; a June 28 attack on the main airport in Istanbul, attributed to ISIS; and a July 23 attack on a peaceful protest in Kabul, carried out by the ISIS affiliate in Afghanistan. The same ISIS affiliate also claimed responsibility for multiple attacks in Pakistan, including a November 12 bomb blast at the Shah Noorani Shrine in Baluchistan province, Pakistan, which killed more than 50 and wounded more than 100 people. Finally, attacks using bladed weapons such as knives and machetes, which ISIS propaganda has promoted, remained a feature of the terrorism threat in 2016. Knife attacks in Israel and the West Bank by Palestinian lone offenders continued a trend begun there in 2015.

Attacks on soft targets led to increased focus on the need for greater coordination and interoperability between intelligence agencies and law enforcement at the national level,

increased information sharing, and expanded public-private partnerships. In response, the Global Counterterrorism Forum (GCTF), with support from the United States, launched an ongoing soft-targets initiative to build political will and increase capacity to prevent soft-target attacks and mitigate their effects. At the same time, attacks on airports and airliners in 2015 and 2016 highlighted the persistent need to protect air travelers and prevent terrorists from targeting aircraft or using them as weapons. To address this threat, on September 22, 2016, the UN Security Council adopted the first UN Security Council resolution (UNSCR) focused exclusively on the terrorist threat to civil aviation – UNSCR 2309 (2016).

Although the drivers of radicalization to violence varied from country to country – and even within countries – a common thread through much of the terrorism observed in 2016 was adherence to violent extremist ideology put forth by a fundamentalist strain of Sunni Islam that perceives itself to be under attack by the West and in conflict with other branches of Islam. ISIS volunteers from predominantly Sunni states in the Middle East continued to cite defense of the Syrian people against supposed “apostates” – referring to the Assad regime and its Shia backers in Iran – as a motivation for joining the group. Central Asian labor migrants working in Russia, Turkey, and other countries, often facing poor working conditions and social isolation were more susceptible to recruitment by groups espousing ISIS’s violent extremist ideology. In parts of Africa, ISIS’s ideology resonated among those with direct experience of official corruption and abusive security-service tactics. In the West, ISIS’s narrative of a fight for the restoration of a premodern, sectarian caliphate from West Africa to Southeast Asia continued to resonate with members of predominantly Muslim immigrant communities, converts to Islam, and others searching for identity and purpose, although only a small fraction of these have become terrorists, and their radicalization to violence has been influenced as much by uniquely personal circumstances as by ideology. Finally, the online messages of the late al-Qa’ida figure Anwar al-Aulaqi continued to influence Western violent extremists years after his 2011 death in a U.S. counterterrorism operation in Yemen. Omar Mateen, who killed 49 in an attack on a nightclub in Orlando, Florida, in July 2016, told an acquaintance in 2014 that he had watched videos of al-Aulaqi’s sermons and found them powerful. (Mateen, who was killed by police, pledged allegiance to ISIS during the course of the standoff, but the U.S. government has not found evidence of formal ties between Mateen and the group.)

International support for addressing the ideological, political, social, and economic drivers of violent extremism grew in 2016. Institutions shaped and supported by the United States and its allies continued to provide platforms for action. In July, the UN General Assembly endorsed recommendations of the Secretary-General’s Plan of Action for Preventing Violent Extremism, a significant step because it put the weight of the UN’s largest political organ, representing all 193 members, behind an approach to terrorism prevention shaped and influenced by the United States and its closest allies. The 30-member GCTF, which the United States founded and co-chaired from 2011 to 2015, endorsed good practices in a number of areas relevant to terrorism prevention under its Initiative to Address the Life Cycle of Radicalization to Violence. GCTF members began supporting training and other programs to help countries on the frontlines of terrorism implement best practices, often through international platforms for information sharing and cooperation among counter-radicalization experts, such as the Strong Cities Network and the *Hedayah* International Center of Excellence for Countering Violent Extremism in Abu Dhabi.

Iran remained the foremost state sponsor of terrorism in 2016 as groups supported by Iran maintained their capability to threaten U.S. interests and allies. The Iranian Islamic Revolutionary Guard Corps – Qods Force, along with Iranian partners, allies, and proxies, continued to play a destabilizing role in military conflicts in Iraq, Syria, and Yemen. Iran continued to recruit fighters from across the region to join Iranian affiliated Shia militia forces engaged in conflicts in Syria and Iraq, and has even offered a path to citizenship for those who heed this call. Hizballah continued to work closely with Iran in these conflict zones, playing a major role in supporting the Syria government’s efforts to maintain control and territory, and providing training and a range of other support for Iranian aligned groups in Iraq, Syria, and Yemen. Additionally, Hizballah continued to develop its long-term attack capabilities and infrastructure around the world.

The United States continued to use a range of tools to counter Iran-sponsored terrorist groups. For instance, on October 20, 2016, the Department of State designated Hizballah commander Haytham ‘Ali Tabataba’i as a Specially Designated Global Terrorist under Executive Order 13224, blocking his property subject to U.S. jurisdiction and prohibiting U.S. persons from engaging in transactions with him. Tabataba’i commanded Hizballah’s special forces, has operated in Syria, and has been reported to be in Yemen.

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## IRAN

Designated as a State Sponsor of Terrorism in 1984, Iran continued its terrorist-related activity in 2016, including support for Hizballah, Palestinian terrorist groups in Gaza, and various groups in Syria, Iraq, and throughout the Middle East. Iran used the Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) to implement foreign policy goals, provide cover for intelligence operations, and create instability in the Middle East. Iran has acknowledged the involvement of the IRGC-QF in the conflicts in Iraq and Syria and the IRGC-QF is Iran's primary mechanism for cultivating and supporting terrorists abroad.

In 2016, Iran supported various Iraqi Shia terrorist groups, including Kata'ib Hizballah, as part of an effort to fight ISIS in Iraq and bolster the Assad regime in Syria. Iran views the Assad regime in Syria as a crucial ally and Syria and Iraq as crucial routes to supply weapons to Hizballah, Iran's primary terrorist partner. Iran has facilitated and coerced, through financial or residency enticements, primarily Shia fighters from Afghanistan and Pakistan to participate in the Assad regime's brutal crackdown in Syria. Iranian-supported Shia militias in Iraq have committed serious human rights abuses against primarily Sunni civilians and Iranian forces have directly backed militia operations in Syria with armored vehicles, artillery, and drones.

Since the end of the 2006 Israeli-Hizballah conflict, Iran has supplied Hizballah with thousands of rockets, missiles, and small arms, in direct violation of UN Security Council resolution (UNSCR) 1701. Iran provides the majority of financial support for Hizballah in Lebanon and has trained thousands of its fighters at camps in Iran. Hizballah fighters have been used extensively in Syria to support the Assad regime and in support of operations against ISIS in Iraq. Hizballah also carried out several attacks against Israeli Defense Forces in 2016 along the Lebanese border with Israel.

Iran has historically provided weapons, training, and funding to Hamas and other Palestinian terrorist groups, including Palestine Islamic Jihad and the Popular Front for the Liberation of Palestine-General Command. These Palestinian terrorist groups have been behind a number of deadly attacks originating in Gaza and the West Bank, including attacks against Israeli civilians and Egyptian security forces in the Sinai Peninsula.

Iran has provided weapons, funding, and training to Bahraini militant Shia groups that have conducted attacks on the Bahraini security forces. On January 6, 2016, Bahraini security officials dismantled a terrorist cell, linked to IRGC-QF, planning to carry out a series of bombings throughout the country.

The Iranian government maintains a robust cyberterrorism program and has sponsored cyberattacks against foreign government and private sector entities.

Iran remained unwilling to bring to justice senior al-Qa'ida (AQ) members it continued to detain and has refused to publicly identify the members in its custody. Since at least 2009, Iran has allowed AQ facilitators to operate a core facilitation pipeline through the country, enabling AQ to move funds and fighters to South Asia and Syria.

# Iran test-fires medium-range ballistic missile, US official says

By [Barbara Starr](#), [Nicole Gaouette](#) and [Veronica Stracqualursi](#). CNN

**CNN** politics

• LIVE TV 

**Trump: US is 'ready for the absolute worst' with Iran** 01:54

**Washington (CNN)** — Iran test-fired a medium-range ballistic missile late Wednesday that traveled 1,000 kilometers from its southern launch point into northern Iran, according to a US official with direct knowledge of the event.

The launch of the Shahab-3 missile did not pose a threat to shipping or US bases, the official said, and remained inside Iran for the duration of its flight. Nevertheless, it served as a signal to the US and Europe and could serve to further increase tensions in the region.

The missile was launched from Iran's southeastern coastline along the Gulf of Oman and landed in northern Iran, the official said.

While analysts said Iran's missile test might be destabilizing given the volatile situation in the Persian Gulf, it doesn't violate any United Nations resolutions — which has been a source of frustration to critics of the Iran deal.

## 'Certainly destabilizing'

[UN Security Council Resolution 2231](#), which endorsed the Iran nuclear deal, "called upon" Iran to refrain from activities related to ballistic missiles designed to be capable of delivering nuclear weapons.

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Kaszynski said that "unless the specific test is a significant technological advancement, this is really more about political messaging and part of the cycle of escalation between the Iranian regime and the Trump administration."



**Related Article:** Iran releases footage of captured tanker's crew

Secretary of State Michael Pompeo has said that Iran must end missile testing as one of 12 conditions he has laid out for an end to the maximum pressure campaign the Trump administration implemented after it left the Iran nuclear deal in May 2018.

Trump administration officials have repeatedly criticized the 2015 Iran nuclear deal because it did not include Tehran's missile program or what it calls Iran's malign activity in the region. They say they want both included in a future agreement.

The Obama administration and other parties to the deal -- France, the UK, Germany, the EU, Russia and China -- say that it was necessary to focus the pact on nuclear activity in order to reach an agreement, which took years to negotiate.

In a July 15 interview with NBC, Iranian Foreign Minister Javad Zarif said that if the Trump administration wants to talk about Iran's missiles, it should first "stop selling all these weapons, including missiles, to our region," possibly a reference to arms sales to Saudi Arabia and the United Arab Emirates.

## Not negotiable

Speaking to reporters Tuesday at a White House Cabinet meeting the next day, Trump and Pompeo seemed to interpret that as a new sign of Tehran's willingness to negotiate.

Trump said that in addition to his belief that Iran must not develop a nuclear weapon, "they can't be testing ballistic missiles, which right now under that agreement [the 2015 Iran nuclear deal] ... they would be able to do."

But Iran has long said it won't negotiate over its ballistic missile program, which is controlled by Revolutionary Guard Corps who report to Supreme Leader Ayatollah Ali Khamenei.

After the Cabinet meeting and media reports suggesting Tehran might be willing to negotiate over its missile program, Iran's spokesman at the UN, Alireza Miryousefi, made clear that Zarif was only making a hypothetical point.

"Iran's missiles are absolutely and under no condition negotiable with anyone or any country, period," Miryousefi tweeted.

Iran's Wednesday missile test comes amid a widening crisis between Iran and Western powers, and friction between the US and its allies over how to deal with Iran.

Last week, the Islamic Revolutionary Guard Corps [seized a British tanker](#) in the Strait of Hormuz, one of the world's most





vital shipping routes, saying Iran had been "violating international regulations." The seizure was seen as retaliation

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In June, [Iran shot down](#) an American drone, claiming it was intruding on its territory, throwing the two countries into a military standoff.

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The US had been urging regional and international parties to take part in Operation Sentinel, which Washington casts as an effort to secure freedom of navigation in the Persian Gulf, the Strait of Hormuz and the Gulf of Oman, crucial waterways for the passage of global oil supplies.

The UK has announced its Navy will accompany British ships where possible and that it will participate in a European-led effort to provide security to shipping through the Gulf and the Strait of Hormuz, a strategic chokepoint controlled by Iran through which 20% of the world's oil supply passes.

*CNN's Joshua Berlinger, Eliza Mackintosh and Nada Bashir contributed to this report.*

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WORLD NEWS

OCTOBER 16, 2015 / 11:44 AM / 4 YEARS AGO

## U.S. confirms Iran tested nuclear-capable ballistic missile

Louis Charbonneau



UNITED NATIONS (Reuters) - The United States has confirmed that Iran tested a medium-range missile capable of delivering a nuclear weapon, in “clear violation” of a United Nations Security Council ban on ballistic missile tests, a senior U.S. official said on Friday.

A new Iranian precision-guided ballistic missile is launched as it is tested at an undisclosed location October 11, 2015.  
REUTERS/farsnews.com/Handout via Reuters

“The United States is deeply concerned about Iran’s recent ballistic missile launch,” the U.S. ambassador to the United Nations, Samantha Power, said in a statement.

“After reviewing the available information, we can confirm that Iran launched on Oct. 10 a medium-range ballistic missile inherently capable of delivering a nuclear weapon,” she said. “This was a clear violation of U.N. Security Council Resolution 1929.”

The United States is preparing a report on the incident for the Security Council’s Iran Sanctions Committee and will raise the matter directly with Security Council members “in the coming days,” Power said.

Council diplomats have told Reuters it was possible to sanction additional Iranian individuals or entities by adding them to an existing U.N. blacklist. However, they noted that Russia and China, which have opposed the sanctions on Iran’s missile program, might block any such moves.

“The Security Council prohibition on Iran’s ballistic missile activities, as well as the arms embargo, remain in place,” Power said. “We will continue to press the Security Council for an appropriate response to Iran’s disregard for its international obligations.”

Ballistic missile tests by Iran are banned under Security Council resolution 1929, which was adopted in 2010 and remains valid until a nuclear deal between Tehran and six world powers goes into effect. Under that deal, reached on July 14, most sanctions on Iran will be lifted in exchange for curbs on its nuclear program.

The missile test is not a violation of the nuclear deal, which focuses on Iran’s atomic program, U.S. officials have said. Speaking to reporters in Washington, President Barack Obama acknowledged that the nuclear deal does not fully resolve all areas of dispute with Tehran.

“So we are going to have to continue to put pressure on them through the international community,” he said.

Once the deal takes effect, Iran will still be “called upon” to refrain from undertaking any work on ballistic missiles designed to deliver nuclear weapons for a period of up to eight years, according to a Security Council resolution adopted in July.

Countries would be allowed to transfer missile technology and heavy weapons to Iran on a case-by-case basis with council approval.

However, in July a U.S. official called this provision meaningless and said the United States would veto any suggested transfer of ballistic missile technology to Iran.

On Sunday, the United States, the European Union and Iran are expected to announce a series of measures to comply with the nuclear deal that will take effect once the U.N. International Atomic Energy Agency confirms Iranian compliance with terms of the agreement.

Additional reporting by Roberta Rampton in Washington; Editing by Richard Chang and Leslie Adler

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# Board of Governors

**GOV/2007/48**  
Date: 30 August 2007

Original: English

## **For official use only**

Item 7(d) of the provisional agenda  
(GOV/2007/38)

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

## *Report by the Director General*

1. On 23 May 2007, the Director General reported to the Board of Governors on the implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran (Iran) (GOV/2007/22). The report was submitted in parallel to the Security Council pursuant to Security Council resolutions 1696 (2006), 1737 (2006) and 1747 (2007). This report covers developments regarding the implementation in Iran of its NPT Safeguards Agreement since May 2007.

2. On 24 June 2007, the Director General met with the Secretary of the Supreme National Security Council of Iran (SNSC). During that meeting, it was agreed that, within the following 60 days, a plan should be developed on modalities for resolving the remaining safeguards implementation issues, including the long outstanding issues (GOV/2007/22, para. 9). The modalities were discussed in meetings, led by the Deputy Director General for Safeguards and the Deputy Secretary of the SNSC, which took place on 11–12 July 2007 and 20–21 August 2007 in Tehran, and on 24 July 2007 in Vienna. On 21 August 2007, a plan (hereinafter referred to as the “work plan”), which includes understandings between the Secretariat and Iran on the modalities, procedures and timelines for resolving these matters, was finalized. A copy of that work plan (issued also as INFCIRC/711, 27 August 2007) is attached hereto.

## **A. Enrichment Related Activities**

3. Since May 2007, Iran has continued to test single centrifuge machines, the 10- and 20-machine cascades and one 164-machine cascade at the Pilot Fuel Enrichment Plant (PFEP). Between 17 March and 22 July 2007, Iran fed 14 kg of UF<sub>6</sub> into the single machines; there was no feeding of nuclear material into the cascades.

4. Since February 2007, Iran has fed approximately 690 kg of UF<sub>6</sub> into the cascades at the Fuel Enrichment Plant (FEP), which is well below the expected quantity for a facility of this design. While Iran has stated that it has reached enrichment levels up to 4.8% U-235 at FEP, the highest enrichment level measured from environmental samples taken so far by the Agency from cascade components and related equipment is 3.7%. Detailed nuclear material accountancy, which is necessary to confirm the

actual enrichment level, will be carried out when the product and tails are withdrawn from the cascades. As of 19 August 2007, twelve 164-machine cascades were operating simultaneously and were being fed with UF<sub>6</sub>; one other cascade was operating without UF<sub>6</sub>; another cascade was being vacuum tested; and two more were under construction.

5. Since 22 March 2007, the Agency has implemented safeguards at FEP through interim inspections, design information verification, unannounced inspections and the use of containment and surveillance measures (GOV/INF/2007/10). To date, four unannounced inspections have been carried out at FEP.

6. The Agency provided Iran with a draft document detailing the safeguards approach for FEP and a draft Facility Attachment on 24 and 26 July 2007, respectively. The documents were discussed during a technical meeting in Tehran held on 6–8 August 2007. Further discussions will be held with the aim of finalizing the Facility Attachment by the end of September 2007.

## **B. Reprocessing Activities**

7. The Agency has been monitoring the use and construction of hot cells at the Tehran Research Reactor (TRR), the Molybdenum, Iodine and Xenon Radioisotope Production Facility (the MIX Facility) and the Iran Nuclear Research Reactor (IR-40 reactor) through inspections and design information verification. There are no indications of ongoing reprocessing related activities at those facilities.

## **C. Heavy Water Related Projects**

8. As agreed by Iran on 12 July 2007, the Agency conducted design information verification at the IR-40 reactor on 30 July 2007, and noted that construction of the facility was ongoing. Satellite imagery indicates that the operation of the Heavy Water Production Plant was also continuing.

## **D. Outstanding Issues**

### **D.1. Plutonium Experiments**

9. As agreed in the meeting of 11–12 July 2007, the Agency provided Iran in writing on 1 August 2007 with the remaining open questions regarding plutonium separation experiments carried out by Iran at TRR (GOV/2007/8, paras 20–21). On 7 August 2007, during a technical meeting in Tehran, Iran provided additional information on the neutron flux distribution for the reactor core and reflector/moderator regions, details about earlier neutron flux measurements and information on the irradiation conditions. Using this additional information, the Agency made revised estimates of the Pu-240 abundance that could be expected from irradiation of the targets. The revised estimates derived from this new information were not inconsistent with the Agency's previous findings from samples taken during its investigations. Taking all available information into account, the Agency has concluded that Iran's statements concerning these experiments are consistent with the Agency's findings with respect to the dates, and quantities and types of material involved in the experiments (GOV/2006/53, paras 15–16). This issue is therefore considered resolved.

10. In the meeting on 7 August 2007, the presence and origin of high enriched uranium (HEU) particle contamination found in samples taken from the spent fuel containers at the Karaj Waste Storage Facility (GOV/2006/53, para. 17) was addressed. Iran has maintained that the reason for the contamination was leaking TRR fuel assemblies, which had in the past been stored temporarily in these containers. During the meeting, Iran presented a copy of a report describing its investigations into the fuel leakage problem at TRR, in connection with which Agency technical support had been

provided in the early 1990s. Based on this information, the Agency has concluded that the main sources of irradiated HEU in the coolant system likely included both leaks from the fuel itself and irradiated HEU contamination from the surface of the fuel cladding. It can be further estimated that the natural uranium content in the cooling water of TRR was sufficient to dilute the level of enrichment of the HEU particles to that found in the Agency's samples taken from the containers at Karaj. Iran also provided information on the burnup and the uranium mass for all fuel assemblies at the time of the intermediate and final fuel discharges. The data indicate that several control fuel assemblies had in fact leaked, and that the stated burnup matched that calculated for a majority of the HEU particles. The Agency has concluded, therefore, that the statements of Iran are not inconsistent with the Agency's findings, and now considers this issue as resolved.

## **D.2. Acquisition of P-1 and P-2 Centrifuge Technology**

11. In order to complete its investigation of the scope and nature of Iran's centrifuge enrichment programme, the Agency needs access to additional information (GOV/2006/27, paras 10–13). This includes information related to the acquisition of P-1 technology in 1987, and P-1 and P-2 technology in the mid-1990s, as well as appropriate supporting documentation and clarifications by relevant individuals. The Agency is still waiting for, inter alia: a copy of a handwritten offer made to Iran by the network in 1987; clarification of the dates and contents of shipments in the mid-1990s; and information concerning the purchase of magnets suitable for P-2 centrifuges. Iran has, however, undertaken, as part of the work plan, to provide, over the course of the next two months, answers to written questions from the Agency, as well as clarifications and access to information, such as supporting documentation, with a target date of November 2007 for resolving this issue.

## **D.3. Contamination**

12. As indicated previously to the Board of Governors (GOV/2007/8, paras 16–17; GOV/2006/53, para. 24), analysis of environmental samples taken in January 2006 from equipment purchased by a former Head of the Physics Research Centre (PHRC) and located at a technical university in Tehran showed a small number of particles of natural and high enriched uranium. The Agency has requested clarifications, permission to take samples from other equipment and materials procured by the PHRC and access to another former Head of the PHRC (GOV/2006/53, para. 25). These requests have not yet been acceded to by Iran. However, as reflected in the work plan, Iran has undertaken to hold further discussions on this matter, on the basis of written questions from the Agency, following resolution of the P-1 and P-2 issue.

## **D.4. Uranium Metal Document**

13. To understand the full scope of the offers made by the intermediaries that provided centrifuge enrichment technology to Iran, the Agency has requested a copy of the 15-page document describing the procedures for the reduction of UF<sub>6</sub> to uranium metal and the casting and machining of enriched and depleted uranium metal into hemispheres (GOV/2005/87, para. 6). As reflected in the work plan, Iran has now agreed to cooperate in this regard.

## **D.5. Polonium-210**

14. As indicated in the work plan, Iran has agreed to provide the Agency, two weeks after the issue of the provision of a copy of the uranium metal document is resolved, with explanations in connection with the remaining questions concerning Iran's activities involving polonium extraction (GOV/2004/83, paras 79–84).



## **D.6. Gchine Mine**

15. As indicated in the work plan, Iran has agreed to provide the Agency, two weeks after the issue on polonium-210 is resolved, with the requested explanations concerning uranium mining and concentration activities at the Gchine mine and mill (GOV/2005/67, paras 26–31).

## **E. Alleged Studies**

16. In order to clarify certain aspects of the scope and nature of Iran's nuclear programme, the Agency has requested discussions with Iran about alleged studies related to the conversion of uranium dioxide to UF<sub>4</sub>, to high explosive testing and to the design of a missile re-entry vehicle (GOV/2006/15, paras 38–40). To that end, the Agency has offered to provide Iran with access to the documentation it has in its possession regarding such studies. As indicated in the work plan, while Iran considers the allegations "as politically motivated and baseless", it has undertaken to review the documentation and to inform the Agency of its assessment thereof.

## **F. Other Implementation Issues**

### **F.1. Uranium Conversion**

17. The Agency has finalized its assessment of the results of the physical inventory verification (PIV) of nuclear material at the Uranium Conversion Facility (UCF) carried out in March 2007, and has concluded that the physical inventory as declared by Iran was consistent with the results of the PIV, within the measurement uncertainties normally associated with conversion plants of a similar throughput.

18. During the current conversion campaign at UCF, which began on 31 March 2007 following the PIV, approximately 63 t of uranium in the form of UF<sub>6</sub> had been produced as of 14 August 2007, all of which remains under Agency containment and surveillance.

### **F.2. Design Information**

19. As indicated in the Director General's previous report (GOV/2007/22, paras 12–14), on 29 March 2007, Iran informed the Agency that it had "suspended" the implementation of the modified text of its Subsidiary Arrangements General Part, Code 3.1, concerning the early provision of design information. In a letter dated 30 March 2007, the Agency requested Iran to reconsider its decision (GOV/INF/2007/8). There has been no progress on this issue.

### **F.3. Inspector Designation and Visas**

20. On 12 July 2007, Iran agreed to the designation of five new Agency inspectors (GOV/2007/8, para. 23), bringing the total number of inspectors designated for Iran to 219. Iran also agreed to provide thirteen Agency inspectors with one year multiple entry visas.

### **F.4. Other Matters**

21. On 25 July 2007, the Agency conducted a PIV at the Fuel Manufacturing Plant, at which time it verified a small quantity of natural uranium oxide powder intended as feed material for preliminary process testing. The installation of process equipment is at an advanced stage, but the facility is not yet operational.

## **G. Summary**

22. The Agency is able to verify the non-diversion of declared nuclear material in Iran. Iran has been providing the Agency with access to declared nuclear material, and has provided the required nuclear material accountancy reports in connection with declared nuclear material and facilities. However, the Agency remains unable to verify certain aspects relevant to the scope and nature of Iran's nuclear programme. It should be noted that since early 2006, the Agency has not received the type of information that Iran had previously been providing, including pursuant to the Additional Protocol, for example information relevant to ongoing advanced centrifuge research.

23. The work plan is a significant step forward. If Iran finally addresses the long outstanding verification issues, the Agency should be in a position to reconstruct the history of Iran's nuclear programme. Naturally, the key to successful implementation of the agreed work plan is Iran's full and active cooperation with the Agency, and its provision to the Agency of all relevant information and access to all relevant documentation and individuals to enable the Agency to resolve all outstanding issues. To this end, the Agency considers it essential that Iran adheres to the time line defined therein and implements all the necessary safeguards and transparency measures, including the measures provided for in the Additional Protocol.

24. Once Iran's past nuclear programme has been clarified, Iran would need to continue to build confidence about the scope and nature of its present and future nuclear programme. Confidence in the exclusively peaceful nature of Iran's nuclear programme requires that the Agency be able to provide assurances not only regarding declared nuclear material, but, equally important, regarding the absence of undeclared nuclear material and activities in Iran, through the implementation of the Additional Protocol. The Director General therefore again urges Iran to ratify and bring into force the Additional Protocol at the earliest possible date, as requested by the Board of Governors and the Security Council.

25. Contrary to the decisions of the Security Council, Iran has not suspended its enrichment related activities, having continued with the operation of PFEP, and with the construction and operation of FEP. Iran is also continuing with its construction of the IR-40 reactor and operation of the Heavy Water Production Plant.

26. The Director General will continue to report as appropriate.

**Understandings**  
  
**of**  
  
**the Islamic Republic of Iran and the IAEA**  
  
**on**  
  
**the Modalities of Resolution of the Outstanding Issues**  
  
**Tehran – 21 August 2007**

Pursuant to the negotiations between H.E. Dr. Larijani, I. R. of Iran's Secretary of Supreme National Security Council and H.E. Dr. ElBaradei, Director General of the IAEA, in Vienna; following the initiative and good will of the Islamic Republic of Iran and the agreement made, a high ranking delegation consisting of the directors of technical, legal and political departments of the IAEA, paid a visit to Tehran from 11 to 12 July 2007 during which “Understandings of The Islamic Republic of Iran and the IAEA on the Modalities of Resolution of the Outstanding Issues, Tehran 12 July 2007” were prepared.

A second meeting took place in Vienna on 24 July 2007 followed by a further meeting in Iran from 20 to 21 August 2007. The Agency's delegation had the opportunity to have meetings with H.E. Dr. Larijani during both visits to Tehran. Following these three consecutive meetings, both Parties reached the following understandings:

**I. Latest Developments:**

Based on the modalities agreed upon on 12 July 2007, the following decisions were made:

**1. Present Issues:**

**A. Enrichment Programme**

The Agency and Iran agreed to cooperate in preparing the safeguards approach for the Natanz Fuel Enrichment Plant in accordance with Iran's Comprehensive Safeguards Agreement. The draft text of the safeguards approach paper, and the facility attachment of IRN- were provided to Iran on 23 July 2007. The safeguards approach and the facility attachment were discussed during technical meetings in Iran between the Agency and the AEOI from 6 to 8 August 2007. Further discussions will be held with the aim of finalizing the facility attachment by the end of September 2007.

## **B. Heavy Water Research Reactor in Arak**

Iran agreed with the Agency's request to visit the heavy water research reactor (IR40) site in Arak. A successful visit took place on 30 July 2007.

## **C. Designation of new inspectors**

On 12 July 2007, Iran accepted the designation of five additional inspectors.

## **D. Issue of multiple entry visas**

On 12 July 2007, Iran agreed to issue one year multiple entry visas for 14 inspectors and staff of the Agency.

## **2. Past Outstanding Issues:**

### **A. Plutonium Experiments**

In order to conclude and close the file of the issue of plutonium (Pu), the Agency provided Iran with the remaining questions on 23 July 2007. During a meeting in Iran between representatives of the Agency and Iran, Iran provided clarifications to the Agency that helped to explain the remaining questions. In addition, on 7 August 2007, Iran sent a letter to the Agency providing additional clarifications to some of the questions. On 20 August 2007 the Agency stated that earlier statements made by Iran are consistent with the Agency's findings, and thus this matter is resolved. This will be communicated officially by the Agency to Iran through a letter.

### **B. Issue of P1-P2:**

Based on agreed modalities of 12 July 2007, Iran and the Agency agreed the following procedural steps to resolve the P1-P2 issue. The proposed timeline assumes that the Agency announces the closure of the Pu-experiments outstanding issue by 31 August 2007, and its subsequent reporting in the Director General's report to the September 2007 Board of Governors.

The Agency will provide all remaining questions on this issue by 31 August 2007. Iran and the Agency will have discussions in Iran on 24-25 September 2007 to clarify the questions provided. This will be followed up by a further meeting in mid-October 2007 to further clarify the written answers provided. The Agency's target date for the closure of this issue is November 2007.

### **C. Source of Contamination**

Based on the agreed modalities on 12 July 2007 and given the Agency's findings which tend, on balance, to support Iran's statement about the foreign origin of the observed HEU contamination, the

only remaining outstanding issue on contamination is the contamination found at a Technical University in Tehran.

Iran and the Agency agreed on the following procedural steps to address this issue, starting once the P1-P2 issue is concluded and the file is closed. The Agency will again provide Iran with the remaining questions regarding the contamination found at a Technical University in Tehran by 15 September 2007. After 2 weeks of the closure of the P1-P2 issue Iran and the Agency will have discussions in Iran on this issue.

#### **D. U Metal Document**

Upon the request of the Agency, Iran agreed to cooperate with the Agency in facilitating the comparison of the relevant sections of the document. Iran is presently reviewing the proposals already made during the first meeting on 12 July 2007. After taking this step by Iran, the Agency undertakes to close this issue.

### **II. Modalities of Resolution of other Outstanding Issues**

#### **A. Po210**

Based on agreed modalities of 12 July 2007, Iran agreed to deal with this issue, once all the above mentioned issues are concluded and their files are closed. Iran and the Agency agreed upon the following procedural steps: regarding this issue, the Agency will provide Iran in writing with all its remaining questions by 15 September 2007.

After 2 weeks from conclusion and closure of the issues of the source of contamination and U-metal, reflected in the Director General's report to the Board of Governors, Iran and the Agency will have discussions in Iran where Iran will provide explanations on the Po210.

#### **B. Ghachine Mine**

Based on agreed modalities of 12 July 2007, Iran agreed to deal with this issue, once the issue of Po210 is concluded and its file is closed. Iran and the Agency agreed upon the following procedural steps: regarding this issue, the Agency will provide Iran in writing with all its remaining questions by 15 September 2007.

After 2 weeks from conclusion and closure of the issue of Po210, reflected in the Director General's report to the Board of Governors, Iran and the Agency will have discussions in Iran where Iran will provide explanations to the Agency about Ghachine Mine.

### **III. Alleged Studies**

Iran reiterated that it considers the following alleged studies as politically motivated and baseless allegations. The Agency will however provide Iran with access to the documentation it has in its

possession regarding: the Green Salt Project, the high explosive testing and the missile re-entry vehicle.

As a sign of good will and cooperation with the Agency, upon receiving all related documents, Iran will review and inform the Agency of its assessment.

#### **IV. General Understandings**

1. These modalities cover all remaining issues and the Agency confirmed that there are no other remaining issues and ambiguities regarding Iran's past nuclear program and activities.
2. The Agency agreed to provide Iran with all remaining questions according to the above work plan. This means that after receiving the questions, no other questions are left. Iran will provide the Agency with the required clarifications and information.
3. The Agency's delegation is of the view that the agreement on the above issues shall further promote the efficiency of the implementation of safeguards in Iran and its ability to conclude the exclusive peaceful nature of the Iran's nuclear activities.
4. The Agency has been able to verify the non-diversion of the declared nuclear materials at the enrichment facilities in Iran and has therefore concluded that it remains in peaceful use.
5. The Agency and Iran agreed that after the implementation of the above work plan and the agreed modalities for resolving the outstanding issues, the implementation of safeguards in Iran will be conducted in a routine manner.

## Board of Governors

**GOV/2008/4**  
Date: 22 February 2008

Original: English

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Item 5(c) of the provisional agenda  
(GOV/2008/6)

# Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions 1737 (2006) and 1747 (2007) in the Islamic Republic of Iran

*Report by the Director General*

1. On 15 November 2007, 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) and 1747 (2007) in the Islamic Republic of Iran (Iran) (GOV/2007/58). This report covers the relevant developments since that date.
2. On 11 and 12 January 2008, the Director General met in Tehran with H.E. Ayatollah A. Khamenei, the Supreme Leader of Iran; H.E. Mr. M. Ahmadinejad, President of Iran; H.E. Mr. G. Aghazadeh, Vice President of Iran and President of the Atomic Energy Organization of Iran (AEOI); H.E. Mr. M. Mottaki, Foreign Minister; and H.E. Mr. S. Jalili, Secretary, Supreme National Security Council of Iran. The purpose of the visit was to discuss ways and means of implementing all relevant resolutions of the Board of Governors and the United Nations Security Council as well as accelerating implementation of the work plan agreed between Iran and the Secretariat on 21 August 2007 aimed at the clarification of outstanding safeguards implementation issues (GOV/2007/48, Attachment).
3. During the discussions, the Iranian leadership stated that the country's nuclear programme had always been exclusively for peaceful purposes and that there had never been a nuclear weapons development programme. The Iranian authorities agreed to accelerate implementation of the work plan.

## **A. Implementation of the Work Plan on Outstanding Issues**

### **A.1. Source of Contamination**

4. On 15 September 2007, the Agency provided Iran with questions relating to the source of the uranium particle contamination found on some equipment at a technical university, the nature of the equipment, the envisioned use of the equipment and the names and roles of individuals and entities involved, including the Physics Research Centre (PHRC) (GOV/2007/58, para. 24). This equipment was procured by the former head of PHRC, who had also been a professor at the university. He had also procured, or attempted to procure, other equipment, such as balancing machines, mass spectrometers, magnets and fluorine handling equipment, which could be useful in uranium enrichment activities (GOV/2006/27, para. 25).

5. On 10–12 December 2007 and on 15–16 December 2007, meetings took place in Tehran between the Agency and Iranian officials during which Iran provided answers to the questions and the Agency requested additional clarifications regarding the intended purpose of the equipment, the persons and entities who had requested the items, the recipients, and the use and locations, both past and present, of the equipment. In a follow-up letter dated 18 December 2007, the Agency provided Iran with further details regarding the equipment.

6. In a letter dated 3 January 2008, the Agency reminded Iran that Iran needed to provide additional clarifications to allow a full assessment of the issue of the source of contamination and procurement efforts.

7. In a letter dated 8 January 2008, Iran provided answers to the questions raised by the Agency in its letter of 3 January 2008.

#### **A.1.1. Use of Equipment and Source of Contamination**

8. According to Iran, vacuum equipment was procured in 1990 on behalf of the technical university by the former Head of PHRC because of his expertise in procurement and PHRC's business connections. The equipment was intended to be used at the Physics Department of the technical university for the coating of items such as optical mirrors, optical lasers, laser mirrors, resistive layers for solar cells and mirrors for use in medical operating theatres.

9. Iran stated that, upon receipt of the equipment in 1991, it was noticed that the delivery was incomplete and that some incorrect parts had been supplied. The equipment was therefore put into storage at the university. Iran further stated that a number of letters of complaint were written to the supplier company at intervals until 1994, but to no avail.

10. According to Iran, some individual pieces of equipment were used both inside and outside the university during the period 1994–2003 in research, operation and maintenance activities involving vacuum conditions, but other parts of the consignment were never used. As its explanation of how the contamination had come about, Iran said that, in 1998, an individual who was testing used centrifuge components from Pakistan at the laboratory at Vanak Square for the AEOI (GOV/2004/34, para. 31) had asked the vacuum service of the university to come and repair a pump. Iran stated that some items of the vacuum equipment mentioned above were used for this repair activity and that, when these items were eventually brought back to the university, they spread uranium particle contamination.

11. To assess the information provided by Iran, the Agency spoke with the individual from the Vanak Square laboratory and the vacuum technician from the university who had carried out the repairs. The Agency was also shown the pump that had been repaired using the equipment concerned. The Agency made a detailed analysis of the signatures of the contamination of the equipment and



compared them with those of the swipe samples taken from the centrifuge components in Iran which had originated in Pakistan. The Agency concluded that the explanation and supporting documentation provided by Iran regarding the possible source of contamination by uranium particles at the university were not inconsistent with the data currently available to the Agency. The Agency considers this question no longer outstanding at this stage. However, the Agency continues, in accordance with its procedures and practices, to seek corroboration of its findings and to verify this issue as part of its verification of the completeness of Iran's declarations.

#### **A.1.2. Procurement activities by the former Head of PHRC**

12. According to Iran, none of the equipment purchased or enquired about by the former Head of PHRC (see para. 4 above) was intended for use in uranium enrichment or conversion related activities, whether for research and development (R&D) or for educational activities in these fields. Procurements and procurement attempts by the former Head of PHRC were said by Iran to have also been made on behalf of other entities of Iran, as described below.

13. Iran stated that the vacuum equipment purchased by the Head of PHRC had been intended for educational purposes in the Vacuum Technique Laboratory of the university, specifically for use in experiments by students on thin layer production using evaporation and vacuum techniques, coating using vacuum systems and leak detection in vacuum systems. To support its statements, Iran presented instruction manuals related to the various experiments, internal communications on the procurement of the equipment and shipping documents. Agency inspectors visited the Vacuum Technique Laboratory and confirmed the presence of the equipment there.

14. Iran stated that some magnets had also been purchased by the Head of the PHRC on behalf of the Physics Department of the university for educational purposes in "Lenz-Faraday experiments". To support this statement, Iran presented a number of documents: instruction manuals related to the experiments; requests for funding which indicated that a decision had been made to approach the Head of PHRC to order and purchase the parts; and an invoice for cash sales from the supplier. Iran stated that the magnets were discarded after being used.

15. According to Iran, the Head of PHRC attempted twice — once successfully — to buy a balancing machine for the Mechanical Engineering Department of the university for educational purposes, such as in the measurement of vibrations and forces in rotating components due to unbalancing. To support Iran's statement, the Agency was shown laboratory experiment procedures, requests about procurement and a letter confirming the completion of the purchase. Agency inspectors visited the Mechanical Engineering Department and confirmed the presence of the balancing machine there.

16. According to Iran, the Head of PHRC also attempted to purchase 45 gas cylinders, each containing 2.2 kg of fluorine, on behalf of the Office of Industrial Interrelations of the university. Iran stated that the intended purpose of the fluorine had been to enhance the chemical stability of polymeric vessels. To support its statements, Iran presented a request to buy fluorine and a communication between the Head of PHRC and the President of the university about the proposed supplier's refusal to deliver the goods.

17. Iran stated that the AEOI had encountered difficulties with procurement because of international sanctions imposed on the country, and that that was why the AEOI had requested the Dean of the university to assist in the procurement of a UF<sub>6</sub> mass spectrometer. According to Iran, in 1988, the Dean of the university approached the Head of the Mechanics Workshop of the Shahid Hemmat Industrial Group (SHIG), which belonged to the Ministry of Sepah, and asked him to handle the procurement. According to Iran, the mass spectrometer was never delivered. The Head of the Mechanics Workshop, who was later appointed Head of PHRC when it was established in 1989, is the same person involved in the other procurement attempts mentioned above.

18. The Agency took note of the information and supporting documents provided by Iran as well as the statements made by the former Head of PHRC to the Agency and concluded that the replies were not inconsistent with the stated use of the equipment. The role and activities of PHRC will be further addressed in connection with the alleged studies as discussed below.

## **A.2. Uranium Metal Document**

19. On 8 November 2007, the Agency received a copy from Iran of the 15-page document describing the procedures for the reduction of UF<sub>6</sub> to uranium metal and the machining of enriched uranium metal into hemispheres, which are components of nuclear weapons. Iran reiterated that this document had been received along with the P-1 centrifuge documentation in 1987 and that it had not been requested by Iran. The Agency is still waiting for a response from Pakistan on the circumstances of the delivery of this document in order to understand the full scope and content of the offer made by the network in 1987 (GOV/2006/15, paras 20–22).

## **A.3. Polonium-210**

20. Polonium-210 is of interest to the Agency because it can be used not only for civilian applications (such as radioisotope batteries), but also — in conjunction with beryllium — for military purposes, such as neutron initiators in some designs of nuclear weapons. On 20–21 January 2008, a meeting took place in Tehran between the Agency and Iranian officials during which Iran provided answers to the questions raised by the Agency in its letter dated 15 September 2007 regarding polonium-210 research (GOV/2007/58, para. 26). The Agency's questions included a request to see the original project documentation.

21. According to Iran, in the 1980s, scientists from the Tehran Nuclear Research Centre (TNRC) were asked to propose new research activities. A project called "Production of <sup>210</sup>Po by the irradiation of <sup>209</sup>Bi in the TNRC reactor" was proposed and eventually approved by the Scientific Advisory Committee of TNRC in 1988. The project consisted of fundamental research aimed at enhancing knowledge about this process. According to Iran, it was not aimed at a specific immediate application. However, a potential use in radioisotope batteries, if the chemical extraction of polonium-210 proved successful, was mentioned in the initial proposal.

22. Iran reiterated that the project was not part of any larger R&D project, but had been a personal initiative of the project leader. According to Iran, the chemist working on the project left the country before full chemical processing had been performed, the project was aborted and the decayed samples were discarded as waste (GOV/2004/11, para. 30).

23. To support its statements, Iran presented additional copies of papers and literature searches that had formed the basis for the request for approval of the project. Iran also provided copies of the project proposal, the meeting minutes and the approval document from the Scientific Advisory Committee of TNRC, as well as a complete copy of the reactor logbook for the entire period that the samples were present in the reactor.

24. Based on an examination of all information provided by Iran, the Agency concluded that the explanations concerning the content and magnitude of the polonium-210 experiments were consistent with the Agency's findings and with other information available to it. The Agency considers this question no longer outstanding at this stage. However, the Agency continues, in accordance with its procedures and practices, to seek corroboration of its findings and to verify this issue as part of its verification of the completeness of Iran's declarations.

#### **A.4. Gchine Mine**

25. On 22 and 23 January 2008, a meeting took place in Tehran between the Agency and Iranian officials during which Iran provided answers to the questions raised by the Agency in its letter dated 15 September 2007 (GOV/2007/58, para. 27) with a view to achieving a better understanding of the complex arrangements governing the past and current administration of the Gchine uranium mine and mill (GOV/2005/67, paras 26–31).

26. According to Iran, the exploitation of uranium at the Gchine mine, as well as the ore processing activities at the Gchine uranium ore concentration (UOC) plant, have always been and remain the responsibility of the AEOI.

27. Iran stated that, by 1989, the extent of uranium reserves at Saghand in central Iran had been established in cooperation with Chinese experts. Considering the promising output of this region, a contract for equipping the Saghand mine and designing a uranium ore processing plant was concluded with Russian companies in 1995. Insufficient funding was allocated in the Government's 1994–1998 five-year plan for the AEOI to pursue activities at both Gchine and Saghand. Since there was more uranium (estimated 1000 tonnes) at Saghand than at Gchine (estimated 40 tonnes), it was decided to spend the available funds on Saghand.

28. According to Iran, in the period 1993–1998, tasks such as the preparation of technical reports and studies, and some chemical testing of ores, were performed at the AEOI Ore Processing Center (OPC) at TNRC. The focus of some of the documentation work had been to justify funding of Gchine in the 1999–2003 five-year plan. These efforts were successful and funding for further exploration and exploitation at Gchine was approved in the plan. A decision to construct a UOC plant at Gchine, known as "Project 5/15", was made on 25 August 1999.

29. During the 22–23 January 2008 meetings, Iran also provided the Agency with supporting documentation regarding the budget, the five-year plans, contracts with foreign entities and the preparation of studies and reports. The Agency concluded that the documentation was sufficient to confirm the AEOI's continuing interest in and activity at Gchine in the 1993–1999 period.

30. Regarding the origin and role of the Kimia Maadan (KM) Company, Iran stated that the OPC, in addition to its own staff, had hired consultants and experts for various projects, including for work relating to Gchine. When budget approval was given in 1999 for exploration and exploitation at Gchine, some experts and consultants had formed a company (KM) to take on a contract from the AEOI for the Gchine plant. Supporting documentation was provided to the Agency showing that KM was registered as a company on 4 May 2000. Iran stated that KM's core staff of about half a dozen people consisted of experts who had previously worked for the OPC. At the peak of activity, the company employed over 100 people. In addition to its own staff, KM made use of experts from universities and subcontractors to work on the project.

31. According to Iran, KM was given conceptual design information by the AEOI consisting of drawings and technical reports. KM's task was to do the detailed design, to procure and install equipment and to put the Gchine UOC plant into operation. The contract imposed time constraints and the time pressure led to some mistakes being made. After the detailed design was completed, changes had to be made which led to financial problems for KM.

32. Iran stated that KM had had only one project — the one with the AEOI for construction of the Gchine UOC plant on a turnkey basis. However, the company had also helped with procurement for the AEOI because of the AEOI's procurement constraints due to sanctions (GOV/2006/15, para. 39). A document listing items procured for the Uranium Conversion Facility (UCF) was provided by Iran. According to Iran, because of KM's financial problems, the company ceased work on the Gchine project in June 2003, when the three-year contract with the AEOI came to an end. Iran stated that KM

was officially deregistered on 8 June 2003 and provided a document supporting this statement. After KM stopped work, the OPC again took over work on the Gchine UOC plant.

33. Iran stated that KM had been able to progress quickly from its creation in May 2000 and to install foundations for the UOC plant by late December 2000 because the conceptual design for the plant had been done by the OPC. This conceptual design and other “know-how” had been supplied to KM, which used the information for the detailed design of processing equipment. KM was therefore quickly able to prepare drawings and issue purchase orders. Documents supporting the conceptual work done by the AEOI were presented to the Agency by Iran.

34. Much of the supporting information provided by Iran had not been presented to the Agency during past discussions about Gchine. The Agency concluded that the information and explanations provided by Iran were supported by the documentation, the content of which is consistent with the information already available to the Agency. The Agency considers this question no longer outstanding at this stage. However, the Agency continues, in accordance with its procedures and practices, to seek corroboration of its findings and continues to verify this issue as part of verification of the completeness of Iran’s declarations.

### **A.5. Alleged Studies**

35. The Agency has continued to urge Iran, as demanded by the Security Council, to address the alleged studies concerning the conversion of uranium dioxide (UO<sub>2</sub>) into uranium tetrafluoride (UF<sub>4</sub>) (the green salt project), high explosives testing and the design of a missile re-entry vehicle, which could have a military nuclear dimension and which appear to have administrative interconnections, and in view of their possible link to nuclear material (GOV/2007/58, para. 28). As part of the work plan, Iran agreed to address these alleged studies.

36. On 27 and 28 January 2008 and from 3 to 5 February 2008, the Agency and Iran discussed the alleged studies at meetings in Tehran. During these discussions, the Agency provided detailed information about the allegations and asked for clarification concerning other issues that had arisen during the implementation of the work plan, including the roles of PHRC, KM, the Education Research Institute (ERI) and the Institute of Applied Physics (IAP) (GOV/2004/83, paras 100–101).

37. The Agency showed Iran certain documentation which the Agency had been given by other Member States, purportedly originating from Iran, including a flowsheet of bench scale conversion of UO<sub>2</sub> to UF<sub>4</sub>. The documents show a capacity of the process of about 1 tonne per year of UF<sub>4</sub>. The flowsheet has KM markings on it and refers to “Project 5/13.” The documentation includes communications between the project staff and another private company on the acquisition of process instrumentation. These communications also make reference to the leadership of the project concerning the missile re-entry vehicle. The Agency also presented a sketch of a process to produce 50 tonnes of UF<sub>4</sub> per year.

38. Iran stated that the allegations were baseless and that the information which the Agency had shown to Iran was fabricated. However, Iran agreed to clarify its statement in detail. On 8 February and 12 February 2008, the Agency reiterated in writing its request for additional clarifications. On 14 February 2008, Iran responded, reiterating its earlier statements and declaring that this was its final assessment on this point. Iran stated that the only organization that had been, and was, involved in fuel cycle activities was the AEOI and that the AEOI had had a contract with KM to develop a UOC plant in Gchine, which was the only project in which KM was ever involved. In Iran’s view, the flowsheet was a fabrication and the accusation baseless.

39. During the meetings on 3–5 February 2008, the Agency made available documents for examination by Iran and provided additional technical information related to: the testing of high voltage detonator firing equipment; the development of an exploding bridgewire detonator (EBW); the

simultaneous firing of multiple EBW detonators; and the identification of an explosive testing arrangement that involved the use of a 400 m shaft and a firing capability remote from the shaft by a distance of 10 km, all of which the Agency believes would be relevant to nuclear weapon R&D. Iran stated that the documents were fabricated and that the information contained in those documents could easily be found in open sources. During the meetings mentioned above, the Agency also described parameters and development work related to the Shahab 3 missile, in particular technical aspects of a re-entry vehicle, and made available to Iran for examination a computer image provided by other Member States showing a schematic layout of the contents of the inner cone of a re-entry vehicle. This layout has been assessed by the Agency as quite likely to be able to accommodate a nuclear device. Iran stated that its missile programme involved the use of conventional warheads only and was also part of the country's space programme, and that the schematic layout shown by the Agency was baseless and fabricated.

40. During the meetings of 27–28 January and 3–5 February 2008, the Agency asked Iran to clarify a number of procurement actions by the ERI, PHRC and IAP which could relate to the above-mentioned alleged studies. These included training courses on neutron calculations, the effect of shock waves on metal, enrichment/isotope separation and ballistic missiles. Efforts to procure spark gaps, shock wave software, neutron sources, special steel parts (GOV/2006/15, para. 37) and radiation measurement equipment, including borehole gamma spectrometers, were also made. In its written response on 5 February 2008, Iran stated that 'PAM shock' software was enquired about "in order to study aircraft, collision of cars, airbags and for the design of safety belts." Iran also stated that the radiation monitors it had enquired about were meant to be used for radiation protection purposes. Iran's response regarding the efforts to procure training courses on neutron calculations, and enrichment/isotope separation, spark gaps, shock wave software, neutron sources and radiation measurement equipment for borehole gamma spectrometers is still awaited.

41. During the same meetings, the Agency requested clarification of the roles of certain officials and institutes and their relation to nuclear activities. Iran was also asked to clarify projects such as the so-called "Project 4" (possibly uranium enrichment) and laser related R&D activities. Iran denied the existence of some of the organizations and project offices referred to in the documentation and denied that other organizations named were involved in nuclear related activities. Iran also denied the existence of some of the people named in the documentation and said allegations about the roles of other people named were baseless. Iran's response to the Agency's request regarding "Project 4" and laser related R&D activities is still awaited

42. On 15 February 2008, the Agency proposed a further meeting to show additional documentation on the alleged studies to Iran, after being authorized to do so by the countries which had provided it. Iran has not yet responded to the Agency's proposal.

## **B. Current Enrichment Related Activities**

43. On 12 December 2007, the first physical inventory taking was carried out at the Fuel Enrichment Plant (FEP) in Natanz and verified by the Agency. Since the beginning of operations in February 2007, a total of 1670 kg of UF<sub>6</sub> had been fed into the cascades. The operator presented, inter alia, about 75 kg of UF<sub>6</sub> as the product, with a stated enrichment of 3.8% U-235. The throughput of the facility has been well below its declared design capacity. There has been no installation of centrifuges outside the original 18-cascade area. Installation work, including equipment and sub-header pipes, is continuing for other cascade areas. Since March 2007, a total of nine unannounced inspections have

been carried out at FEP. All nuclear material at FEP remains under Agency containment and surveillance.

44. On 8 November 2007, Iran stated that it “agreed that exchanging of the new centrifuge generation information” would be discussed with the Agency in December 2007 (GOV/2007/58, para. 33). On 13 January 2008, the Director General and Deputy Director General for Safeguards visited an AEOI R&D laboratory at Kalaye Electric, where they were given information on R&D activities being carried out there. These included work on four different centrifuge designs: two subcritical rotor designs, a rotor with bellows and a more advanced centrifuge. Iran informed the Agency that the R&D laboratory was developing centrifuge components, measuring equipment and vacuum pumps with the aim of having entirely indigenous production capabilities in Iran.

45. On 15 January 2008, Iran informed the Agency about the planned installation of the first new generation subcritical centrifuge (IR-2) at the Pilot Fuel Enrichment Plant (PFEP) and provided relevant design information. On 29 January 2008, the Agency confirmed that a single IR-2 test machine and a 10-machine IR-2 test cascade had been installed at PFEP. Iran reported that about 0.8 kg of UF<sub>6</sub> had been fed to the single machine between 22 and 27 January 2008. Iran has continued to test P-1 centrifuges in one single machine, one 10-, one 20- and one 164-machine cascade at PFEP. Between 23 October 2007 and 21 January 2008, Iran fed a total of about 8 kg of UF<sub>6</sub> into the single P-1 and the 10-machine P-1 cascade; no nuclear material was fed into the 20- and 164-machine cascades. At the end of January 2008, the single P-1 machine and the 10- and 20-machine P-1 cascades were dismantled and the space was used for the new IR-2 machines. All activities took place under Agency containment and surveillance.

46. On 5 February 2008, the Deputy Director General for Safeguards and the Director of Safeguards Operations B visited laboratories at Lashkar Abad, where laser enrichment activities had taken place in 2003 and earlier. The laboratories are now run by a private company, which is producing and developing laser equipment for industrial purposes. All the former laser equipment has been dismantled and some of it is stored at the site. The management of the company provided detailed information on current and planned activities, including plans for extensive new construction work, and stated that they are not carrying out, and are not planning, any uranium enrichment activities.

## **C. Reprocessing Activities**

47. The Agency has continued monitoring the use and construction of hot cells at the Tehran Research Reactor (TRR), the Molybdenum, Iodine and Xenon Radioisotope Production Facility (the MIX Facility) and the Iran Nuclear Research Reactor (IR-40) through inspections and design information verification. There have been no indications of ongoing reprocessing related activities at those facilities. In addition, Iran has stated that there have been no reprocessing related R&D activities in Iran, which the Agency can confirm only with respect to these facilities.

## **D. Heavy Water Reactor Related Projects**

48. On 5 February 2008, the Agency carried out design information verification at the IR-40 and noted that construction of the facility was ongoing. The Agency has continued to monitor the

construction of the Heavy Water Production Plant using satellite imagery. The imagery appears to indicate that the plant is operating.

## **E. Other Implementation Issues**

### **E.1. Uranium Conversion**

49. During the current conversion campaign at UCF, which began on 31 March 2007, approximately 120 tonnes of uranium in the form of UF<sub>6</sub> had been produced as of 2 February 2008. This brings the total amount of UF<sub>6</sub> produced at UCF since March 2004 to 309 tonnes, all of which remains under Agency containment and surveillance. Iran has stated that it is carrying out no uranium conversion related R&D activities other than those at Esfahan.

### **E.2. Design Information**

50. On 30 March 2007, the Agency requested Iran to reconsider its decision to suspend the implementation of the modified text of its Subsidiary Arrangements General Part, Code 3.1. (GOV/2007/22, paras 12–14), but there has been no progress on this issue. However, Iran has provided updated design information for PFEP.

### **E.3. Other Matters**

51. On 26 November 2007, the Agency verified and sealed in the Russian Federation the fresh fuel foreseen for the Bushehr Nuclear Power Plant (BNPP), before its shipment to Iran. As of February 2008, all fuel assemblies had been received, verified and re-sealed at BNPP.

## **F. Summary**

52. The Agency has been able to continue to verify the non-diversion of declared nuclear material in Iran. Iran has provided the Agency with access to declared nuclear material and has provided the required nuclear material accountancy reports in connection with declared nuclear material and activities. Iran has also responded to questions and provided clarifications and amplifications on the issues raised in the context of the work plan, with the exception of the alleged studies. Iran has provided access to individuals in response to the Agency's requests. Although direct access has not been provided to individuals said to be associated with the alleged studies, responses have been provided in writing to some of the Agency's questions.

53. The Agency has been able to conclude that answers provided by Iran, in accordance with the work plan, are consistent with its findings — in the case of the polonium-210 experiments and the Gchine mine — or are not inconsistent with its findings — in the case of the contamination at the technical university and the procurement activities of the former Head of PHRC. Therefore, the Agency considers those questions no longer outstanding at this stage. However, the Agency continues, in accordance with its procedures and practices, to seek corroboration of its findings and to verify these issues as part of its verification of the completeness of Iran's declarations.

54. The one major remaining issue relevant to the nature of Iran's nuclear programme is the alleged studies on the green salt project, high explosives testing and the missile re-entry vehicle. This is a

matter of serious concern and critical to an assessment of a possible military dimension to Iran's nuclear programme. The Agency was able to show some relevant documentation to Iran on 3–5 February 2008 and is still examining the allegations made and the statements provided by Iran in response. Iran has maintained that these allegations are baseless and that the data have been fabricated. The Agency's overall assessment requires, inter alia, an understanding of the role of the uranium metal document, and clarifications concerning the procurement activities of some military related institutions still not provided by Iran. The Agency only received authorization to show some further material to Iran on 15 February 2008. Iran has not yet responded to the Agency's request of that same date for Iran to view this additional documentation on the alleged studies. In light of the above, the Agency is not yet in a position to determine the full nature of Iran's nuclear programme. However, it should be noted that the Agency has not detected the use of nuclear material in connection with the alleged studies, nor does it have credible information in this regard. The Director General has urged Iran to engage actively with the Agency in a more detailed examination of the documents available about the alleged studies which the Agency has been authorized to show to Iran.

55. The Agency has recently received from Iran additional information similar to that which Iran had previously provided pursuant to the Additional Protocol, as well as updated design information. As a result, the Agency's knowledge about Iran's current declared nuclear programme has become clearer. However, this information has been provided on an ad hoc basis and not in a consistent and complete manner. The Director General has continued to urge Iran to implement the Additional Protocol at the earliest possible date and as an important confidence building measure requested by the Board of Governors and affirmed by the Security Council. The Director General has also urged Iran to implement the modified text of its Subsidiary Arrangements General Part, Code 3.1 on the early provision of design information. Iran has expressed its readiness to implement the provisions of the Additional Protocol and the modified text of its Subsidiary Arrangements General Part, Code 3.1, "if the nuclear file is returned from the Security Council to the IAEA".

56. Contrary to the decisions of the Security Council, Iran has not suspended its enrichment related activities, having continued the operation of PFEP and FEP. In addition, Iran started the development of new generation centrifuges. Iran has also continued construction of the IR-40 reactor and operation of the Heavy Water Production Plant.

57. With regard to its current programme, Iran needs to continue to build confidence about its scope and nature. Confidence in the exclusively peaceful nature of Iran's nuclear programme requires that the Agency be able to provide assurances not only regarding declared nuclear material, but, equally importantly, regarding the absence of undeclared nuclear material and activities in Iran. With the exception of the issue of the alleged studies, which remains outstanding, the Agency has no concrete information about possible current undeclared nuclear material and activities in Iran. Although Iran has provided some additional detailed information about its current activities on an ad hoc basis, the Agency will not be in a position to make progress towards providing credible assurances about the absence of undeclared nuclear material and activities in Iran before reaching some clarity about the nature of the alleged studies, and without implementation of the Additional Protocol. This is especially important in the light of the many years of undeclared activities in Iran and the confidence deficit created as a result. The Director General therefore urges Iran to implement all necessary measures called for by the Board of Governors and the Security Council to build confidence in the peaceful nature of its nuclear programme.

58. The Director General will continue to report as appropriate.





## Security Council

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### Note by the President of the Security Council

In paragraph 2 of resolution 1984 (2011), the Security Council requested the Panel of Experts established pursuant to resolution 1929 (2010) to provide a final report to the Council with its findings and recommendations.

Accordingly, the President hereby circulates the report dated 4 June 2012 received from the Panel of Experts (see annex).

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## Annex

### **Letter dated 4 June 2012 from the Panel of Experts established pursuant to resolution 1929 (2010) addressed to the President of the Security Council**

On behalf of the Panel of Experts established pursuant to Security Council resolution 1929 (2010), I have the honour to transmit herewith, in accordance with paragraph 2 of resolution 1984 (2011), the final report on its work.

(Signed) **Salomé Zourabichvili**  
Coordinator  
Panel of Experts established pursuant to resolution 1929 (2010)

(Signed) **Jonathan Brewer**  
Expert

(Signed) **Kenichiro Matsubayashi**  
Expert

(Signed) **Thomas Mazet**  
Expert

(Signed) **Jacqueline Shire**  
Expert

(Signed) **Elena Vodopolova**  
Expert

(Signed) **Olasehinde Ishola Williams**  
Expert

(Signed) **Wenlei Xu**  
Expert

## Final report of the Panel of Experts established pursuant to resolution 1929 (2010)

### *Summary*

The present final report is submitted pursuant to Security Council resolution 1984 (2011) and in accordance with the mandate set forth in paragraph 29 of resolution 1929 (2010). It contains the analysis, conclusions and recommendations of the Panel of Experts established pursuant to resolution 1929 (2010) regarding compliance by the Islamic Republic of Iran with the provisions of that and related resolutions, in addition to information provided by Member States regarding their implementation. The Panel draws on consultations with Member States and experts, inspections of reported incidents of non-compliance and assessments of implementation reports submitted by Member States under resolution 1929 (2010). The report also contains a discussion of other work undertaken by the Panel relevant to its mandate, including outreach activities to Member States, regional groups and the private sector and, where appropriate, the provision of technical advice.

The sanctions measures specified in resolution 1929 (2010) and previous resolutions are part of a coordinated and intensive effort by the international community to persuade the Islamic Republic of Iran to resolve outstanding questions about the nature of its nuclear programme and demonstrate that it is for purely peaceful purposes. Sanctions remain one element of a dual-track approach to the country, which includes diplomatic efforts by China, France, Germany, the Russian Federation, the United Kingdom of Great Britain and Northern Ireland and the United States of America. These sanctions are targeted at specific activities, institutions, entities and individuals related to the Islamic Republic of Iran's prohibited proliferation-sensitive nuclear activities and development of a nuclear weapon delivery system, in addition to transfers of conventional weapons.

Sanctions are slowing the procurement by the Islamic Republic of Iran of some critical items required for its prohibited nuclear programme. At the same time, prohibited activities, including uranium enrichment, are continuing. The Islamic Republic of Iran has still not complied with the requests of the International Atomic Energy Agency for information to clarify the possible military dimensions of its programme. In the present report, the Panel identifies the acquisition of high-grade carbon fibre as one of a number of critical items that the Islamic Republic of Iran requires for the development of more advanced centrifuges. The report also contains an analysis of the country's requirements for uranium ore in the context of its current and future planned activities, while noting that no procurement attempts have been reported to the Security Council Committee established pursuant to resolution 1737 (2006).

The Iranian ballistic missile programme continues to develop, as demonstrated by additional launches, their prohibition under resolution 1929 (2010) notwithstanding. In the present report, the Panel provides the conclusions of its investigation into the June 2011 launch of the Rasad satellite, which was reported to the Committee.

The Panel takes note of the recent designations by the Security Council Committee established pursuant to resolution 1718 (2006) concerning the Democratic People's Republic of Korea of two Democratic People's Republic of Korea entities and their links to the Iranian ballistic missile programme.

The Islamic Republic of Iran has continued to defy the international community through illegal arms shipments. Three interdictions of conventional arms or related materiel are identified in the present report. Two of these involve the Syrian Arab Republic, as did most of the cases inspected by the Panel during its previous mandate, underscoring that the Syrian Arab Republic continues to be the central party to illicit Iranian arms transfers. The Panel recommends the designation of two entities related to these interdictions.

The Panel also takes note of information received concerning arms shipments by the Islamic Republic of Iran to other destinations.

The Panel highlights the challenges in identifying specific transactions or businesses involving Islamic Revolutionary Guards Corps entities that could contribute to the country's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems. It also describes the involvement of an Islamic Revolutionary Guards Corps entity in a transfer of conventional arms reported to the Committee.

The transportation sector offers unique challenges for sanctions implementation. The report details the complex structure of the Islamic Republic of Iran Shipping Lines, with its frequent changes in ownership, names or national flags of vessels, and whose activities are subject to vigilance under paragraph 22 of resolution 1929 (2010). This is illustrated in the case of the Irano Hind Shipping Company, an Islamic Republic of Iran Shipping Lines entity, which was designated under resolution 1929 (2010) and whose vessels continue to operate.

The Panel concludes that financial sanctions have been implemented by many Member States with rigour and welcomes the new Financial Action Task Force standard on financing of proliferation.

The Panel underscores the growing level of awareness among Member States of the importance of strong export controls in the implementation of sanctions. The Panel identified small and medium-sized enterprises as an attractive target of Iranian illicit procurement attempts, and highlighted the importance of outreach to such enterprises for effective implementation of export controls.

Interdictions of prohibited shipments are vital for slowing the Islamic Republic of Iran's proliferation-sensitive nuclear and ballistic missile activities and preventing arms transfers from the country. The Panel recognizes the value of sharing intelligence and cooperation among Member States in successful interdictions.

The Panel is aware of interdictions, of which only a few have been reported to the Committee. The Panel wishes to underline that this reporting is central to its ability to analyse patterns of procurement and illicit activity and develop recommendations. Information regarding denials of export licences for sensitive items, or attempted transfers identified by vigilant Customs authorities, is equally important.

During consultations with Member States, those that were not members of the Security Council raised the issue of the availability of the Panel's 2011 final report, which they suggested would be useful in having a better understanding of sanctions implementation and improving national measures.

Although there remain examples of Member States who have yet to implement United Nations sanctions fully, the Panel is encouraged by the high level of commitment among most of its interlocutors to the effective implementation of the sanctions contained in Security Council resolution 1929 (2010).

## I. Introduction

1. The present report has been prepared in accordance with the Panel's mandate as set forth in paragraph 29 of resolution 1929 (2010), and renewed in resolution 1984 (2011) on 9 June 2011. It contains a summary of the Panel's work over the past 11 months in the areas of inspections of reported sanctions violations, consultations with Member States, outreach to Member States and the private sector, and discussions with outside experts. These activities are described in further detail in paragraphs 16 to 42.

2. The Panel consists of eight members, who were reappointed by the Secretary-General on 30 June 2011 (S/2011/405). The Panel's composition is as follows: Salomé Zourabichvili (France), Coordinator; Jonathan Brewer (United Kingdom of Great Britain and Northern Ireland); Kenichiro Matsubayashi (Japan); Thomas Mazet (Germany); Jacqueline Shire (United States of America); Elena Vodopolova (Russian Federation); Olasehinde Ishola Williams (Nigeria); and Wenlei Xu (China).

3. The Panel operates under the direction of the Security Council Committee established pursuant to resolution 1737 (2006). The mandate of the Panel, as set forth in paragraph 29 of resolution 1929 (2010), is:

(a) To assist the Committee in carrying out its mandate as specified in paragraph 18 of resolution 1737 (2006) and paragraph 28 of resolution 1929 (2010);

(b) To gather, examine and analyse information from Member 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 1929 (2010), in particular incidents of non-compliance;

(c) To make recommendations on actions the Council, or the Committee or the State, may consider to improve implementation of the relevant measures;

(d) To provide a final report to the Council no later than 30 days prior to the termination of its mandate, with its findings and recommendations.

In its resolution 1984 (2011), the Security Council extended the mandate of the Panel until 9 June 2012.

4. In its resolution 1929 (2010), the Security Council sought to strengthen and build upon the measures contained in resolutions 1737 (2006), 1747 (2007) and 1803 (2008), with a view to persuading the Islamic Republic of Iran to comply with its Security Council obligations. Measures imposed by the Security Council on the Islamic Republic of Iran include:

(a) An embargo on proliferation-sensitive nuclear and ballistic missile activities (resolution 1737 (2006), paras. 3-7 and 9; resolution 1803 (2008), para. 8; and resolution 1929 (2010), paras. 7, 9 and 13);

(b) An arms embargo (resolution 1747 (2007), para. 5; and resolution 1929 (2010), para. 8);

(c) A travel ban (resolution 1929 (2010), para. 10);

(d) An asset freeze (resolution 1737 (2006), paras. 12-15; resolution 1747 (2007), para. 4; resolution 1803 (2008), para. 7; and resolution 1929 (2010), paras. 11, 12 and 19);

- (e) Other business restrictions (resolution 1929 (2010), para. 22);
- (f) The seizure and disposal of proscribed items, following inspections of cargo (resolution 1929 (2010), paras. 14-17);
- (g) A ban on the provision of bunkering services (resolution 1929 (2010), para. 18);
- (h) Financial-related measures (resolution 1747 (2007), para. 7; resolution 1803 (2008), paras. 9 and 10; and resolution 1929 (2010), paras. 21, 23 and 24; in addition to the sixteenth preambular paragraph of resolution 1929 (2010));
- (i) Other requests and calls to Member States (resolution 1737 (2006), para. 17; and resolution 1929 (2010), para. 20).

## A. Methodology

5. The Panel carried out its tasks on the basis of the mandate stipulated in paragraph 29 of resolution 1929 (2010) and the directions given by the Committee, mindful of the methodological standards contained in the report of the Informal Working Group of the Security Council on General Issues of Sanctions (S/2006/997) and further described in the publication *Best Practices and Recommendations for Improving the Effectiveness of United Nations Sanctions*, which is based on that report.

6. In fulfilling its mandate, the Panel, as an independent expert body, sought to meet the required high evidentiary methodological standards. The Panel endeavoured to ensure that its findings were substantiated, and that the information contained in its reports derived from credible sources, was as transparent and verifiable as possible and, in the case of reported violations of sanctions, included wherever possible first-hand, on-site observations by the experts themselves. The Panel was also mindful of the importance of maintaining the confidentiality of sources of information, when requested. The Panel's decisions were arrived at by consensus and, where there were differences in conclusions, the majority carried and dissenting views were reflected.

## B. Background

7. The political and economic environment in which the international community is implementing its obligations under resolution 1929 (2010) has undergone significant changes over the past year. Economies are struggling to overcome economic downturns amid rising energy prices. The Panel's focus was to assess the implementation of targeted Security Council sanctions and understand their impact against that shifting background.

8. Over the same period, significant questions remained regarding the peaceful nature of the Iranian nuclear programme. In its most recent reports, the International Atomic Energy Agency (IAEA) highlighted concerns regarding possible military dimensions of the programmes (see GOV/2011/65, para. 53).

9. Although provocative statements and actions have at times affected the international climate and increased tensions over the past year, there has been progress in recent months in finding a negotiated solution to the Iranian nuclear issue.

10. Negotiations between the Islamic Republic of Iran and the “E3 + 3” group of countries (China, France, Germany, the Russian Federation, the United Kingdom and the United States) have restarted. In a letter dated 19 October 2011, Catherine Ashton, High Representative of the European Union for Foreign Affairs and Security Policy, welcomed the Islamic Republic of Iran’s suggestion to resume talks. The country responded positively on 15 February 2012 and talks were held in Istanbul, Turkey, on 14 April 2012. Ms. Ashton described the talks as constructive and useful. The Minister for Foreign Affairs of the Islamic Republic of Iran, Aliakbar Salehi, said that Istanbul was the beginning for ending the nuclear dispute.<sup>1</sup> A second round of talks took place on 23 May 2012 in Baghdad.

11. Security Council resolutions are targeted at specific activities, institutions, entities and individuals related to the Islamic Republic of Iran’s prohibited nuclear and missile activities, and conventional arms imports and exports. It is difficult to assess their impact, in particular measured against stronger and more comprehensive sanctions imposed by Member States unilaterally.

12. Unilateral sanctions are an issue that Member States raise regularly with the Panel in the context of their implementation of targeted Security Council sanctions. A number of Member States, which implement only these sanctions, have expressed concern to the Panel that unilateral sanctions have a negative impact on legitimate economic activities allowed under United Nations sanctions.

13. The impact of sanctions on the Iranian economy is sometimes difficult to distinguish from the impact of domestic economic policies, in particular the effects of cuts to long-standing consumer subsidies initiated in 2010. There are growing signs, however, that sanctions are having an impact, including through rising prices and a devaluing currency. According to an announcement by the Central Bank of Iran on 4 March 2012, the Iranian inflation rate stood at 21.5 per cent.<sup>2</sup>

14. Statements by senior Iranian officials on the impact of sanctions have shifted over the past 12 months. Although such statements in 2011 downplayed their impact, the Supreme Leader of the Islamic Republic of Iran, Ayatollah Ali Khamenei, was quoted in February 2012 as calling sanctions “painful and crippling”.<sup>3</sup>

### C. Acknowledgments

15. The Panel wishes to acknowledge the high degree of cooperation received from many Member States during the course of its work. It also acknowledges the excellent and sometimes proactive engagement of many private-sector entities.

## II. Activities of the Panel

16. The Panel’s activities were developed and carried out in conformity with its programme of work for the period 9 June 2011-8 June 2012, as required under

<sup>1</sup> “Several steps forward will be taken in Iran-5+1 talks in Baghdad: Salehi”, *Tehran Times*, 29 April 2012.

<sup>2</sup> “Iran’s inflation rate hits 21.5 per cent”, *Tehran Times*, 8 April 2012.

<sup>3</sup> Robert F. Worth and David E. Sanger, “U.N. nuclear inspectors’ visit to Iran is a failure, West says”, *New York Times*, 3 February 2012.

paragraph 3 of resolution 1984 (2011). The Panel submitted to the Committee its midterm report on 9 November 2011, in addition to four inspection and investigation reports and four quarterly assessments of Member State implementation reports as required under paragraph 31 of resolution 1929 (2010) (see annex I). During its current mandate, the Panel held consultations with 26 Member States and investigated four reported incidents of non-compliance. A full list of the countries visited can be found in annex II to the present report. The Panel attended informal consultations of the Committee on 16 June 2011, 7 December 2011 and 29 February 2012.

## **A. Consultations**

17. The Panel's plan of visits reflected its priorities to consult members of the Security Council, Member States involved in the diplomatic process, bordering or regional Member States and those Member States hosting relevant international organizations. The Panel expanded the geographic breadth of its consultations during the current mandate to reflect the global extent of Iranian interests and activities related to sanctions.

18. A positive development observed by the Panel in the course of its consultations with Member States over the past year was a marked increase in awareness regarding sanctions implementation and the need for strengthened export controls and for vigilance over specific sectors of business activity. Although some Member States remain without sufficient capacity to implement United Nations sanctions fully, the Panel is encouraged by the high level of commitment among most of its interlocutors to the effective implementation of the sanctions contained in resolution 1929 (2010).

19. During some consultations, the Panel had the opportunity to visit major ports and receive briefings from Customs and port authorities directly involved in the enforcement of measures under the relevant Security Council resolutions. Such visits included the maritime ports of Antwerp (Belgium), Constanta (Romania), Hai Phong (Viet Nam), Jebel Ali (United Arab Emirates), Klang (Malaysia), Odessa (Ukraine) and Singapore, and the airports of Madrid (Spain), Oslo (Norway) and Sofia (Bulgaria). These visits deepened the Panel's understanding of enforcement and implementation issues related to export controls, Customs and transportation.

20. The Panel carried out its tasks in consultation with United Nations experts belonging to the United Nations Office for Disarmament Affairs, the United Nations Institute for Disarmament Research, the United Nations Conference on Trade and Development, the United Nations Office on Drugs and Crime, the Economic Commission for Europe, the United Nations Office for Outer Space Affairs, the International Civil Aviation Organization and, as appropriate, experts and panels of experts working under other Security Council resolutions, including resolutions 1540 (2004) and 1874 (2009).

21. The Panel also met representatives from other international organizations to obtain information concerning implementation measures under the relevant Security Council resolutions and related issues. These included the European Union, the North Atlantic Treaty Organization, the International Criminal Police Organization, the World Customs Organization and the International Organization for Migration.



## B. Outreach and related activities

22. From the beginning of its mandate, the Panel identified outreach as a priority. Consistent with the Committee's direction and encouragement of such activities, the Panel proactively contacted Member States and organizations in the private sector relevant to sanctions implementation, in addition to individual experts and non-governmental organizations.

23. The Panel worked with local and international think tanks to organize regional seminars bringing together practitioners and experts to discuss the implementation of United Nations resolutions and the challenges that they pose. Four such seminars, supported by Norway, Switzerland and the United Kingdom, were held during the Panel's current mandate. They took place as follows:

(a) In Istanbul, on 17 and 18 November 2011, organized in collaboration with the International Institute for Strategic Studies (IISS);

(b) In Geneva, on 15 and 16 March 2012, with the support of the Geneva Centre for Security Policy;

(c) In Singapore, on 12 and 13 April 2012, with IISS;

(d) In Nairobi, on 22 and 23 May 2012, organized by IISS and the Institute for Security Studies, focusing on conventional arms transfer issues in the Horn of Africa.

24. The Panel was also invited to participate in conferences and seminars relevant to its mandate, including the Asian Senior-level Talks on Non-Proliferation; the Asian Export Control Seminar; plenary meetings of the Financial Action Task Force and meetings of some of its working groups; a seminar on conventional weapons transfers organized by the Stockholm International Peace Research Institute; a seminar at the Australian National University; an export control seminar in Belarus; and a conference on combating the financing of the proliferation of weapons of mass destruction, hosted by the Ministry of Foreign Affairs and Trade of the Republic of Korea. It was also invited to participate in events organized by the Stimson Center, Chatham House, Wilton Park, the EU Non-Proliferation Consortium, the Group of Eight Non-proliferation Directors Group and the British Bankers' Association.

25. The Panel held discussions with experts affiliated to governmental and non-governmental think tanks and universities. These included IISS, the Institute for Science and International Security, the Carnegie Endowment for International Peace, Columbia University in the City of New York, Massachusetts Institute of Technology, Princeton University, RAND Corporation, King's College London, the Brazilian Center for International Relations, the BRICS Policy Center, the Stockholm International Security and Peace Research Institute and the Geneva Centre for Security Policy.

26. The Panel also met representatives of many private companies and entities in Europe, Asia and the United States involved in the implementation of sanctions on the Islamic Republic of Iran. These included Bluestar Fibres Company Limited, Citigroup, Oerlikon Leybold, Freshfields Bruckhaus Deringer, JP Morgan Chase & Co., Zurich Insurance Group, Axa Group, INFICON Holding, Kelvin Hughes, TNT Express, the Society for Worldwide Interbank Financial Telecommunication

(SWIFT), the International Group of P&I Clubs, the International Air Transport Association and Maersk.

### **C. Assessment of implementation reports**

27. As requested by the Committee in its programme of work, the Panel submitted four quarterly assessments of implementation reports: on 29 July 2011, 31 October 2011, 31 January 2012 and 30 April 2012. These assessments showed that approximately 60 per cent of Member States had not reported under resolution 1929 (2010). The Panel concluded that the reports would be more informative and relevant to its work if they contained details regarding implementation in practice, albeit on a voluntary basis.

28. The Panel stands ready to assist the Committee to hold a planned open briefing to inform Member States of the activities of the Panel and the Committee, as agreed by the Committee on 4 March 2011 and 7 December 2011.

### **D. Inspections of reported incidents**

29. The Panel investigated four reported incidents of non-compliance during its current mandate, two of which were reported to the Committee during the Panel's previous mandate. The Panel completed three physical inspections and one investigation.<sup>4</sup> Three of four reported cases concerned violations of paragraph 5 of resolution 1747 (2007), pertaining to arms and related materiel exports from the Islamic Republic of Iran, and one of paragraph 9 of resolution 1929 (2010). The following provides background to and summarizes the Panel's key findings in each case.

30. The Panel wishes to highlight the strong cooperation that it has received from all reporting Member States, in particular Turkey, which has reported several violations. The Panel wishes to emphasize the positive example set by reporting Member States.

#### **1. International Security Assistance Force (Afghanistan)**

31. The seizure of a shipment of rockets, fuses and ammunition in southern Afghanistan on 5 February 2011 was reported to the Committee by the United Kingdom on 21 April 2011. Following the seizure, the bulk of the shipment was destroyed. Samples of the rockets and fuses were shipped to the United Kingdom for forensic examination and, on 26 September 2011, made available to the Panel for inspection.

32. This inspection was unusual because the Panel was unable to visit the site of the seizure, only a small part of the original shipment was available for inspection and no documents were available. The Panel concluded, on the basis of its investigation and the information provided by the United Kingdom, that there was a

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<sup>4</sup> Inspection teams generally consist of from two to four Panel experts. In the present report, references are to "the Panel" and not "members of the Panel", as all inspections and the subsequent reports engage the Panel as a whole. References are made to "members of the Panel" only in cases of dissenting views.

high probability that the shipment of the 122-mm rockets constituted a violation by the Islamic Republic of Iran of paragraph 5 of resolution 1747 (2007). To substantiate this conclusion, the Panel continues to investigate this incident and invites Member States to supply further relevant information.

## **2. Yas Air (Turkey)**

33. On 19 March 2011, the Turkish authorities seized 19 crates containing assault rifles, machine guns, ammunition and mortar shells from an Ilyushin-76 cargo aircraft operated by an Iranian cargo airline, Yas Air. The flight originated in the Islamic Republic of Iran and was bound for the Syrian Arab Republic. This interdiction was reported by Turkey to the Committee on 28 March 2011 and was supplemented by a detailed inventory of the cargo transmitted to the Committee on 7 July 2011.

34. The Panel travelled to Diyarbakir on 19 November 2011 to inspect the shipment. It concluded that the items seized constituted a violation of paragraph 5 of resolution 1747 (2007).

## **3. Safir/Rasad launch**

35. Following a communication by four Member States on 15 July 2011, the Panel investigated a launch by the Islamic Republic of Iran of the Rasad satellite on 15 June 2011 to determine whether the launch constituted a violation of paragraph 9 of resolution 1929 (2010).

36. The Panel noted that the Safir space launch vehicle itself was not designed to carry a nuclear weapon. The majority of the Panel concluded that the satellite launch was related to ballistic missiles capable of delivering nuclear weapons, based on the space launch vehicle's derivation from two nuclear-capable missiles (the Shahab-3 and the R-27 submarine-launched ballistic missile in its second stage). Three members of the Panel concluded that the launch was not an activity related to a ballistic missile capable of delivering nuclear weapons. The majority of the Panel also concluded that the Safir space launch vehicle made use of ballistic missile technology, and therefore constituted a violation of paragraph 9 of resolution 1929 (2010). Two members of the Panel believed that it was difficult to reach such a firm conclusion.

## **4. Kilis (Turkey)**

37. On 15 February 2011, the Turkish authorities seized a truck carrying explosives originating in the Islamic Republic of Iran and bound for the Syrian Arab Republic. The seizure was reported to the Committee on 12 January 2012. From 4 to 7 March 2012, the Panel physically inspected the seized materials and accompanying documents at an ammunition depot in Osmaniye Province, southern Turkey.

38. The Panel concluded that the shipment constituted a violation by the Islamic Republic of Iran of paragraph 5 of resolution 1747 (2007).

## **E. Challenges**

39. The Panel recalls the need to report promptly to the Committee incidents of non-compliance. Some Member States have reported that domestic legal proceedings

conflict with their United Nations reporting obligations. Such conflicts should be reconciled by Member States, including by sending initial confidential reports of non-compliance to the Committee without delay.

40. The Panel is also aware of incidents, reported in the media and acknowledged by Government officials in public statements, which may be violations. The Panel reiterates its readiness to investigate such cases.

41. There are several reasons why interdictions may not be reported, including the disclosure of sensitive intelligence sources and methods and requirements of local law enforcement processes. The Panel appreciates the importance of such considerations, while also noting that reports to the Committee provide valuable information in support of the Panel's mandate. They also send a strong signal to Member States that the Islamic Republic of Iran continues to violate sanctions and that Member States are taking preventative action accordingly.

42. The issue of safe storage and disposal of interdicted items came to the forefront during the Panel's current mandate with the explosion of materiel stored by a Member State following its removal from the *M/V Monchegorsk*. This tragic event underscores the need for safe storage and a prompt invitation to the Panel to carry out an inspection, thereby allowing for expeditious disposal of the interdicted items.

### **III. Analysis**

#### **A. Nuclear materials and technology**

##### **1. Introduction**

43. In its resolution 1929 (2010), the Security Council barred the supply, sale or transfer to the Islamic Republic of Iran of sensitive nuclear materials and technology, including all items listed in INFCIRC/254/Rev.9/Part 1, in addition to the dual-use items contained in INFCIRC/254/Rev.7/Part 2, with the exception of those items specified in paragraph 5 of resolution 1737 (2006) and any further items if the State determined that they could contribute to enrichment-related, reprocessing or heavy water-related activities or to the development of nuclear weapon delivery systems.<sup>5</sup> The Council also decided that the Islamic Republic of Iran was not to acquire an interest in any commercial activity in another State involving uranium mining, production or use of nuclear materials or ballistic missiles.

44. In addition, the Security Council affirmed that the Islamic Republic of Iran should take the steps required by the Board of Governors of IAEA, among other things, to build confidence in the exclusively peaceful purpose of its nuclear programme, and should cooperate fully with IAEA on all outstanding issues, particularly those which gave rise to concerns about the possible military dimensions of the Iranian nuclear programme, including by providing access without delay to

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<sup>5</sup> In paragraph 13 of resolution 1929 (2010), the Security Council updates the provisions of earlier resolutions with regard to INFCIRC/254/Rev.9/Part 1 and INFCIRC/254/Rev.7/Part 2. The resolution states that, for the purposes of the measures specified in paragraphs 3 to 7 of resolution 1737 (2006), the list of items in document 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.

all sites, equipment, persons and documents requested by IAEA. It further required that the Islamic Republic of Iran should comply with the application of the modified Code 3.1 of the subsidiary arrangement to its safeguards agreement, and act in accordance with the provisions of the Additional Protocol to its safeguards agreement. The Council called upon the Islamic Republic of Iran to ratify the Additional Protocol, and reaffirmed that the safeguards agreement and its subsidiary arrangement could not be amended or changed unilaterally by the Islamic Republic of Iran.

## **2. Background**

45. The continuing refusal of the Islamic Republic of Iran to suspend enrichment and heavy water-related activities and to cooperate fully with IAEA in resolving outstanding questions, in particular those related to research and development activities with potential military applications dimensions, has been comprehensively documented by IAEA (see GOV/2011/65 and GOV/2011/7, among others). In brief, these allegations are described as coming 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 the Islamic Republic of Iran itself. The information is consistent in terms of technical content, individuals and organizations involved, and time frames. IAEA notes further that information that it obtained regarding such activities indicates that the Islamic Republic of Iran has carried out the following activities that are relevant to the development of a nuclear explosive device:

- (a) Efforts, some successful, to procure nuclear-related and dual-use equipment and materials by military-related individuals and entities;
- (b) Efforts to develop undeclared pathways for the production of nuclear material;
- (c) The acquisition of nuclear weapons development information and documentation from a clandestine nuclear supply network;
- (d) Work on the development of an indigenous design of a nuclear weapon including the testing of components (GOV/2011/65, paras. 42 and 43).

46. The Panel's objective in the present section is to examine the impact of sanctions on the ability of the Islamic Republic of Iran to maintain and expand its uranium enrichment activities. It addresses specific challenges, in particular with regard to Iranian efforts to procure items necessary for its nuclear programme, which cannot be produced indigenously in sufficient quantities or quality to sustain some Iranian nuclear activities.

## **3. Analysis**

### **(a) Uranium ore production**

47. The Islamic Republic of Iran is believed by a number of Member States to be seeking new sources of uranium ore to supply its enrichment efforts, even as efforts are under way to develop further its indigenous production of uranium ore. The country is prohibited from importing uranium ore under paragraph 13 of resolution 1929 (2010).

*Uranium mining and processing in the Islamic Republic of Iran*

48. The status of indigenous uranium mining activity in the Islamic Republic of Iran remains opaque. The country has declared to IAEA two uranium mines: one, Saghand, located in Yazd Province in the centre of the country, and the other, Gchine, in the south, near Bandar Abbas. Only the Gchine mine is currently operating. The country is constructing a yellowcake production plant in Ardakan, which will eventually process the ore from the Saghand mine into uranium ore concentrate. Both the Saghand mine and Ardakan facility are designed to have the capacity to process 50 tons of uranium annually. The Gchine mine also has a co-located yellowcake production plant with a reported annual processing capacity of 21 tons of uranium. The combined output of these mines is inadequate for the fuelling of a single 1,000 MW reactor, which on average requires approximately 25 tons of low-enriched uranium per year or the equivalent of at least 220 tons of natural uranium.<sup>6</sup>

49. These facilities are not subject to IAEA safeguards inspections, although activity at the sites can be monitored by satellite imagery. Imagery analysis indicates that the Gchine mine and co-located yellowcake production plant are operational. Annex III to the present report contains images of these facilities marking their changes over recent years.

*Current stocks and level of consumption of uranium ore*

50. To understand the future requirements of the Islamic Republic of Iran in terms of uranium ore, it is useful to understand its current stocks and level of consumption. The country has produced 371 tons of uranium hexafluoride since beginning operation of its uranium conversion facility in Esfahan in March 2004. According to IAEA, this uranium hexafluoride was converted from a store of approximately 530 tons of uranium ore concentrate acquired by the Islamic Republic of Iran in the early 1980s (GOV/2004/83). No uranium hexafluoride has been produced at the Esfahan facility since 10 August 2009, according to IAEA (GOV/2010/62, para. 24).

51. As at October 2011, the Islamic Republic of Iran had introduced almost 55.7 tons of uranium hexafluoride into its centrifuges since enrichment began in February 2007, amounting to some 15 per cent of its stockpile (GOV/2012/9, para. 14). The country therefore has an ample supply of uranium hexafluoride to maintain current levels of enrichment for the foreseeable future.

52. The Islamic Republic of Iran is, however, likely to require additional sources of uranium if enrichment is to expand along the lines that it has described.<sup>7</sup> It will

<sup>6</sup> A 1,000 MW reactor requires approximately 25 tons of low-enriched uranium annually to maintain regular operation. Although at least 220 tons of natural uranium would be required to produce 25 tons of 4 per cent low-enriched uranium, this number can be considerably higher if the enrichment process produces a high quantity of enriched uranium in what are known as the “tails”, as appears to be the case in the Iranian enrichment operations.

<sup>7</sup> “Iran produces fuel for 20 power plants under construction, MP”, *IRNA*, 14 August 2010, and “Iran to increase centrifuges to 50,000: Aqazadeh”, *IRNA*, 25 February 2009. In addition, according to IAEA reports, the Islamic Republic of Iran maintains two cascade halls at the Natanz fuel enrichment plant. One, for which design information has been submitted, contains eight units, each to contain 18 cascades. Cascades have typically consisted of 164 centrifuges. Once completed, Cascade Hall A would consist of approximately 23,600 centrifuges. No detailed design information has yet been provided for Production Hall B (see GOV/2011/65, para. 8).

also eventually require additional stocks of natural uranium for the Arak heavy water reactor. Member States have informed the Panel that emerging suppliers are potential targets for attempted acquisition by the Islamic Republic of Iran. Although the Panel is not aware of any confirmed cases of actual transfers, it has sought consultations with a number of Member States regarding reported agreements with the country for the supply of uranium ore.

*Other sources of uranium ore concentrate*

53. While the Islamic Republic of Iran has experimented with the extraction of uranium from phosphates, which are commonly used in fertilizers, the Panel has no evidence that it has gone beyond laboratory-scale research into this area (GOV/2004/83, para. 5).

**(b) Procurement related to uranium enrichment**

54. Sanctions targeting Iranian procurement of critical components for the country's gas centrifuge programme notwithstanding, it has succeeded in manufacturing, installing and operating more than 9,500 IR-1 centrifuges since February 2007, when installation and operation of centrifuges at the Natanz fuel enrichment plant began (GOV/2012/9, paras. 11-26). This figure includes 8,828 IR-1 centrifuges operating at the Natanz fuel enrichment plant, 328 at the pilot fuel enrichment plant and 348 at the Fordow fuel enrichment plant. An additional 6,177 empty centrifuge casings have been placed at the Natanz fuel enrichment plant, and 2,088 at the Fordow facility. The IR-1 centrifuges, however, have a well-documented, limited capacity for enrichment and the Islamic Republic of Iran has been eager to develop a more advanced enrichment capacity.<sup>8</sup> Although the Iranian enrichment programme has experienced a measure of success using IR-1 or first-generation centrifuges, its ability to advance its enrichment efforts has encountered difficulties, some of which may be the result of sanctions limiting its ability to procure items necessary for its centrifuge programme.

*Reports of attempted procurement*

55. During its current mandate, the Panel received information from several Member States regarding goods and materials that the Islamic Republic of Iran sought to procure for its nuclear programme. Examples included:

- (a) Nuclear-grade graphite;
- (b) High-strength aluminium;
- (c) Aluminium powder;
- (d) Specialized alloys (such as chrome and nickel);
- (e) Maraging steel;
- (f) Carbon fibre;
- (g) Lubricants;

<sup>8</sup> David Albright and others, "Preventing Iran from Getting Nuclear Weapons; Constraining its Future Nuclear Options", *Institute for Science and International Security*, March 2012, pp. 12-13. Available from [http://isis-online.org/uploads/isis-reports/documents/USIP\\_Template\\_5March2012-1.pdf](http://isis-online.org/uploads/isis-reports/documents/USIP_Template_5March2012-1.pdf).

- (h) Magnets;
- (i) Control valves;
- (j) Heat exchangers;
- (k) Pressure transducers;
- (l) Vacuum pumps;
- (m) Gauges;
- (n) Inverters;
- (o) Turbines;
- (p) Electrical switchboards;
- (q) Helium gas detectors;
- (r) Sodium perchlorate.

56. One Member State provided the Panel with detailed information regarding Iranian attempts to procure items for sanctioned nuclear facilities through intermediaries linked to the Iranian nuclear programme, although not necessarily limited to the centrifuge programme. These included high-frequency converters, electrical switchboards and related equipment needed for the operation of the Iranian nuclear facilities. Other items identified by the Member State as sought by the Islamic Republic of Iran in specific cases included detection equipment for helium gas leaks, gauges, specialized valves and aluminium tubes and sheets.

**(c) Role of carbon fibre in gas centrifuges**

57. A number of Member States shared information on the role of carbon fibre in the Iranian nuclear programme and as a target for procurement. The Panel explores this issue below in greater detail. This analysis in no way suggests that the items described above merit less vigilance by Member States with regard to procurement.

58. Carbon fibre has many properties that make it ideal for use in gas centrifuges: it is stronger and lighter than aluminium, corrosion resistant and especially high in tensile strength and modulus, or stiffness. Carbon fibre will resist distortion under high centrifugal forces.<sup>9</sup> Among the highest grades of carbon fibre, and those that are best suited for use in centrifuge rotors and bellows (a cylindrical-shaped connector between two segments of rotor tubes), are fibres designated as ultra-high strength or intermediate modulus fibres.

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<sup>9</sup> Carbon fibres are extremely thin in diameter, a fraction of the size of a human hair. They are typically wound together to form a type of "tow" (or strand), which is then moulded with resins to form carbon fibre composites. Carbon fibre is classified according to the tensile modulus of the fibre, measured in pounds of force per square inch (on the vertical axis) and its modulus or stiffness (on the horizontal axis). Carbon fibre has applications in numerous industries, including aerospace, automotive and high-end sporting goods. The Nuclear Suppliers Group controls all carbon fibre with a modulus greater than 12.7 and tensile strength greater than 23.5. See annex VII to the present report for more details.



### *Carbon fibre components in Iranian centrifuges*

59. The rotors of the Iranian IR-1 centrifuges are manufactured with aluminium 7075.<sup>10</sup> The Islamic Republic of Iran also requires maraging steel for the IR-1 bellows. The table in annex IV to the present report, taken from a nuclear engineering textbook, illustrates the limitations of aluminium relative to carbon fibre in centrifuges.

60. The Islamic Republic of Iran has experimented with several models of post-IR-1 centrifuges, in particular the IR-2m and IR-4, both of which require carbon fibre rotors. In addition to those models, the Islamic Republic of Iran informed IAEA in a letter dated 1 February 2012 that it intended to develop additional models, including the IR-5, 6 and 6s (GOV/2012/9, para. 20).

61. The Iranian IR-4 centrifuge is believed by experts to be manufactured with a carbon fibre rotor and a carbon fibre bellows (see figure I). The IR-2m is believed to be made with a carbon fibre rotor and maraging steel bellows. Both the IR-2m and IR-4 centrifuges are the same height and assessed to have similar enrichment capacity.

Figure I  
**Carbon fibre centrifuge components**



Source: Office of the President of the Islamic Republic of Iran.

62. It is important to note that the development by the Islamic Republic of Iran of its next-generation centrifuges dates to an early stage of its overall gas centrifuge programme. According to IAEA, the country acquired design documents for the P-2 from a clandestine supply network in 1994 (GOV/2004/83, para. 23). Its decision to develop carbon fibre components appears to date to 2002 when a subcontractor

<sup>10</sup> One of the limitations of aluminium 7075 for centrifuge enrichment is its maximum speed of approximately 350 metres per second. This, along with other design limitations in the IR-1, may be a factor in the machine's relatively high failure rate. Centrifuges made from carbon fibre can achieve much higher speeds depending on the quality of the material and other potentially limiting factors (see Manson Benedict and others, *Nuclear Chemical Engineering*, 2nd ed. (New York, McGraw-Hill, 1981), p. 855).

decided that, since in his view the Islamic Republic of Iran was not capable of manufacturing maraging steel cylinders with bellows, work should proceed with a shorter, sub-critical carbon composite rotor (GOV/2004/83, para. 44).

63. The figures in annex V to the present report illustrate the relatively slow development of the Iranian next-generation centrifuges, especially when compared to the far more rapid pace of installation for the IR-1 centrifuge. In 2008, the very first IR-2 centrifuges were installed at the Natanz pilot fuel enrichment plant. That model was phased out in 2009 in favour of the IR-2m and IR-4. Although installation of the IR-2m recently increased, installation of the IR-4 remains at a relatively low level. This may indicate difficulties with the operation of a centrifuge containing two critical components made from carbon fibre (as noted above, the IR-2m centrifuge is made using a carbon fibre rotor and maraging steel bellows). Other variables, including design and manufacturing limitations, or a shortage of other necessary materials, may also explain delays in the deployment of advanced centrifuges.

#### *Indigenous production*

64. The Panel's analysis of the deployment by the Islamic Republic of Iran of centrifuges to date, in addition to discussions with experts and Member States, indicates that the country lacks the technology and equipment to produce high-grade carbon fibre indigenously. The Panel's analysis is described in more detail in annex VI to the present report. In brief, the carbon fibre produced in an Iranian facility, which can be viewed in an online video clip, is not assessed by experts in carbon fibre production and manufacturing to be suitable for use in Iranian centrifuges. The country is therefore likely to continue to rely on foreign procurement to support its next-generation centrifuge development efforts.

#### *Procurement of carbon fibre from abroad*

65. One report received by the Panel from a regional multilateral organization highlighted the continued interest of the Islamic Republic of Iran in the procurement of high-grade carbon fibre. According to another Member State, the Islamic Republic of Iran is continuing its attempts to procure high-grade carbon fibre necessary for the development of its more advanced centrifuges. This State had knowledge of an attempted procurement of two tons of high-grade carbon fibre. The Panel is also aware of one incident of carbon fibre interdicted by a Member State en route to the Islamic Republic of Iran in the past year. The Panel has no information regarding the potential use of this material in prohibited nuclear activities, or its technical specifications, and is in contact with the State to obtain additional information.

66. The Panel has also seen high-grade carbon fibre made available for sale on Internet trading platforms. In the report referenced in paragraph 65, the accessibility of such fibre was highlighted and it was noted that such websites were likely to be used by Iranian procurers to contact prospective intermediaries to procure carbon fibre supplies. Experts familiar with developments in the industry observe that the significant growth in demand in recent years for higher grades of carbon fibre, brought on in part by expansion in the aerospace and automotive sectors, has led to surpluses in the supply chain. Some Member States that the Panel consulted described outreach programmes to industry to ensure that surplus carbon fibre did not find its way into a secondary market for possible procurement by the Islamic Republic of Iran.

*Ensuring control of carbon fibre under existing sanctions*

67. The Harmonized Commodity Description and Coding System maintained by the World Customs Organization provides an internationally recognized and standardized system for classifying goods. The Panel notes that the classification number 681510 does not distinguish carbon fibres of different specifications. This raises the question of whether carbon fibre falling at or above thresholds established by export control regimes could be assigned a different number or whether an alternative categorization system could be applied.

**(d) Implementation of sanctions and procurement relevant to a nuclear explosive device**

68. The Panel takes note of information reported by IAEA regarding procurement and attempted procurement by the Islamic Republic of Iran of equipment, materials and services that, although having other civilian applications, would be useful in the development of a nuclear explosive device. These include 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) (GOV/2011/65, annex, paras. 25 and 26). No incidents of such procurement or training courses were reported to the Panel during its mandate.

**4. Conclusions**

69. On the basis of the Panel's consultations with Member States, outside experts and analysis of IAEA findings, the Panel continues to find evidence to suggest that sanctions are slowing the ability of the Islamic Republic of Iran to expand some aspects of its fuel cycle activities.

70. The country's reported current and projected domestic production of uranium ore is insufficient to support the fuel requirements of a nuclear power programme. Although the existing Iranian stockpile of uranium hexafluoride is adequate for its current level of enrichment activity, this may change with expanded enrichment, as envisaged by the country, or with the completion of a reactor using natural uranium as fuel.

71. Member States, in particular those with significant phosphate exports, should be alert to the potential risk of diversion of such exports should the Islamic Republic of Iran decide to develop further its resources in this area.

72. While no reports were received by the Panel of interdictions of dual-use items for use in a nuclear programme with military dimensions, vigilance by Member States to guard against possible procurement of such items by the Islamic Republic of Iran continues to be important.

## **B. Ballistic missiles**

### **1. Introduction**

73. In paragraph 9 of resolution 1929 (2010), the Security Council decided that the Islamic Republic of Iran was not to undertake any activity related to ballistic missiles capable of delivering nuclear weapons, including launches using ballistic missile technology, and that Member States were to take all measures necessary to prevent the transfer of technology or technical assistance to the Islamic Republic of Iran related to such activities. In paragraph 7 of that resolution, the Council decided that the Islamic Republic of Iran was not to acquire an interest in any commercial activity in another State involving, among other things, technology related to ballistic missiles capable of delivering nuclear weapons.

74. Pursuant to paragraph 3 of resolution 1737 (2006), Member States are obliged to take the necessary measures to prevent the supply, sale or transfer directly or indirectly of all items, materials, equipment, goods and technology, referred to in document S/2006/815 that could contribute to the Islamic Republic of Iran's development of nuclear weapon delivery systems. In paragraph 13 of resolution 1929 (2010), the Security Council decided that the list of items contained in document S/2006/815 was to be superseded by the list of items contained in document S/2010/263.

75. In the present section, the Panel provides a brief summary of recent developments related to ballistic missile activity over the past year. These include information reported by IAEA regarding the potential military dimensions of the Iranian nuclear programme, including a nuclear payload for a missile, a series of test launches of ballistic missiles, the introduction of the Qiam missile, the disclosure of missile silos and the launch by the Islamic Republic of Iran of two satellites using the Safir space launch vehicle. The Panel also addresses information provided by Member States concerning continuing procurement efforts related to ballistic missiles.

### **2. Background**

76. The Iranian arsenal of ballistic missiles is widely recognized as one of the largest in the region. The table in annex VIII to the present report provides an overview of the number and type of ballistic missiles. Two in particular are judged to be potentially nuclear capable: the liquid propelled Shahab-3 and the solid-fuel-propelled Sejil (also referred to as the Sajjil or the Ashura). The Islamic Republic of Iran is not judged to have an operational intercontinental ballistic missile.

77. While the Islamic Republic of Iran is actively producing its own missiles, it remains reliant on foreign suppliers for components, materials and equipment. According to some experts, there is no evidence that the Islamic Republic of Iran possesses the technology necessary to manufacture the large-diameter, flow-formed pressure tanks and large, composite pressure vessels necessary to construct larger, long-range missiles. It also appears that the Islamic Republic of Iran continues to import whole engines, or at least critical engine components, for its liquid-fuelled missiles, and requires components for guidance systems.<sup>11</sup>

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<sup>11</sup> Miles A. Pomper and Cole J. Harvey, "Beyond missile defense: alternative means to address Iran's ballistic missile threat", *Arms Control Today*, October 2010, citing "Iran's Ballistic Missile Capabilities: A Net Assessment", *International Institute for Strategic Studies*, 7 May 2010.

78. In November 2011, IAEA stated that, since 2002, it had become increasingly concerned about the possible existence in the Islamic Republic of 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 it had regularly received new information (see GOV/2011/65, para. 38, and previous reports).

79. IAEA describes work that took place before 2004 as 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. In addition, according to documentation provided by a Member State, the Islamic Republic of 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 (GOV/2011/65, annex, paras. 59 and 60).

80. IAEA has described the information on which its assessments are based as coming from a wide variety of independent sources, including from a number of Member States, from its own efforts and from information provided by the Islamic Republic of Iran itself (GOV/2011/65, para. 42).

### 3. Recent developments

81. **Missile launches.** In late June 2011, the Islamic Republic of Iran held a military exercise known as “Great Prophet Six”. On 28 June 2011, the commander of the Islamic Revolutionary Guards Corps Aerospace Force, Amir Ali Hajizadeh, announced on Iranian State television that, on the second day of the exercise, the country had fired Zelzal rockets, the Shahab-1 and -2 and the Ghadr (a modified version of the Shahab-3 medium-range ballistic missile).<sup>12</sup>

82. **Qiam missile.** The only test of this missile reported in the media took place in August 2010. The Iranian Minister of Defence, Ahmad Vahidi, highlighted the missile’s lack of stabilizer fins, which he claimed would increase the missile’s speed and allow it to be launched from a silo.<sup>13</sup> He also claimed that the liquid-fuelled ballistic missile was entirely indigenously produced. In May 2011, he announced the delivery of the missile to the Islamic Revolutionary Guards Corps (see figure II). One Member State assessed the Qiam to be based on the Shahab-2, with a range of between 500 and 1,000 km. Some experts have raised questions about the missile’s lack of apparent testing. Missiles are known to require extensive flight-test programmes before they can be fully operational.

<sup>12</sup> Farhad Pouladi, “Iran fires medium range missile in war game”, Agence France Presse, 28 June 2011. Jonathan’s Space Report No. 643, 5 July 2011, SpaceRef International Group. Available from [www.spaceref.com/news/viewsr.html?pid=37608](http://www.spaceref.com/news/viewsr.html?pid=37608).

<sup>13</sup> “New ballistic missile delivered to IRGC”, *Day.AZ*, 23 May 2011.

Figure II  
Qiam missile



83. **Underground silos.** On 27 June 2011, as part of the “Great Prophet Six” exercises, the Islamic Revolutionary Guards Corps also unveiled an underground missile silo from which ballistic missiles would be able to be launched. The Iranian spokesperson for the exercises, Asghar Ghelichkhani, claimed that the technology for building the silos was completely indigenous.<sup>14</sup> Iranian officials have been quoted publicly claiming that the silos provide a swift reaction unit and the ability to confront unequal enemies and defend the Islamic Republic of Iran.<sup>14</sup> The Iranian missile silos, which have been reported for a number of years, are not confirmed to be operational.

(a) **Reported satellite launch**

84. Over the course of the Panel’s current mandate, the Islamic Republic of Iran launched two satellites: the Rasad-1, on 15 June 2011, and the Navid, on 3 February 2012. These launches followed its first successful launch of a satellite, the Omid, in February 2009. Both launches were reported to the Committee by France, Germany, the United Kingdom and the United States; the first in a communication dated 15 July 2011 and the second on 28 February 2012.

85. On the basis of those reports to the Committee, the Panel investigated the Rasad-1 launch and reported to the Committee on 6 November 2011. On the basis of the provisions of paragraph 9 of resolution 1929 (2010), the Panel sought to ascertain whether the launch could be considered an activity related to ballistic missiles capable of delivering nuclear weapons, and whether the launch was using ballistic missile technology.

<sup>14</sup> William Broad, “Iran unveils missile silos as it begins war games”, *New York Times*, 27 June 2011.

86. According to information shared with the Panel and widely circulated photographic images of the launch vehicle published by Iranian news agencies, the satellite was launched by a two-stage liquid-fuelled Safir launch vehicle.<sup>15</sup> The two engines in the upper stage of the Safir are assessed by Member States and experts consulted by the Panel to most closely resemble the vernier engines found on the R-27 submarine-launched ballistic missile, also known as the SS-N-6. These provide low thrust to the second stage, and their steerable nozzles allow adjustments to the flight path through thrust vector controls (see figure III).

87. The Panel reached a consensus that both ballistic missile and space launch programmes shared a great deal of similar materials and technology, including systems for propulsion, control and navigation. The Panel also noted that, although some examples existed of ballistic missiles programmes developed from space launch programmes, in general there were more examples of the reverse — space launch programmes developed on the basis of ballistic missile programmes.

88. The Panel agreed that the Safir space launch vehicle was not designed to carry nuclear weapons.

89. Five members of the Panel concluded that the launch was clearly related to missiles capable of delivering such weapons based on their established relationship to two nuclear-capable ballistic missiles. Three members of the Panel concluded that the launch of the Rasad-1 was not an activity related to ballistic missiles capable of delivering nuclear weapons. With regard to the question of whether the launch was using ballistic missile technology, six members of the Panel concluded that the launch did use such technology, while two members believed that it was difficult to reach such a firm conclusion.

Figure III  
Safir space launch vehicle and the Shahab-3



Safir space launch vehicle first stage    Shahab-3 medium-range ballistic missile

<sup>15</sup> The Safir reportedly has a length of 22 m, a core diameter of 1.25 m and a launch weight of 26,000 kg. The first stage of the Safir is derived from the Ghadr-1 missile, a variant of the Shahab-3 medium-range ballistic missile. It is believed to be 13.5 m long, with a mass of 18,000 kg. The Safir's second stage is estimated to be 8.5 m in length with a mass of 8,000 kg.



Safir second stage

Safir second stage  
(vernier engines more visible)

90. The Navid satellite launch was not the subject of a separate investigation by the Panel. It was reported to weigh approximately 50 kg and was reportedly built by Iranian students at the Sharif University of Technology as a weather satellite, which would remain in orbit for 18 months. It was launched by a modified Safir space launch vehicle, including a modified Shahab-3 ballistic missile comprising the first stage.<sup>16</sup>

**(b) Procurement related to ballistic missiles**

91. The Panel received no reports of alleged procurement attempts related to ballistic missiles during its current mandate. A number of Member States, however, shared information concerning procurement priorities and items meriting extra vigilance. Among those were production equipment for missile purposes (including metal processing machines), precise inertial gauges, testing equipment (including vibration testing equipment), fuel-related material (aluminium powder), valves, turbines and frequency converters. Gyroscopes and related technology for guidance systems were also highlighted as one of the procurement priorities of the Islamic Republic of Iran and for which it was especially dependent on foreign suppliers.

92. One Member State informed the Panel that it was implementing sanctions by working to strengthen controls over various types of steel and construction material that could be used for manufacturing nuclear-capable ballistic missiles. A special commission had been established to evaluate specific types of steel that could be used in the production of ballistic missiles and thereby contribute to proliferation risks.

93. The Panel notes the designations announced on 2 May 2012 of two Democratic People's Republic of Korea entities, the Korea Heungjin Trading Company (which the Committee suspects has been involved in supplying missile-related goods to the Shahid Hemmat Industrial Group of the Islamic Republic of Iran) and Amroggang Development Banking Corporation (which has been involved in ballistic missile transactions from the Korea Mining Development Trading Corporation to the Shahid Hemmat Industrial Group) (S/2012/287). The Security Council designated the

<sup>16</sup> Stephen Clark, "Observing satellite launched by modified Iranian missile", *Spaceflight Now*, 3 February 2012.



Shahid Hemmat Industrial Group in resolution 1737 (2006) as an entity involved in the Iranian ballistic missile programme.

94. According to a report by Yonhap News Agency, a delegation of 12 Iranian officials from the Shahid Hemmat Industrial Group travelled to the Democratic People's Republic of Korea to observe the 13 April launch.<sup>17</sup>

#### **4. Conclusions**

95. With the exception of the Rasad and Navid satellite launches, the Panel received no reports of alleged violations related to ballistic missile launches.

96. Its growing manufacturing and technical competence notwithstanding, the Islamic Republic of Iran continues its attempts to procure essential technology and components. Preventing the supply of crucial missile components is an important aspect of successful implementation of sanctions.

### **C. Conventional arms and related materiel**

#### **1. Introduction**

97. In paragraph 5 of resolution 1747 (2007), the Security Council decided that the Islamic Republic of Iran was not to 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 Member States were to prohibit the procurement of such items from the Islamic Republic of Iran by their nationals, or using their flag vessels or aircraft, and whether or not originating in the territory of the Islamic Republic of Iran.

98. Member States are required under paragraph 8 of resolution 1929 (2010) to prevent the direct or indirect supply, sale or transfer to the Islamic Republic of Iran 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. Member States are to prevent the provision to the Islamic Republic of Iran of relevant training and financing, and are called upon to exercise vigilance and restraint over the supply of all arms and related materiel.

99. In the present section, the Panel provides its analysis on the basis of three inspections of reported incidents of conventional arms interdictions and emerging connections among these and previous reported interdictions investigated by the Panel with the aim of identifying trends in the illegal transfer of conventional arms by the Islamic Republic of Iran.

#### **2. Recent inspections**

100. During its current mandate, the Panel inspected three reported incidents of non-compliance as reported by Member States to the Committee and submitted reports as required.

<sup>17</sup> Danielle Demetriou, "Iranian officials 'observed North Korean rocket launch'", *Telegraph*, 16 April 2012.

101. The Panel notes the continuation of a trend reported previously in which most of the incidents referred to the Panel for inspection involved conventional arms and related materiel. The table in annex IX to the present report contains a complete accounting of the arms and related materiel inspected by the Panel, in addition to information derived from documents, in particular shipment consignor and consignee information. These inspections are summarized below.

**(a) Yas Air (Turkey)**

102. On 19 March 2011, the Turkish authorities seized 19 crates containing assault rifles, machine guns, ammunition and mortar shells from an Ilyushin cargo aircraft operated by the cargo airline Yas Air (formerly known as Pars Aviation Services Company, as described in para. 231). It was found to be carrying 60 AK-47 assault rifles, 14 BKC/Bixi machine guns, 560 60-mm mortar shells and 1,288 120-mm mortar shells from the Islamic Republic of Iran to the Syrian Arab Republic.

103. In a 19 November 2011 inspection, the Panel examined and confirmed the arms and ammunition as inventoried by the Turkish authorities, in addition to documents provided establishing the origin and destination of the shipment. The Panel concluded that that shipment constituted a violation by the Islamic Republic of Iran of paragraph 5 of resolution 1747 (2007).

**(b) Kilis (Turkey)**

104. On 15 February 2011, the Turkish authorities seized a truck carrying explosives originating in the Islamic Republic of Iran en route to the Syrian Arab Republic. The interdiction took place at Turkey's border with the Syrian Arab Republic. The contents of the truck were clearly described on shipping documents and are summarized as follows:

- (a) Two boxes of gunpowder M9, for a total weight of 890 kg;
- (b) Two boxes of propelling charge;
- (c) Two boxes of slow-burning material, for a total weight of 40 kg;
- (d) One box of sensitive materials (detonators);
- (e) Six pallets of solid rockets;
- (f) Two pallets of RDX explosives for a total weight of 1,700 kg.

105. The Panel inspected the items and found them to be materials for military purposes, while noting that the detonators and RDX explosive had both military and non-military applications. Documents examined by the Panel, including an invoice issued by the consignor of the shipment, SAD Import Export Company, and the TIR carnet, further established the nature, origin and destination of the cargo.

106. Parchin Chemical Industries and 7th of Tir Industries, both entities designated by United Nations sanctions as subordinates of the Iranian Defence Industries Organization, were identified in documents found with the shipment. The contract referenced in the invoice had been concluded in 2006 for a series of 20 shipments. The Panel concluded that that shipment constituted a violation by the Islamic Republic of Iran of paragraph 5 of resolution 1747 (2007).

**(c) International Security Assistance Force (Afghanistan)**

107. The United Kingdom authorities reported on 21 April 2011 a seizure by the International Security Assistance Force on 5 February 2011 of a shipment of rockets and ammunition near Afghanistan's border with Pakistan. The shipment was reported to include 48 122-mm rockets, 49 fuses and 1,000 7.62-mm ammunition rounds.

108. Following the seizure, much of the shipment was destroyed in situ and the rest transferred to the United Kingdom for forensic analysis to provide additional evidence of its origin. Tests included X-ray examination, metallurgy sampling, and chemical and comparative analysis. The United Kingdom also possessed intelligence suggesting that the shipment of rockets originated in the Islamic Republic of Iran. Many of the characteristics of the rockets matched Iranian rockets found elsewhere.

109. The Panel inspected some of the remains of the rockets in the United Kingdom on 26 September 2011. The Panel carried out its investigation on the basis of evidence provided by the United Kingdom authorities, independent research and consultations with experts.

110. The Panel concluded that there was a high probability that the rockets had originated in the Islamic Republic of Iran. The Panel invited relevant Member States to provide further evidence that would enable confirmation of that finding, and consulted experts from the North Atlantic Treaty Organization in Brussels in search of relevant evidence. The Panel continues its investigation and seeks further information.

**3. Analysis***Nature of the transfers*

111. Whereas in previous inspections the Panel had found only ammunition and no arms, the current cases include a greater diversity of items. In the Yas Air case, arms and ammunitions were both present; in the Kilis case, detonators and explosives were identified. The Panel also observed that, previously, systematic attempts had been made to conceal shipments physically through erased markings or packaging, but the current cases reflected no such attempts. This may reflect confidence on the part of the Islamic Republic of Iran that the transfers might proceed undetected, a greater time pressure for the shipments or operational errors on the part of the Iranian authorities.

*Transportation*

112. Although the current cases inspected by the Panel include examples of arms transfers using ground and air transport, it cannot be excluded that the Islamic Republic of Iran continues to use maritime avenues to transport shipments of arms and related materiel. This issue is discussed further in paragraphs 150 to 181. One Member State alerted the Panel that the Islamic Republic of Iran might be using mixed passenger-cargo flights to transfer arms illicitly. The Panel has not further corroborated this information.

*Iranian origin of items*

113. The Panel found documentary evidence in two of the three cases linking the shipments to the Islamic Republic of Iran as the sender. Documents found with the

shipment of high explosives (Kilis case) connect the items to Parchin Chemical Industries and 7th of Tir Industries. Both are subsidiaries of the Iranian Defence Industries Organization and all three entities are designated under Security Council resolutions: the Defence Industries Organization and 7th of Tir Industries are designated under annex I to resolution 1737 (2006), while Parchin Chemical Industries is designated under annex I to resolution 1747 (2007). The Yas Air case raises the issue of an existing designation under a previous name and the need for a new designation based on the interdiction. This matter is discussed further in paragraph 231.

#### *Syrian destination of items*

114. The Panel found documentary evidence in two of the three cases linking the shipments to the Syrian Arab Republic as the recipient. The shipments contained information pointing to specific consignees in the country for a series of 20 shipments dating from 2006, including a commercial invoice with a reference to the Central Bank in the letter of credit.

#### *Common elements among interdictions*

115. The Panel has identified connections linking current and previous interdictions. The Panel notes that the labels on wooden boxes containing mortar shells found in the Francop (Israel) case appeared identical to those found in the Yas Air (Turkey) interdiction. In both cases, the label read “Ministry of Sepah”, while in the Yas Air case, a crude attempt had been made to cross off the word “Sepah”.

116. The Panel also identified connections between the recent Kilis (Turkey) case and two earlier cases: the *M/V Monchegorsk* (Cyprus) and *Hansa India* (Malta) interdictions. The consignor and consignee in both the Kilis and *M/V Monchegorsk* cases were identical, and both shipments included increment charges for 120-mm mortar shells and black powder. The invoice issued by the consignor of the shipment seized in the Kilis (Turkey) case, SAD Import Export Company, indicates that the consignment was related to prior maritime shipments to “Lattakia or Tartous Ports”. Some of the contents of the *M/V Monchegorsk* shipment, as described in a letter to the Committee dated 3 February 2009, appeared to be identical to those found in the *Hansa India* interdiction, including bronze brass plates and bullet casings packed in blue metallic barrels. Papers found on the blue metallic barrels on the *Hansa India* identified Lattakia or Tartous ports as destinations.

#### *Additional information from Member States*

117. Alleged arms transfers from the Islamic Republic of Iran to Member States have been reported in the media.<sup>18</sup> One Member State reported that in 2011 the Islamic Republic of Iran delivered military equipment and spare parts to the Sudan, in addition to providing military technical assistance. Another Member State informed the Panel of arms transfers to Yemen. The Panel is following up, as appropriate, to encourage the necessary reporting to the Committee. The Panel stands ready to receive from Member States additional information regarding these reported transfers.

<sup>18</sup> Eric Schmitt and Robert Worth, “With arms for Yemen rebels, Iran seeks wider Mideast role”, *New York Times*, 15 March 2012.

#### 4. Conclusions

118. During the Panel's current mandate, there were no violations involving transfers of conventional arms and related materiel to the Islamic Republic of Iran reported to the Committee.

119. Inspections indicate that the Islamic Republic of Iran continues to transfer arms, ammunition and dual-use items necessary for the production of explosive ordnance. Such transfers occur by all available means of transportation: air, land and sea.

120. The Syrian Arab Republic continues to be the central party to illicit Iranian arms transfers, as demonstrated by the two additional cases inspected by the Panel to date.

### D. Export control

#### 1. Introduction

121. In resolution 1737 (2006), the Security Council decided that all States were to take the necessary measures to prevent the supply, sale or transfer of all items, materials, equipment, goods and technology (listed in documents S/2006/814 and S/2006/815) that could contribute to the Islamic Republic of Iran's enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems. In resolution 1929 (2010), the Council decided that the list of items in document S/2006/814 was to be superseded by the list of items in INFCIRC/254/Rev.9/Part 1 and INFCIRC/254/Rev.7/Part 2, and the list of items contained in document S/2006/815 by the list of items contained in document S/2010/263.

122. In resolution 1737 (2006), the Council decided that States were to take measures to prevent the provision to the Islamic Republic of Iran of any technical assistance or training, and called upon all States to exercise vigilance and prevent specialized teaching or training of disciplines which would contribute to the Islamic Republic of Iran's proliferation-sensitive nuclear activities and to the development of nuclear weapon delivery systems.

123. In the present section, the Panel addresses the role played by export controls in preventing procurement by both Government authorities and the private sector of the items described above. It also describes some challenges and makes conclusions.

#### 2. Analysis

124. Many Member States attach great importance to implementing their Security Council obligations concerning the Islamic Republic of Iran in the area of export controls. At the same time, the continuing prohibited nuclear and ballistic missile procurement efforts by the Islamic Republic of Iran pose challenges for all Member States, in particular those with less-developed export control systems, in terms of identifying dual-use items and implementing catch-all provisions.

##### (a) Implementation measures by Governments

125. Member States consulted by the Panel provided detailed descriptions of export licensing procedures and requirements, in addition to policies to ensure the

extension of export controls to catch-all items not included on the control lists referenced in the relevant Security Council resolutions. The Panel was impressed by the high level of attention to detail shown by many Member States to both the spirit and letter of sanctions provisions regarding export controls.

126. Most Member States provided information regarding their internal procedure for incorporating Security Council resolutions into national legislation, relevant institutions and export control procedures. Many described special interministerial or inter-agency coordinating mechanisms established explicitly for the purpose of implementing the export controls related to the Islamic Republic of Iran contained in the relevant resolutions.

127. It remains that the export controls of some Member States with regard to the Islamic Republic of Iran need further strengthening, especially where legislation, institutions or enforcement mechanisms are deficient. Reasons for less effective export controls in this context may include: lack of awareness of export control obligations because of the absence of relevant industries or production; limited trade with the Islamic Republic of Iran; geographic remoteness; and lack of resources, experience and expertise to exercise effective export controls.

#### *Information sharing*

128. Information regarding export denials and suspicious enquiries would help the Panel better to understand patterns of procurement or attempted procurement of sensitive items. The Panel has received such information on an ad hoc basis from some Member States and encourages other Member States also to submit information.

129. The United Kingdom shared with the Panel information regarding denials of export licences in the context of its membership of the Nuclear Suppliers Group. These denials, pertaining to dual-use equipment and technology sought by the Islamic Republic of Iran, were based on catch-all provisions. This information is valuable to the Panel, as it provides insight into Iranian procurement priorities. The Panel would welcome similar sharing of information by other Member States.

#### **(b) Customs authorities and control**

130. Customs authorities play a key role in enforcing sanctions. The Panel held discussions with relevant officials during consultations with Member States and inspections of reported violations, and visited Customs facilities, ports and airports.

131. The Panel noted a high standard of technical equipment, in particular automatic systems enabling electronic processing of data, electronic profiling and risk management. The Panel observed the operation of such equipment, including radiation monitoring and X-ray scanning. Many Customs services had testing centres or laboratories to carry out technical testing for verification of specific items, or could call upon such facilities.

132. The Panel was informed that, while the overall policy of Customs authorities was to facilitate trade, if officials determined that a consignment was suspicious, the general practice was not to clear the shipment until there was proper identification of the goods in question, proof of purpose, origin, destination and relevant parties involved.

133. Customs administrations cooperate at the bilateral and multilateral levels. Such cooperation, including information exchange, is facilitated by the World Customs Organization through its global network of regional intelligence liaison offices, although this is not used specifically for sanctions implementation.

**(c) Implementation by the private sector**

*Outreach to industry*

134. The private sector is at the forefront of effective export control implementation, and outreach to industry by Member States plays a critically important role in helping to achieve this objective. It raises awareness of national and international obligations, provides current information regarding changes in regulations, promotes internal compliance, reduces the incidence of inadvertent transfers and encourages industry to exercise due diligence over customers.

135. While most Member States consulted by the Panel maintain some level of outreach to local industry, other countries are only just beginning to implement such practices. The Panel continues to emphasize the importance of outreach to the private sector in its consultations.

136. Outreach methods include seminars, training courses, Government publications, websites, press releases, social media, industry-specific briefings and field visits by export control officials.

137. Outreach efforts organized by non-governmental organizations can complement those of Governments. In some Member States, non-governmental organizations play an important role in assisting Governments to raise private-sector awareness of the importance of effective export controls.

*Internal compliance programmes*

138. Suspicious enquiries point to the need for heightened awareness and vigilance by suppliers. Firms consulted by the Panel routinely require due diligence on the part of sales agents to screen enquiries against sanctions lists, check on end users, exercise caution when dealing with middlemen and consult Government authorities when questions arise. Member States consulted by the Panel report that companies, especially large established firms, are wary of the reputational risk involved with transactions with the Islamic Republic of Iran and regularly avoid them, even in the case of permissible, non-sanctions-related trade.

139. Internal compliance programmes help producers and traders to exercise discipline and vigilance over sensitive dual-use exports. Many Member States promote the establishment of such procedures, in addition to certifying and even monitoring them. Several private-sector producers of sensitive dual-use goods shared with the Panel possible indicators for identifying suspicious enquiries. These included:

- (a) Reluctance by the purchasing agent to provide information about the end use and end users;
- (b) Inability to answer commercial or technical questions regarding the item sought;
- (c) Unconvincing explanation as to why the item is required;

- (d) Unusually favourable terms of payment offered;
- (e) Requests for unusual shipping, packaging or labelling arrangements;
- (f) Requirements for confidentiality regarding final destinations, customers or specifications of items;
- (g) Requests for excessive quantities;
- (h) Similar enquiries received from multiple agents;
- (i) Enquiries received based on common lists with characteristic misspellings;
- (j) Request for post-sale modifications to uncontrolled items that would result in the item falling within controls if exported as such;
- (k) Changes of consignee address shortly before shipment.

*Controls on teaching or training*

140. The Panel has raised with Member States the issue of specialized teaching or training in sensitive areas, and observed that a wide range of practices existed to implement those provisions. Some Member States have established working groups with universities to ensure that advanced graduate work by Iranian students is monitored in accordance with Security Council obligations; other Member States are beginning to establish such procedures. Many Member States have a policy to deny student visa requests from the Islamic Republic of Iran for advanced graduate study in sensitive areas, and monitor closely any changes in courses of study.

**(d) Iranian procurement efforts**

141. The Panel was informed by a number of Member States and one regional multilateral organization that the Islamic Republic of Iran continued to seek items through illicit procurement to support prohibited nuclear and ballistic missile programmes. Among the items cited most frequently were vacuum pumps, perfluoropolyether lubricants and carbon fibre (see paras. 57-67 for greater detail regarding the last-mentioned issue). As noted above, one State provided the Panel with information regarding denials of licences for export issued under catch-all requirements. Examples included process controllers, heat exchangers, flow meters and accessories, and carbon steel tubes.

142. According to the same regional multilateral organization, the Islamic Republic of Iran undertakes this procurement directly and indirectly. Its procurement methods include making direct bids to foreign commercial partners to procure materials with technical documentation, acquiring foreign licences and patents, copying material, conducting mergers of or absorbing foreign companies or purchasing company securities allowing access to technologies, and sending technicians to foreign suppliers for training.

143. The Islamic Republic of Iran is also believed to use indirect strategies for procurement, including:

- (a) Making use of front companies;
- (b) Concealing the end use or end user and final destination;



- (c) Falsifying technical documentation for materials ordered;
- (d) Reaching out to multiple suppliers for the same item;
- (e) Making use of the Iranian diaspora to facilitate procurement.

### 3. Challenges

144. **Small and medium-sized enterprises.** Small and medium-sized enterprises are more vulnerable than their larger counterparts to weaknesses in export control systems. They may lack resources, expertise, experience and knowledge of their national and international obligations. Investment in internal compliance programmes can be costly for small firms or seen as excessively burdensome. Small and medium-sized enterprises may also be wary of export controls, which are perceived to hamper business opportunities. Such firms may not have the same aversion to reputational risk as larger firms. Internal compliance programmes are more difficult to implement for small and medium-sized enterprises than for larger firms. Outreach initiatives targeting small and medium-sized enterprises should make it a priority to help such firms to establish internal compliance programmes.

145. **Identification difficulties.** Special expertise is necessary to identify proliferation-sensitive dual-use exports at two stages of the export control process. The first stage is at the time of licensing, when exporters, in particular those who are unfamiliar with their national export control legislation and procedures, may export items without understanding licence requirements. The second stage is at the border, where such expertise is necessary for identifying sensitive exports.

146. **Control lists.** Several Member States consulted by the Panel noted that the lists identified in paragraph 122 had been modified since the adoption of resolution 1929 (2010), and requested that the Panel should recommend the updating of those lists. The current versions of these lists are contained in INFCIRC/254/Rev.8/Part 2, INFCIRC/254/Rev.10/Part 1 and document S/2012/235.

### 4. Conclusions

147. Member States are implementing export controls with greater awareness of their obligations under United Nations sanctions. While most have well-established mechanisms to coordinate and implement the export licensing process, including of catch-all items falling below established thresholds, some may need assistance to strengthen such programmes and their implementation.

148. Small and medium-sized enterprises are an attractive target for illicit procurement. Outreach to small and medium-sized enterprises engaged in the production and export of sensitive items is critical to the effective implementation of sanctions and, more generally, export controls.

149. Internal compliance programmes have proved an effective tool to help the private sector to implement export controls, although not all companies have such programmes in place.

## E. Shipping and transportation

### 1. Introduction

150. In resolution 1929 (2010), the Security Council called upon all States to inspect all cargo to and from the Islamic Republic of Iran and to cooperate in inspections on the high seas with the consent of the flag State, if there was information that provided reasonable grounds to believe that the vessel was carrying items, the supply, sale, transfer or export of which was prohibited. The Council also decided that States were to prohibit the provision of bunkering services to Iranian-owned or -contracted vessels if they had information that provided reasonable grounds to believe that they were carrying prohibited items.

151. Three Islamic Republic of Iran Shipping Lines entities are designated under resolution 1929 (2010): Irano Hind Shipping Company, IRISL Benelux NV and South Shipping Line Iran (SSL), together with persons or entities acting on their behalf or at their direction and entities owned or controlled by them.

152. In paragraph 20 of resolution 1929 (2010), the Security Council requested all Member States to inform the Committee of transfers of business and activity by the Islamic Republic of Iran Shipping Lines to other companies, including renaming or re-registering of vessels or ships. The same information is requested from Member States in connection with Iran Air's cargo division.

### 2. Background

153. According to Iranian official statements over the past year, international trade has increased, the sanctions notwithstanding.<sup>19</sup> By contrast, many Member States reported to the Panel significant decreases in trade with the Islamic Republic of Iran, citing such factors as difficulties completing financial transactions, finding carriers and freight forwarders for transporting Iranian-related cargo and obtaining marine insurance coverage. Unilateral sanctions may be a factor in these developments.

154. The Panel was also informed that some shipping companies and freight forwarders had adopted policies to refrain from business with the Islamic Republic of Iran, including transporting cargo to Iranian ports.<sup>20</sup> A number of large cargo transportation firms announced over the past year a suspension or limitation in shipments involving Iranian ports. These include CMA CGM (September 2011), Hapag-Lloyd (November 2011) and Maersk (February 2012).<sup>21</sup> According to an international maritime insurance association consulted by the Panel, marine insurance, including third-party liability insurance, connected with business with the Islamic Republic of Iran is difficult to obtain.<sup>22</sup> The International Air Transport Association suspended the access of two Iranian airlines, including Iran Air, to its

<sup>19</sup> "UAE official: trade ties with Iran unaffected by sanctions", *Fars News Agency*, 21 August 2011.  
 "Dubai-Iran trade grows in goods exempt from sanctions", *Tehran Times*, 22 August 2011.  
 "Iran: minister dismisses effectiveness of sanctions against Iran", *Thai News Service*, 31 August 2011.

<sup>20</sup> "Sanctions blowback crippling Iran's shipping trade", *Reuters*, 1 December 2011.

<sup>21</sup> "Maersk suspends oil tanker trade deals with Iran", *Reuters News*, 8 February 2012.

"French shipper CMA CGM stops exporting from Iran", *Reuters News*, 30 November 2011.

<sup>22</sup> Some of the issues relevant to protection and indemnity cover are discussed in [www.igpandi.org/downloadables/news/news/Iran%20FAQs%208%2002%202012.pdf](http://www.igpandi.org/downloadables/news/news/Iran%20FAQs%208%2002%202012.pdf).

payment settlement system for member airlines and travel agents. Two bordering Member States announced limitations in air cargo overflights or the grounding and inspection of all such flights.

### **3. Analysis**

155. The Panel inspected three incidents of non-compliance reported by Member States, two of which involved transport by road and one transport by air. The details of these inspections can be found in paragraphs 100 to 110.

#### **(a) Air transport**

156. The Yas Air (Turkey) interdiction was undertaken following a technical stopover imposed by Turkey in response to a series of flight plans submitted by Yas Air and information provided by another State. The incident illustrates the importance of effective, timely and tested inter-agency coordination mechanisms in carrying out successful interdictions of air shipments. These are particularly important because information on overflights with suspicious cargoes may be available with limited notice and decisions may need to be taken by the authorities at the last minute.

157. Yas Air's corporate registration history and the issue of its proposed designation under United Nations sanctions are discussed in more detail in paragraph 231. One of the patterns of circumvention by the Islamic Republic of Iran illustrated in this case involves the renaming of a cargo airline.

#### **(b) Overland transport**

158. In the case of the International Security Assistance Force (Afghanistan), in which arms and related materiel were interdicted close to the border in southern Afghanistan, the methods and route used for transporting the prohibited goods resembled smuggling or illicit trafficking of contraband. Experts in border security in this region have noted that the capacity of Customs is limited on both sides of the border and the volume of cross-border trade very high, making it more vulnerable to smuggling.<sup>23</sup>

159. The case of Kilis (Turkey) consisted of arms-related materiel carried by a truck that was legally registered for international road transport. No attempt had been made to physically conceal the shipment or to falsify the documents. The Panel notes that a related shipping document stated that the shipment was part of a contract including 20 such shipments.

#### **(c) Maritime transport**

160. No State reported violations involving marine transport during the Panel's current mandate.

161. The Panel visited seven ports during its current mandate to gather relevant information about the implementation of sanctions. Practices vary by State as to the precise role played by port authorities. The Panel notes that there is significant value in coordinating the responsibilities of port authorities with those tasked with the detection of prohibited commodities for the purpose of sanctions implementation or

<sup>23</sup> United Nations Office on Drugs and Crime, *The Global Afghan Opium Trade: A Threat Assessment* (Vienna, July 2011).

export controls. For example, information held by port authorities on vessels entering ports, such as International Maritime Organization numbers, could be shared with the authorities in charge of implementing relevant Security Council resolutions. Inspection tools used by port authorities, even though not designed to detect suspicious cargo, could help relevant authorities to detect suspicious ship operations, including carriage of banned goods.<sup>24</sup>

**(d) Measures taken by the private sector**

162. The Panel notes that many transport companies are sensitive to the need to comply with sanctions on the Islamic Republic of Iran and have adopted additional measures to reduce the risk of violating relevant Security Council resolutions. These include creation of internal compliance units; enhanced internal compliance procedures, including senior management responsibility for decisions over business with an Iranian connection; advanced risk profiling systems; specialized training of employees; development of internal blacklists of suspicious or risky customers; scanning of all cargo bound for the Islamic Republic of Iran; and mandatory confirmation from business counterparts that their contract is not connected to Iranian prohibited activities. By contrast, some entities have withdrawn from the Iranian market altogether.

**4. Transfer, renaming and reflagging of vessels related to the Islamic Republic of Iran Shipping Lines<sup>25</sup>**

163. The measures concerning the Islamic Republic of Iran Shipping Lines contained in the relevant resolutions go beyond the designations of the three entities related to the Islamic Republic of Iran Shipping Lines in paragraph 19 of resolution 1929 (2010). States are also called upon to be vigilant over the activities of the Islamic Republic of Iran Shipping Lines in resolutions 1803 (2008) and 1929 (2010). They are obliged under paragraph 22 of resolution 1929 (2010) to 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 of the Islamic Republic of Iran Shipping Lines, if they have information that provides reasonable grounds to believe that such business could contribute to the Islamic Republic of Iran's proliferation-sensitive nuclear activities or the development of nuclear weapons delivery systems.

164. These measures are difficult to implement because of actions by the Islamic Republic of Iran Shipping Lines, following the adoption of resolution 1803 (2008), to modify regularly its corporate ownership structure and the names and flags of its vessels. Currently, over 130 vessels related to the Islamic Republic of Iran Shipping Lines are operated by approximately 75 companies, most of which operate just one or only a few vessels. The Panel understands from discussions with shipping industry representatives that such operating practices are uncommon, especially among major shipping lines.

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<sup>24</sup> Hugh Griffiths and Michael Jenks, "Marine transport and destabilizing commodity flows", Stockholm International Security and Peace Research Institute Policy Paper, No. 32 (Solna, 2012). Available from [books.sipri.org/files/PP/SIPRIPP32.pdf](http://books.sipri.org/files/PP/SIPRIPP32.pdf).

<sup>25</sup> The assessment in the present subsection is based on information from States and the Panel's own research using commercial sources (Lloyd's List's Seasearcher and IHS Fairplay).

165. These activities, although not in themselves illegal, have introduced a complex and amorphous structure to the Islamic Republic of Iran Shipping Lines that serves to obscure its activities as a whole and the identities of individual vessels.<sup>26</sup> The more complex the overall structure of the Islamic Republic of Iran Shipping Lines, the more difficult and time-consuming the identification of ships related to it.

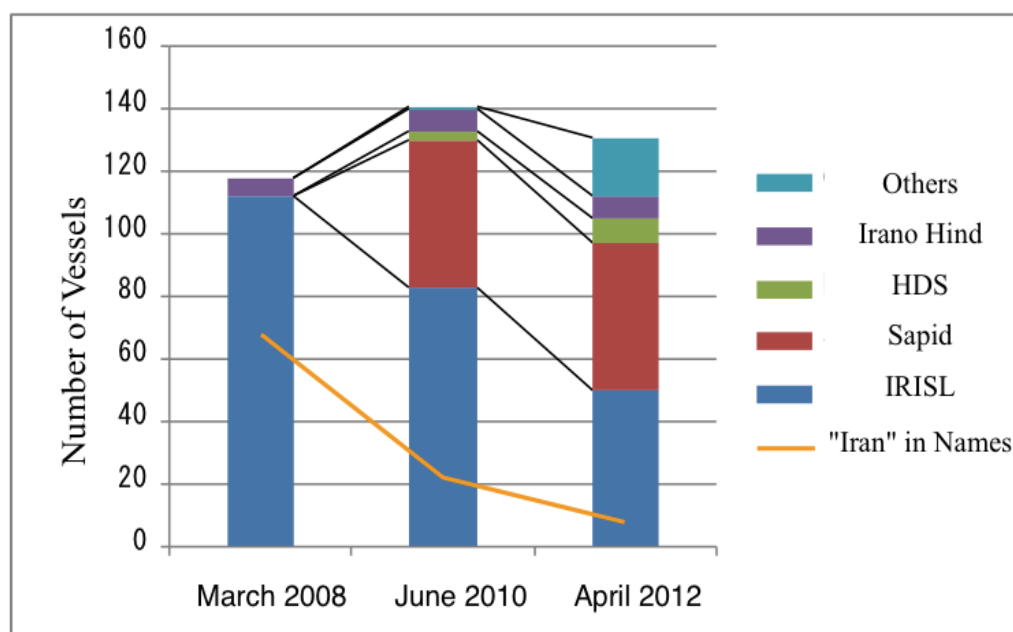
166. The following is a preliminary assessment of trends. It is intended to provide basic information regarding the activities of the Islamic Republic of Iran Shipping Lines to assist the Security Council and the Committee. It is also intended to assist Member States in exercising effective vigilance over the activities of the Islamic Republic of Iran Shipping Lines in accordance with the relevant Security Council resolutions. Pertinent information from Member States would assist the Panel to develop further its analysis of this issue.

#### *Transfers of vessel ownership*

167. At the time of the adoption of resolution 1803 (2008), the first reference to the Islamic Republic of Iran Shipping Lines in a Security Council resolution, the company was the beneficial owner of more than 110 vessels. Following resolution 1803 (2008), it began transferring vessels to two related companies: the Hafiz Darya Shipping Company and the Sapid Shipping Company (see figure IV).

Figure IV

#### **Ownership structure of vessels related to the Islamic Republic of Iran Shipping Lines**



Source: Lloyd's List's Seasearcher.

<sup>26</sup> For an analysis of corporate and financial structures that could be used for hiding corrupt transactions, see Emile van der Does de Willebois and others, *The Puppet Masters* (Washington, D.C., World Bank, 2011).

168. From 2008 until the adoption of resolution 1929 (2010), the Islamic Republic of Iran Shipping Lines and its related companies carried out more than 110 changes to the beneficial and registered owners of their vessels. Following the adoption of resolution 1929 (2010), a further more than 110 changes took place.

169. As at 28 April 2012, the Islamic Republic of Iran Shipping Lines was the beneficial owner of 50 vessels, of which 14 were registered as directly owned by it and another 36 by 14 different companies owned in turn by it. In addition, from 35 to 40 vessels are registered to the Islamic Republic of Iran Shipping Lines, although they are either under construction, on construction orders or pending operation.

170. Very few vessels were directly registered to the Hafiz Darya Shipping Company or the Sapid Shipping Company as at 28 April 2012. The eight vessels of the former were registered to seven different companies that it owned. The 47 vessels of the latter were registered to 39 different companies that it owned. Only two vessels were registered to the Sapid Shipping Company itself. Approximately 20 other vessels were related to the Islamic Republic of Iran Shipping Lines, the Hafiz Darya Shipping Company or the Sapid Shipping Company, bringing to more than 130 the number of vessels related to the three companies (including vessels related to the Irano Hind Shipping Company). In many cases, companies under ownership of the Islamic Republic of Iran Shipping Lines, the Hafiz Darya Shipping Company or the Sapid Shipping Company possessed only one or two vessels.

171. More than 60 of the approximately 130 vessels are currently operated by a single Iranian third party operator, the Rahbaran Omid Darya Ship Management Company. In addition, more than 50 vessels are managed by a single Iranian technical manager, the Soroush Sarzamin Asatir Ship Management Company.

#### *Renaming of vessels*

172. Vessels under the Islamic Republic of Iran Shipping Lines and its related companies change names frequently, in most cases from those easily identified as Iranian-related to those not indicating any Iranian origin. When resolution 1803 (2008) was adopted, most vessels owned by the Islamic Republic of Iran Shipping Lines carried a name containing "Iran". As at 28 April 2012, however, the name "Iran" was found in fewer than 10 of more than 130 vessels related to the Islamic Republic of Iran Shipping Lines, the Hafiz Darya Shipping Company and the Sapid Shipping Company. Since the adoption of resolution 1803 (2008), more than 150 name changes of vessels owned or controlled by the three companies have taken place.

#### *Reflagging of vessels*

173. Following the adoption of resolution 1803 (2008), the flag States of more than 90 vessels related to the Islamic Republic of Iran Shipping Lines, the Hafiz Darya Shipping Company and the Sapid Shipping Company have been changed.

174. Approximately 25 per cent of these changes happened recently. Since February 2012, 12 vessels belonging to the Sapid Shipping Company or the Irano Hind Shipping Company have changed their flags to a Latin American State. Since March 2012, eight vessels belonging to the Islamic Republic of Iran Shipping Lines or the Hafiz Darya Shipping Company have shifted their flag to an African State and three vessels belonging to the Hafiz Darya Shipping Company or the Sapid Shipping

Company have changed flags to another African State. The beneficial and registered owners of some of these vessels are unconfirmed.

175. Some of these flag changes were also accompanied by vessel name changes. Vessels with relatively large container capacity changed their names, flags and owners at the same time.

#### *Related services providers*

176. Changes in ownership, names and flags can be carried out only by third parties with expertise in legal and procedural issues, such as registration brokerage companies, law firms or corporate services providers. One State informed the Panel that transfers of vessel ownership were apparently obscured by the use of bearer shares provided by such a third party.

## **5. Conclusions**

177. The frequent changes of ownership, name and flag of vessels by the Islamic Republic of Iran Shipping Lines go beyond standard business practice and are suited to obscuring the identity of vessels. Vigilance over the company's activities, in particular monitoring vessels' International Maritime Organization numbers, continues to be important.

178. Vigilance by providers of related services, including ship registration and corporate formation, is also needed.

179. The absence of reported incidents notwithstanding, it is likely that maritime shipments of prohibited items are continuing.

180. Border States are potential targets for illicit transfers or transit of arms and related materiel from the Islamic Republic of Iran.

181. Coordination among port, airport and air traffic control authorities with enforcement agencies enhances the effectiveness of sanctions implementation and their enforcement. In maritime ports and airports, coordination of technical inspections with border control and Customs authorities can enhance implementation of sanctions. Sharing of information routinely obtained by all relevant authorities, including vessels' International Maritime Organization numbers and flight plans of aircraft, is important.

## **F. Financial and business restrictions**

### **1. Introduction**

182. The relevant Security Council resolutions contain two categories of financial restrictions. The first, targeted financial sanctions, require freezing of funds and other assets of designated entities and individuals (resolution 1737 (2006), paras. 12-15; resolution 1747 (2007), para. 6; resolution 1803 (2008), para. 7; and resolution 1929 (2010), paras. 11, 12 and 19). The designated individuals and entities are listed in the annex to resolution 1737 (2006), annex I to resolution 1747 (2007), annexes I and III to resolution 1803 (2008) and annexes I to III of resolution 1929 (2010). Two Iranian financial institutions are designated: Bank Sepah and Bank Sepah International (resolution 1747 (2007)) and First East Export Bank (resolution 1929 (2010)).

183. The second category of restriction is activity-based sanctions, which impose restrictions on financial or business dealings with the Islamic Republic of Iran under specific conditions. The restrictions are as follows:

(a) Preventing the transfer of financial resources or services related to the supply, sale, transfer, manufacture or use of the prohibited items (resolution 1737 (2006), para. 6; and resolution 1929 (2010), paras. 8 and 13);

(b) Preventing the provision of financial services and transfer of financial assets or resources that could contribute to the Islamic Republic of Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems (resolution 1929 (2010), para. 21);

(c) Prohibiting Iranian banks from initiating new business activities in Member States if related to the Islamic Republic of Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems (resolution 1929 (2010), para. 23);

(d) Prohibiting financial institutions of Member States from initiating new business in the Islamic Republic of Iran if related to the Islamic Republic of Iran's proliferation-sensitive nuclear activities, or the development of nuclear weapon delivery systems (resolution 1929 (2010), para. 24).

184. The activity-based sanctions of resolution 1929 (2010) build on those set out in resolutions 1737 (2006) and 1803 (2008). Two Iranian financial institutions are named in paragraph 10 of resolution 1803 (2008), in which the Security Council calls upon States to exercise vigilance over the activities of financial institutions in their territories with all banks domiciled in the Islamic Republic of Iran, in particular with Bank Melli and Bank Saderat, and their branches and subsidiaries abroad. Vigilance over transactions involving Iranian banks, including the Central Bank of Iran, was also called for in the sixteenth preambular paragraph of resolution 1929 (2010).

185. Member States are also obliged to 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 in the Islamic Republic of Iran, including those of the Islamic Revolutionary Guards Corps and the Islamic Republic of Iran Shipping Lines (resolution 1929 (2010), para. 22).

186. In the present section, the Panel discusses the implementation by Member States of United Nations financial sanctions, responses to financial sanctions, practices of entities in response to sanctions requirements and challenges arising from the implementation of financial sanctions.

## **2. Analysis**

### **(a) Implementation of financial sanctions**

187. The Panel consulted Member States to learn about how implementation was carried out in practice and to receive information on sanctions circumvention by the Islamic Republic of Iran. The Panel participated in outreach seminars for Governments and the private sector and sought views from private-sector entities during meetings.



188. To implement financial sanctions, Member States require mechanisms to identify and freeze assets of designated entities and individuals, and to monitor and regulate financial and business transactions with the Islamic Republic of Iran. A high standard of communication and coordination between regulatory authorities and the private sector is needed.

189. While many Member States noted that they had such systems in place, only a few shared information regarding suspicious transaction reports, violations or attempted violations. For example:

(a) One State bordering the Islamic Republic of Iran said that it had revoked the licence of a money transfer company in 2008;

(b) One State informed the Panel that its financial intelligence unit had received and investigated several suspicious transaction reports in connection with transactions involving Bank Saderat during the period 2006-2007. It could not be ascertained that those were relevant to United Nations resolutions. The financial intelligence unit had also carried out checks on the basis of information received from other Member States during 2007, but no information had been found related to United Nations sanctions;

(c) One State said that on-site inspections of Bank Mellat had identified two examples of failure to follow proper procedures;

(d) One State noted that transactions from banks in one Middle Eastern State with Iranian shareholders had been blocked based on intelligence received from foreign sources.

190. There is no general understanding of the definition of “vigilance” in the context of paragraph 22 of resolution 1929 (2010). Member States reported various mechanisms to comply with this requirement, such as:

(a) Some regulatory authorities closely supervised business with the Islamic Republic of Iran;

(b) Some authorities required notification or authorization in advance for transfers of funds involving an Iranian person or entity over specific thresholds. One State reported a requirement for non-personal financial transactions to be licensed on a case-by-case basis. Other Member States had systems in place to license individual financial transactions, or to license a class of financial transactions;

(c) Some Member States reported that they simply generally supervised business to ensure that no prohibited activities took place.

191. The Panel received no reports that the Islamic Republic of Iran had successfully developed significant new channels for transactions following the adoption of resolution 1929 (2010), although some Member States shared information that it remained interested in doing so. One State noted that monitoring Iranian-related transactions through banks in some third countries was difficult. One State bordering the Islamic Republic of Iran informed the Panel of Iranian requests to open new financial institutions. Those requests were not pursued, apparently because of that State’s burdensome legislation. Another State, on another continent, disclosed similar requests. Another State said that the Islamic Republic of Iran had requested information about procedures for opening financial institutions using Iranian or mixed capital. In most cases, the Islamic Republic of Iran did not pursue these enquiries.

192. The compliance department of one large international financial institution stated that the Islamic Republic of Iran was known to be seeking to develop covert relationships with existing institutions, and new relationships in jurisdictions with weak regulations. A representative of another large international financial entity also noted that Iranian banks were creative in seeking to circumvent sanctions, including by opening new branches.

193. The Financial Action Task Force issued revised standards in February 2012, including a new standard on implementation of targeted financial sanctions related to proliferation. Member States may need to put in place mechanisms to meet this standard. The inclusion of this standard in future mutual evaluation reviews could provide the Panel with useful information regarding the implementation of United Nations targeted financial sanctions.

**(b) Responses to financial sanctions**

194. Member States informed the Panel that Iranian entities and citizens not designated under sanctions were deploying measures to deal with the effects of sanctions, in particular unilateral ones, some of which might be intended only to protect legitimate transactions, such as:

(a) An increasing number of Iranian-related financial transactions involved non-sanctioned Iranian banks with correspondent accounts with foreign banks, or money transfer businesses based in the Islamic Republic of Iran with access to foreign banks. Some of those transactions might have been initiated by sanctioned banks;<sup>27</sup>

(b) An increase in cash transfers between Iranians resident overseas and their friends and relatives inside the Islamic Republic of Iran, which was notable in Member States with many Iranian residents. One State, which monitors all cross-border financial transactions, reported a several-fold increase over the past two years in cash transfers to the Islamic Republic of Iran. The State suggested that sanctions had made electronic transfers more difficult. Another factor was the increasing regulation of money transfer businesses, which were now required to register as financial institutions. The media also reported an increase in cash transactions;<sup>28</sup>

(c) One State said that hawala transactions had increased in recent years in inverse proportion to the reduction of bank transactions with the Islamic Republic of Iran;

(d) One border State reported that barter transactions were a growing component of trade with the Islamic Republic of Iran. Barter arrangements were also reported by the media;<sup>29</sup>

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<sup>27</sup> See also media reports, such as Benoît Faucon and Margaret Coker, "Willing banks find profits in legal trade with Iran", *Wall Street Journal*, 8 April 2012.

<sup>28</sup> Michael Lipin, "Western sanctions on Iran's banks make trade harder", *Voice of America News*, 3 April 2012.

<sup>29</sup> Valerie Parent and Parisa Hafezi, "Iran turns to barter for food as sanctions cripple imports", *Reuters*, 9 February 2012. Indira Lakshmanan and Pratish Narayanan, "India and China skirt Iran sanctions with 'junk for oil'", *Bloomberg*, 30 March 2012. "Pakistan, Iran holding talks on barter trade", *Tehran Times*, 22 April 2012.

(e) Some Member States reported cases of companies set up for the purpose of transferring funds to or from the Islamic Republic of Iran. For example, the Panel was informed of the case of a small non-financial firm led by an expatriate Iranian that had transformed itself into a company involved in transferring funds received from a non-sanctioned Iranian bank to recipients throughout the world. Some \$11 billion had been processed over 18 months.

195. Understanding whether and how the above-described methods could be used for financing procurement for sanctioned nuclear and ballistic programmes is challenging. These programmes are industrial in scale and require sources of financing for procurement that are large and reliable.

**(c) Practices of financial entities**

196. The Panel held discussions with representatives of several international financial institutions, insurers, banking associations and legal entities in Europe, Asia and North America.

197. For the purposes of implementing United Nations targeted sanctions, many large financial institutions said that they relied on commercial software providers for systems to screen transactions. Screening against individuals designated by the United Nations was often complicated by a lack of sufficient identifying detail. Most institutions required screening to be able to identify possible non-compliance under all relevant jurisdictions in which they operated. Some providers offered screening services against additional, proprietary criteria. Most institutions said that they deployed many staff and expended significant resources to ensure that adequate due diligence was carried out.

198. The Panel was informed by many institutions and regulatory authorities that they took a highly risk-averse approach to compliance with sanctions on the Islamic Republic of Iran. Many regarded possible penalties for violating unilateral sanctions (in addition to negative publicity and reputational damage) as of greater concern than possible violations of United Nations sanctions, and formulated corporate compliance procedures accordingly. Some entities reported that they had decided that resources needed for adequate compliance with all relevant sanctions regimes were too costly where business was connected with the Islamic Republic of Iran and had decided to do no such business at all.

199. Channels for transactions with some Iranian banks have been blocked following the termination of financial messaging services to these banks in response to unilateral financial sanctions.<sup>30</sup>

200. The Panel observed that the practices of many financial institutions were widening the scope of United Nations financial sanctions. For example, two large insurance entities informed the Panel that company policy was to turn down almost all business connected with the Islamic Republic of Iran because of the burdensome nature of necessary due diligence and potential complexities should a claim arise. Many protection and indemnity clubs have terminated third-party liability cover for Iranian vessels because of unilateral sanctions. The Panel was informed that Iranian insurance companies might provide alternative cover. It is unclear whether the compliance policies of international banks would allow transactions to be processed should Iranian insurance companies pay out against a claim.

<sup>30</sup> Society for Worldwide Interbank Financial Telecommunication, [www.swift.com/news/press\\_releases/SWIFT\\_disconnect\\_Iranian\\_banks](http://www.swift.com/news/press_releases/SWIFT_disconnect_Iranian_banks) (accessed 7 May 2012).

### **3. Challenges**

#### **(a) Asset freezes**

201. Only a few Member States reported that assets had been frozen in response to Security Council resolutions. Most Member States informed the Panel that no assets had been frozen because no relevant assets had been present. Two said that business related to the Islamic Republic of Iran had already scaled back significantly by the time that United Nations asset freezes were put in place.

202. There are several possible reasons for the lack of reports of assets frozen under the relevant United Nations resolutions. Some Member States may lack mechanisms to freeze assets in connection with the resolutions, or may have failed to take action swiftly to ensure that no funds were removed from their jurisdiction before such freezes took effect. Some Member States may require assistance or advice in the implementation of asset freezes. For example, one State enquired about procedures followed elsewhere with regard to property subject to asset freezes.

203. A banking association reported to the Panel in writing that its members were concerned about the ability of the competent authorities to respond to enquiries and licensing requests in a timely manner. Many competent authorities struggled with the lack of precision in the language of United Nations resolutions (such as the definition of “acting on their behalf”).

#### **(b) Unilateral sanctions**

204. The issue of unilateral financial sanctions is not within the Panel’s mandate. The issue is, however, raised often by Member States in the course of the Panel’s consultations regarding United Nations financial sanctions. In addition to United Nations sanctions on the Islamic Republic of Iran, a number of jurisdictions have imposed their own financial sanctions regimes (referred to here as “unilateral sanctions regimes”). Such regimes and sanctions have increased over the past year. Some Member States reported that they sought to comply with both United Nations sanctions and unilateral regimes, and others that they complied only with United Nations sanctions.

205. One example of the difficulties imposed by unilateral sanctions on legitimate transactions is illustrated by an enquiry from an international humanitarian organization to the United Nations regarding the transfer of funds from the Islamic Republic of Iran. The Committee, assisted by the Panel, subsequently recommended that the humanitarian organization should seek advice from Member States that had jurisdiction over their activities regarding restrictions imposed by sanctions regimes, and, where necessary, request such Member States to seek an exemption from the Committee in connection with the transfer of items, financial resources or assets to or from the Islamic Republic of Iran.

206. One State reported that it had been approached by an international humanitarian organization for advice on transferring funds to the Islamic Republic of Iran following the imposition of unilateral sanctions. The State responded that it could not influence the policies of individual banks.

207. The media also reported difficulties with humanitarian transactions.<sup>31</sup>

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<sup>31</sup> Arshad Maohammed, “Of diapers and drugs, Iran’s trouble paying bills”, *Reuters*, 21 March 2012.

#### 4. Conclusions

208. The Panel finds a high level of awareness among Member States and the private sector of United Nations financial sanctions. Many Member States are implementing sanctions through their financial regulatory bodies with rigour.

209. Understanding whether and how Iranian circumvention of United Nations financial sanctions could be used for financing procurement for sanctioned nuclear and ballistic missile programmes is challenging. These programmes are industrial in scale and require sources of procurement financing that are large and reliable.

210. Legitimate trade may be hindered by the practices for financial transactions followed by some entities in response to unilateral sanctions.

### G. Designation of entities and individuals

#### 1. Introduction

211. Designated entities and individuals are subjected to asset freezes set forth in paragraphs 11, 12 and 19 of resolution 1929 (2010) and previous resolutions. They are also subject to travel ban measures under paragraph 10 of resolution 1929 (2010). The travel ban is discussed further in paragraphs 232 to 247 of the present report.

212. Consolidated lists of designated individuals and entities can be found on the Committee's website.<sup>32</sup> The current list falls into three categories: those concerning other individuals and entities involved in the Islamic Republic of Iran's nuclear or ballistic missile activities; designations related to the Islamic Revolutionary Guards Corps (also known as "Army of the Guardians of the Islamic Revolution"); and those related to the Islamic Republic of Iran Shipping Lines.

213. In the present section, the Panel discusses the Islamic Revolutionary Guards Corps, the Irano Hind Shipping Company and the entities and individuals that have come to the Panel's attention as a result of inspections carried out of reported violations.

#### 2. Islamic Revolutionary Guards Corps

214. Although the Islamic Revolutionary Guards Corps as a whole is not designated under the relevant resolutions, a number of key figures have been identified by the Security Council as involved in nuclear and ballistic missile programmes and are subject to asset freeze measures. Officers, including the Corps' Commander-in-Chief and Joint Chief of Staff, in addition to the commanders of the air force, ground force and navy, are all designated. Furthermore, three entities identified in annex I to resolution 1747 (2007) and Khatam al-Anbiya Construction Headquarters and 14 entities related thereto are designated in annex II to resolution 1929 (2010).

215. Activities related to the Islamic Revolutionary Guards Corps are also made subject to vigilance exercised by States and their nationals, persons and firms if they have information that provides reasonable grounds to believe that such business could contribute to the Islamic Republic of Iran's proliferation-sensitive nuclear activities or the development of nuclear weapons delivery systems. Such vigilance

<sup>32</sup> See [www.un.org/sc/committees/1737/pdf/1737ConsolidatedList.pdf](http://www.un.org/sc/committees/1737/pdf/1737ConsolidatedList.pdf).

over business activities extends to entities and individuals acting on behalf of the Corps or at its direction, and entities owned or controlled by it, including through illicit means.

216. The consultations with many Member States showed the difficulty of identifying specific transactions or businesses involving the Islamic Revolutionary Guards Corps that could contribute to Iranian proliferation-sensitive nuclear activities or the development of nuclear weapons delivery systems. Part of the problem lies in the lack of information regarding the structure of the Corps and its activities, both inside the Islamic Republic of Iran and abroad.

217. This lack of information means that foreign entities seeking to carry out legitimate trade with the Islamic Republic of Iran run the risk of becoming unwittingly involved in the above-mentioned prohibited activities of the Islamic Revolutionary Guards Corps, and thus violating relevant Security Council resolutions. To avoid such risks, which could result in significant legal penalties and reputational damage, many entities decide to withdraw from any business that might be connected with the Islamic Republic of Iran or Iranian elements, regardless of the legitimate nature of such business.

**(a) Economic activities by the Islamic Revolutionary Guards Corps**

218. The Islamic Revolutionary Guards Corps is an overwhelmingly important actor in the Iranian economy and has expanded into various sectors, mainly through its civilian arms. Although experts find it difficult to determine the extent of its influence on the economy, conservative estimates suggest that it exercises control of between 25 and 40 per cent of the Iranian gross domestic product.<sup>33</sup>

219. For example, the construction wing of the Corps, Khatam al-Anbiya Construction Headquarters, which is designated under resolution 1929 (2010), is engaged in numerous projects, including dams, buildings, roads, tunnels and underground structures, ports, oil installations, telecommunications, transportation, energy and transmission lines for oil, gas, water and sewage. It has dozens of subsidiaries and partners. One estimate even suggests that it has more than 800 subsidiaries<sup>34</sup> and, according to the entity itself, it has completed hundreds of projects.<sup>35</sup> The position of its Director is traditionally occupied by influential officers of the Islamic Revolutionary Guards Corps. The current Minister of Oil, Rostam Qasemi, is a former Director.<sup>36</sup> Other major projects, such as airport operations, are carried out by other construction entities under the control of the Corps.

220. Some Member States have informed the Panel that the Corps also controls informal economic channels. In particular, some Iranian charitable organizations (foundations) controlled by the Corps are believed to support the Corps' economic activities, including provision of informal channels for business transactions. Such foundations include the Islamic Revolutionary Guards Corps Cooperative

<sup>33</sup> Elliot Hen-Tov and Nathan Gonzalez, "The militarization of post-Khomeini Iran: Praetorianism 2.0", *The Washington Quarterly*, winter 2011.

<sup>34</sup> "New Iran sanction target Revolutionary Guards", *Time Magazine*, 10 June 2010.

<sup>35</sup> See Khatam al-Anbiya Construction Headquarters website, "Ghorb at a glance" (<http://khatam.com/?part=menu&inc=menu&id=98>) (accessed 22 April 2012).

<sup>36</sup> The Director was reportedly replaced by Abolqasem Mozaffari Shams in August 2011, after his predecessor was appointed and confirmed as Minister of Oil.

Foundation (Bonyad-e Taavon-e Sepah) and the Foundation of the Oppressed (Bonyad-e Mostazafan), both of which include incumbent and/or former officers of the Corps as board members. Both foundations operate extensive businesses; for example, the Foundation of the Oppressed recently announced that 20 holding companies and 173 companies were operating under it, in a range of industries, including the agriculture, shipping, finance and beverages industries.<sup>37</sup>

**(b) Leadership of the Corps**

221. Although it appears that individuals were designated by the Security Council according to the leadership positions that they occupied within the Corps, subsequent personnel changes have taken place in the leadership of the Corps. These are not reflected in the list of designated individuals on the Committee website. The changes are reflected in the table below.

**Changes in Islamic Revolutionary Guards Corps leadership**

<i>Designated individual</i>	<i>Position</i>	<i>Current commanders</i>
MG Yahya Rahim Safavi	Commander of the Corps	MG Mohammad Ali Jafari
BG Morteza Rezaie	Deputy Commander of the Corps	BG Hossein Salami <sup>38</sup>
BG Mohammad Reza Zahedi	Commander of the Ground Force	BG Mohammad Pakpour
BG Hossein Salami	Commander of the Air Force <sup>39</sup>	BG Amir Ali Hajizadeh
RA Morteza Safari	Commander of the Navy	RA Ali Fadavi
BG Mohammad Hejazi	Commander of the Basij Resistance Force	BG Mohammad Reza Naqdi <sup>40</sup>
BG Qasem Soleimani	Commander of the Qods Force	(Promoted to MG)

*Abbreviations:* MG, Major General; BG, Brigadier General; RA, Rear Admiral.

222. Some designated individuals who have moved from the positions that they occupied when they were originally designated continue to hold influential positions. These include Major General Yahya Rahim Safavi (currently a military adviser to the Supreme Leader) and Brigadier General Mohammad Hejazi (Head of Logistics and Industrial Research in the Joint Staff of the armed forces).

<sup>37</sup> See the website of the Foundation of the Oppressed: economic activities ([www.irmf.ir/activity/Introduce/economic.aspx](http://www.irmf.ir/activity/Introduce/economic.aspx)) (accessed 22 April 2012).

<sup>38</sup> Designated as Air Force Commander under resolution 1737 (2006).

<sup>39</sup> The air force was renamed as the "aerospace force" as a result of restructuring in late 2009.

<sup>40</sup> Designated as a former Deputy Chief of Armed Forces General Staff for Logistics and Industrial Research under resolution 1803 (2008).

### 3. Designated entity related to the Islamic Republic of Iran Shipping Lines: the Irano Hind Shipping Company

223. The Irano Hind Shipping Company is designated in accordance with paragraph 19 of resolution 1929 (2010), and its funds, assets and economic resources are to be frozen by Member States. The Panel received information that assets of the Irano Hind Shipping Company in one Member State were frozen.

224. On the basis of the Panel's analysis, which is based on information from Member States and the Panel's own research using commercial sources (Lloyd's List's Seasearcher and IHS Fairplay), it appears that the company's vessels continue to operate. The Panel has identified at least seven vessels — three crude oil tankers and four bulk carriers — that have been controlled by the Irano Hind Shipping Company since the time of its designation. There may also be an additional crude oil tanker registered by the Irano Hind Shipping Company but not yet in operation. These seven vessels are registered and operated by seven separate companies, each owning and operating just one vessel. These companies, and an additional five companies that do not appear to operate any vessels, are owned by the Irano Hind Shipping Company and share the same address. An official website of a State also suggests that all these companies are subject to United Nations/European Union sanctions.<sup>41</sup>

225. In April 2012, companies controlled by the Irano Hind Shipping Company changed the flags of all three crude oil tankers belonging to the Company's fleet, from that of Malta to that of the Plurinational State of Bolivia. The Director of the Bolivian International Ship Registry stated on 18 April that, if any of the ships were in breach of sanctions imposed by the United Nations, or other group of countries, its registration would be cancelled.<sup>42</sup> This reflagging coincides with other reflagging activities described in paragraphs 174 to 176.

226. The Irano Hind Shipping Company fleet currently includes no container carriers. The fleet previously included two container carriers, the registrations of each of which were transferred, before the adoption of resolution 1929 (2010), to different owners in one State. The beneficial ownership of both was transferred to an owner in a third State. These two container carriers appear to be in operation mainly in Europe and South America. A list of the above-mentioned companies and vessels can be found in annex X to the present report.

227. The continued operation of the Irano Hind Shipping Company vessels may reflect several factors:

- (a) Some Member States may not interpret the resolutions as requiring them to detain vessels owned or controlled by the designated entities;
- (b) There may not be a common understanding of terms such as "acting on behalf of Irano Hind and at its direction" or "owned or controlled" by the Irano Hind Shipping Company;
- (c) Member States may lack sufficient legal grounds to enable or justify action;

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<sup>41</sup> See <http://rocsupport.mfsa.com.mt/pages/default.aspx>.

<sup>42</sup> Daniel Fineren, "Bolivia poised to de-flag Iranian ships", *Reuters*, 18 April 2012.



(d) Member States may be unable to identify vessels operating in their territorial waters as being controlled by the Irano Hind Shipping Company.

#### 4. Entities involved in violations: proposed additional designations

228. The Panel notes that the Committee's recent decision to add two individuals and one entity to the list of designations will send a strong message that the resolutions are subject to updating as circumstances dictate.

229. The Panel proposes that the following entities be brought to the Committee's attention:

(a) **Yas Air.** The airline was found by the Panel to be in violation of paragraph 5 of resolution 1747 (2007) for transporting prohibited arms and related materiel from the Islamic Republic of Iran to the Syrian Arab Republic. One Member State provided the Panel with information that Yas Air was an Islamic Revolutionary Guards Corps entity and a successor to Pars Aviation Services Company, which was designated under resolution 1747 (2007). Open-source information shows that Yas Air is a civilian arm of the Islamic Revolutionary Guards Corps and that two of the four cargo aircraft that it possesses were transferred from the Corps;<sup>43</sup>

(b) **SAD Import Export Company.** The company was found by the Panel to be in violation of paragraph 5 of resolution 1747 (2007) for its role as a trading agent of prohibited arms and related materiel. Documentary evidence showed that the entity was found to have attempted to transport prohibited items connected with two entities designated under the relevant Security Council resolutions (7th of Tir Industries and Parchin Chemical Industries). Documentary evidence found during the inspection suggests that transport of similar items might continue in the future;

(c) **Chemical Industries and Development of Materials Group.** The group was identified on papers found in a crate seized in the Kilis (Turkey) case. It is a parent entity of Parchin Chemical Industries, which is a designated entity under resolution 1747 (2007), and was identified as the producer of increment charges seized by the Turkish authorities in the Kilis case. The Defence Industries Organization website suggests that the Chemical Industries and Development of Materials Group is producing a range of explosive materials, including propellants and strong explosives for military use, such as RDX and HMX.<sup>44</sup> The Panel notes that in many of the prior violation cases that it inspected the Defence Industries Organization was found to be engaged in the export of arms and related materiel in violation of the relevant resolutions.

#### 5. Conclusions

230. Further sharing of information among Member States regarding the structure, affiliates and cooperatives of the Islamic Revolutionary Guards Corps would help to understand which of their economic activities could contribute to activities prohibited under the relevant Security Council resolutions.

<sup>43</sup> See AeroTransport Data Bank ([www.aerotrtransport.org](http://www.aerotrtransport.org)).

<sup>44</sup> See [www.diomil.ir/en/cidmg.aspx](http://www.diomil.ir/en/cidmg.aspx).

231. The designation of the Irano Hind Shipping Company notwithstanding, its vessels are continuing to operate, which raises questions regarding the practical impact of this designation.

## **H. Travel ban**

### **1. Introduction**

232. The Security Council designates individuals and entities for being directly involved with or providing support for the Islamic Republic of Iran's proliferation-sensitive nuclear activities and for the development of nuclear weapon delivery systems in resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1929 (2010). In paragraph 10 of resolution 1929 (2010), the Security Council decided that all States were to take the measures necessary to prevent the entry into or transit through their territories of individuals designated in the relevant Security Council resolutions or by the Security Council or the Committee in accordance with paragraph 10 of resolution 1737 (2006), with the exceptions stipulated in paragraph 6 of resolution 1803 (2008) and paragraph 10 of resolution 1929 (2010).

233. In the present section, the Panel focuses on challenges reported by Member States in the implementation of the travel ban and developments that may affect the efficacy of travel ban measures.

### **2. Background**

234. The Islamic Republic of Iran issues passports in accordance with international guidelines on machine-readable travel documents. In July 2007, it announced that it had begun issuing diplomatic and service passports containing biometric information, extending that to ordinary passports in February 2011.

235. According to a public database on visa restrictions, the number of countries and territories that can be entered by an Iranian citizen without a visa, usually for relatively short visits, increased from 25 (in September 2008) to 36 (in August 2011).<sup>45</sup>

236. Significant progress has been made over the past decade in the implementation of immigration controls, such as deployment of advanced passenger information systems and biometric data. Only four Member States have yet to begin issuing machine-readable travel documents to their citizens. Such systems and instruments are effective tools in the implementation of the travel ban.

### **3. Analysis**

#### *Implementation by Member States*

237. The legal frameworks within which Member States implement travel ban obligations vary considerably. Many Member States implement the travel ban through administrative measures based on existing laws, in effect relying on

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<sup>45</sup> Henley & Partners Visa Restrictions Index — Global Ranking, available on its website ([www.henleyglobal.com/citizenship/visa-restrictions/](http://www.henleyglobal.com/citizenship/visa-restrictions/)). The International Air Transport Association explains in its website that the global ranking is produced in collaboration with the Association, i.e. the methodology developed by Henley & Partners for the global ranking is applied to data provided by the Association's visa information database.

agencies responsible for visa or entry/transit screening to incorporate new information about designated individuals into existing databases. Some make amendments to existing immigration laws, while others implement the travel ban through specific sanctions legislation.

238. Member States implement the travel ban by means of both visa restrictions and border or immigration control measures. The Panel notes that Member States rely on various databases for visa and entry/transit screening. These may include national databases or those common to a regional body, such as the Schengen Information System among European Union States.

239. No reported violations of the travel ban were submitted to the Committee during the Panel's current mandate.

240. The Panel was informed by a State that members of the Qods Force of the Islamic Revolutionary Guards Corps, including its commander Qasem Soleimani (who is designated in resolution 1747 (2007)), recently visited the Syrian Arab Republic. The Panel is seeking to confirm this information. Another State informed the Panel of one case of a designated Iranian individual being denied entry.

241. There may be several reasons for the lack of reports to the Committee regarding travel ban violations. Member States may lack sufficient capacity to implement, monitor and report violations of the travel ban, or it is possible that designated Iranians may not travel outside the country, or may travel with documents issued under other names.

#### 4. Challenges

242. **Insufficient identifying information.** Many Member States, in particular those that deployed computerized screening, reported that their visa, entry and transit procedures required more information than is typically contained in resolutions (which include in most cases only names, places of work and/or job titles).

243. **Difficulties with names.** The Panel notes the following difficulties in identifying designated individuals:

- (a) Naming practices in the Islamic Republic of Iran and its surrounding region may involve frequent and repeated use of very common names and surnames;
- (b) Variable transliterations of Farsi names into English;<sup>46</sup>
- (c) Use of aliases.

244. **Use of additional passports.** One State recently consulted by the Panel suggested that some Iranian nationals have obtained passports from another Member State. The Panel is aware that some Member States legally offer a second citizenship and passport to nationals of a third country, including Iranians who are residing outside their territories, usually in return for a certain amount of investment. Following enquiries from the Panel, information provided by a State showed a four-fold increase in applications from Iranian nationals for passports during the period 2010-2011. The State also reported that it was suspending the acceptance of

<sup>46</sup> In this regard, the Panel notes that names indicated on Iranian passports are not based on a uniform transliteration rule, as indicated by the Ministry of Foreign Affairs of the Islamic Republic of Iran on its website (see [www.mfa.gov.ir/NewsShow.aspx?id=817&menu=199&lang=en](http://www.mfa.gov.ir/NewsShow.aspx?id=817&menu=199&lang=en)).

applications from Iranian nationals residing in the Islamic Republic of Iran to prevent potential misuses.

245. **Host nation obligations.** One State reported potential challenges in connection with its obligations to host international organizations. In accordance with host country agreements with international organizations, such Member States are obliged to facilitate the entry into their territory, and to place no impediment in the way of the departure from it, of persons, including representatives of States members of the international organizations that they are hosting. The State noted that it might encounter a situation in which a bilateral agreement with an international organization obliged it to accept the entry of designated Iranian individuals, even if the Security Council did not approve an exemption to the travel ban imposed on such individuals.

## 5. Conclusions

246. Additional biographical information, such as place and date of birth, passport numbers and parents' names, are necessary for the effective enforcement of travel ban provisions. Additional useful information could include alternative spellings of names, noms de guerre, known addresses, photographs and biometric data.

247. One State reported a four-fold increase in applications for second passports by Iranian citizens. This practice is common to several countries and should be brought to the attention of Member States.

## IV. Recommendations

248. **The Panel recommends to the Security Council and the Committee, in accordance with existing practice, the designation of the following two entities found to be in violation of paragraph 5 of resolution 1747: Yas Air, for the transport of prohibited arms and materiel from the Islamic Republic of Iran as described in the Yas Air (Turkey) case, and SAD Import Export Company, for its role as a trading agent of prohibited arms and related materiel as described in the Kilis (Turkey) case. Both recommended designations are supported by strong documentary and factual evidence.**

249. **In addition, the Panel draws the attention of the Security Council and the Committee to the Chemical Industries and Development of Materials Group.**

250. **The Panel recommends that the Security Council and the Committee remind Member States of their duty to report incidents of non-compliance and interdictions. The Panel further recommends that Member States be requested to share information, as appropriate, regarding attempts to circumvent sanctions. The Panel welcomes information, in particular regarding designated Islamic Revolutionary Guards Corps and Islamic Republic of Iran Shipping Lines entities, including information from flag States accepting Islamic Republic of Iran Shipping Lines registrations.**

251. **The Panel recommends that the Committee encourage Member States hosting industrial facilities producing dual-use items necessary for prohibited nuclear and ballistic missile programmes, such as high grades of carbon fibre, to undertake an organized outreach effort to the manufacturing industry to alert its member companies of possible avenues for procurement by the Islamic**

**Republic of Iran. Information regarding such outreach efforts should be shared with the Panel, as appropriate.**

252. The Panel recommends that the Committee encourage Member States to undertake outreach initiatives targeting in particular small and medium-sized enterprises, with the aim of establishing appropriate compliance procedures in order to meet obligations under Security Council resolutions.

253. The Panel recommends that the Committee remind Member States of the need to maintain a high degree of vigilance over goods transported to and from the Islamic Republic of Iran, whether by sea, air or overland, including rail and road transport. Such vigilance could include requesting technical stopovers for the purpose of inspecting suspicious cargoes when granting overflight rights to and from the Islamic Republic of Iran. This vigilance should not be restricted to zones geographically adjacent to the Islamic Republic of Iran given the global reach of Iranian activities.

254. The Panel recommends that the Committee draw the attention of Member States to the new Financial Action Task Force standard on financing of proliferation, in particular when implementing targeted financial sanctions on the Islamic Republic of Iran.

255. The Panel recommends that the Committee clarify the measures expected of Member States in implementing sanctions against designated Islamic Republic of Iran Shipping Lines entities, in particular with regard to “financial assets and economic resources”, and whether this includes the obligation to seize vessels.

256. The Panel recommends that the Committee address discrepancies between the lists of individuals designated under resolution 1929 (2010) and previous resolutions, and those who now hold the positions identified in these designations.

257. The Panel recommends that the Committee seek from Member States, on a voluntary basis, additional identifying information regarding designated individuals in order to allow more accurate identification of such individuals and to eliminate false matches.

258. The Panel requests that the Committee consider updating the lists referred to in paragraph 13 of resolution 1929 (2010).

## **Annex I**

### **Reports submitted to the Committee**

**Midterm report:** S/AC.50/2011/COMM.87

**Inspection and investigation reports:**

Space launch vehicle: S/AC.50/2011/NOTE.43

International Security Assistance Force: S/AC.50/2011/NOTE.44

Yas Air (Turkey): S/AC.50/2011/NOTE.47

Kilis (Turkey): S/AC.50/2012/NOTE.10

**Quarterly assessments of national implementation reports:**

July 2011: S/AC.50/2011/COMM.7/Add.2

October 2011: S/AC.50/2011/COMM.7/Add.3

January 2012: S/AC.50/2012/COMM.8

April 2012: S/AC.50/2012/COMM.36

## **Annex II**

### **List of countries visited**

Armenia  
Australia  
Bahrain  
Belarus  
Belgium  
Brazil  
Bulgaria  
Canada  
India  
Israel  
Kenya  
Malaysia  
Morocco  
Norway  
Oman  
Romania  
Singapore  
Spain  
Sweden  
Switzerland  
Turkey  
Ukraine  
United Arab Emirates  
United Kingdom of Great Britain and Northern Ireland  
United States of America  
Viet Nam

### Uranium mining and processing in the Islamic Republic of Iran

Gchine Mine and Mill — 2009



Image © 2012, GeoEye  
© 2012 Google

Source: GeoEye via Google Earth.

Gchine Mine and Mill — 2012



Yellowcake  
production plant

Waste tailings pond

Waste tailings pond

Waste tailings pond

Source: DigitalGlobe — Institute for Science and International Security.



Saghand Mine — October 2009



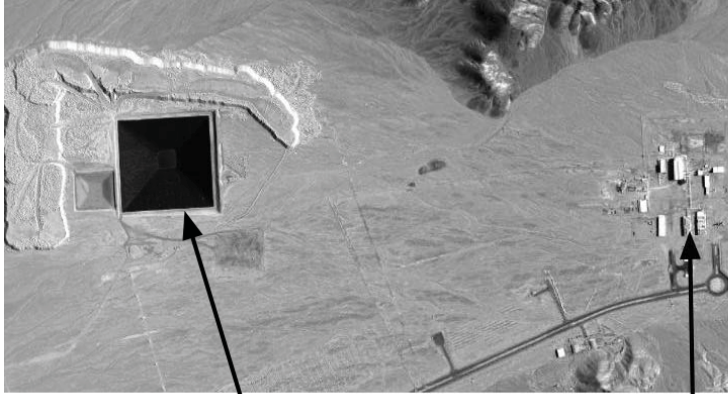
Source: GeoEye via Google Earth.

Saghand Mine — March 2012



Source: DigitalGlobe — Institute for Science and International Security. Indications of some tunnelling activity, but no evidence of open stockpiling of ore. There are more buildings and paved roads compared to 2009.

Ardakan Yellowcake  
Production Plant — 2012  
(not operational)



Initial excavation  
for waste tailings  
pond

Lined waste  
tailings pond

Yellowcake  
production plant

Source: DigitalGlobe — Institute for Science and  
International Security.

Ardakan Yellowcake  
Production Plant — May 2009  
(not operational)



Source: GeoEye via Google Earth.

## Annex IV

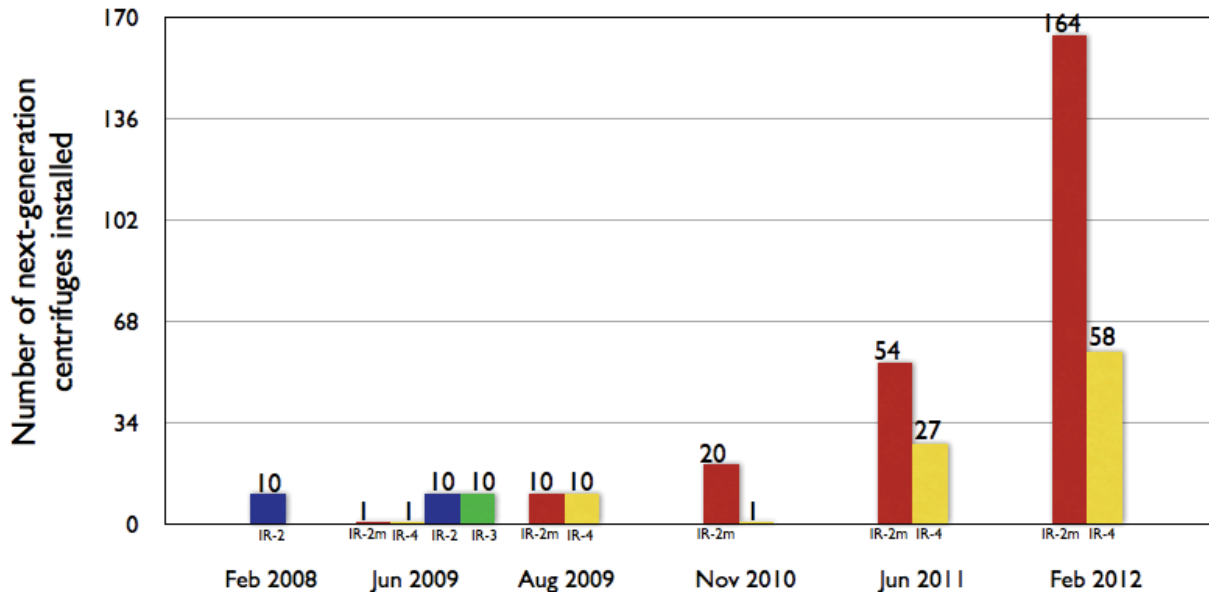
## Physical properties and operating limits of possible centrifuge materials

Material	Aluminum alloys	High-tensile steel	Titanium	Maraging steel	Glass fiber	Carbon fiber/resin
Density						
g/cm <sup>3</sup>	2.8	7.8	4.6	7.8	1.8	1.6
kg/m <sup>3</sup> ( $\rho$ )	2,800	7,800	4,600	7,800	1,800	1,600
Tensile strength						
kg/cm <sup>2</sup>	4,570	14,080	9,150	19,700	5,000	8,450
MPa ( $10^{-6} \sigma$ )	448	1,381	897	1,932	490	829
Modulus of elasticity						
Mg/cm <sup>2</sup>	724	2,110	1,160	2,110	738	
MPa ( $10^{-6} E$ )	71,000	207,000	114,000	207,000	72,400	
Max. tangential speed, $v_{\max} = \sqrt{\sigma/\rho}$ , m/s	400	421	442	498	522	720
Length-to-radius ratio at $v_{\max}$ , Eq. (14.153)						
First resonance	14.0	13.8	13.2	13.8	13.8	
Second resonance	23.4	23.1	22.2	23.1	23.0	
Third resonance	32.8	32.4	31.1	32.4	32.2	
Fourth resonance	42.2	41.6	39.9	41.6	41.4	
Fifth resonance	51.5	50.8	48.8	50.8	50.6	

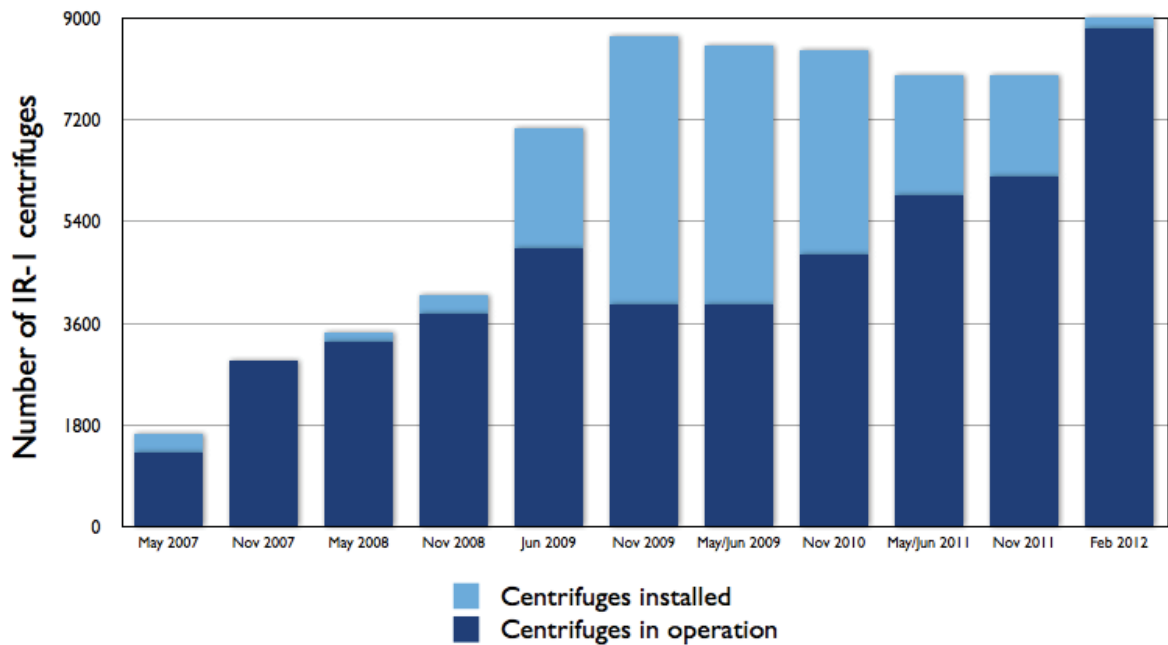
Source: Manson Benedict and others, *Nuclear Chemical Engineering*, 2nd ed. (New York, McGraw-Hill, 1981), p. 855.

## Annex V

### Advanced centrifuges



### IR-1 centrifuges



Source: GOV/2012/9 and previous IAEA reports.

## Annex VI

### Iranian carbon fibre production

The Panel's insight into indigenous carbon fibre production capacity of the Islamic Republic of Iran is limited to a single media report including a several-minute-long video tour of its production facilities, including the operation of its oxidation oven, furnace and spool-winders.<sup>a</sup> In the report, it is noted that the Iranian-produced carbon fibre is intended for the country's aerospace and energy sectors. The following describes the multi-step process of producing carbon fibre in the context of the Islamic Republic of Iran's facilities reviewed in the present report. The Panel consulted two independent industry experts in the production of carbon fibre in its assessment of the media report.

In the first stage of the production process, carbon fibre consists of pale-coloured or white, fine, fibrous strands on rolls known as creels; the fibres are unspooled as they feed into an oxidation oven where they turn progressively darker shades of amber and eventually black. Problems can occur at this stage if the fibres twist or become uneven and broken, as they appear to in the video of the Iranian production line. According to one of the experts consulted by the Panel, the oven appears to run more slowly than a more modern oxidation oven, but is judged to be in reasonable condition. The Panel notes that oxidation ovens can be purchased without licences from many suppliers. It is also not known whether the Islamic Republic of Iran has access to the precursor chemical, polyacrylonitrile, for the production of high-grade carbon fibre.

In the second stage of the production process, the now black fibres go through the process of carbonization, in which they are processed through a series of furnaces, from low to high temperature, to 2,000° C (in more sophisticated carbon fibre production, there would be a third, ultra-high-temperature furnace, which is subject to stringent export controls). The Iranian furnaces appear to be some 30 years old. This step in the process produces hydrogen cyanide, a dangerous chemical for which monitors or detectors are needed.

In the third step of the process, the surface of the fibres is treated with a chemical abrasion process to make it rough and more receptive to a coating applied in the next stage. The Iranian chemical abrasion equipment was judged not to be modern but capable of doing the job.

A glue-like treatment, referred to as sizing, is applied to the surface of the fibres in the next stage, after which the fibres are dried and rewound on spool-winders. The Islamic Republic of Iran's spool-winders appear to be used and not of recent vintage.

The carbon fibre produced in the facility viewed in this clip is assessed by experts in carbon fibre production and manufacturing not to be suitable for use in Iranian centrifuges.

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<sup>a</sup> See [www.youtube.com/watch?v=tP\\_2HakdKCA](http://www.youtube.com/watch?v=tP_2HakdKCA).

## Annex VII

### Export controls and carbon fibre

In its resolution 1929 (2010), the Security Council barred the transfer to the Islamic Republic of Iran of items contained in document INFCIRC/254/Rev.7/Part 2. With regard to carbon fibre, this document defines as sensitive:

“Fibrous or filamentary materials” and preregs, as follows:<sup>a</sup>

- a. Carbon or aramid “fibrous or filamentary materials” having either of the following characteristics:
  1. A “specific modulus” of  $12.7 \times 10^6$ m or greater; or
  2. A “specific tensile strength” of  $23.5 \times 10^4$ m or greater;
- b. Glass “fibrous or filamentary materials” having both of the following characteristics:
  1. A “specific modulus” of  $3.18 \times 10^6$ m or greater; and
  2. A “specific tensile strength” of  $7.62 \times 10^4$ m or greater;
- c. Thermoset resin impregnated continuous “yarns”, “rovings”, “tows” or “tapes” with a width of 15 mm or less (preregs), made from carbon or glass “fibrous or filamentary materials” specified in Item 2.C.7.a. or Item 2.C.7.b.

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<sup>a</sup> Item 2.C.7.a. does not control aramid “fibrous or filamentary materials” having 0.25 per cent or more by weight of an ester-based fibre surface modifier.

## Annex VIII

### Iranian rockets and missiles

<i>Missile</i>	<i>Fuel type</i>	<i>Estimated range</i>	<i>Payload</i>
Fajr-3	Solid	45 km	45 kg
Fajr-5	Solid	70-80 km	90 kg
Fateh-110	Solid	200 km	500 kg
Ghadr-1	Liquid	1 600 km	750 kg
Iran-130/Nazeat	Solid	90-120 km	150 kg
Nazeat-6	Solid	100 km	150 kg
Nazeat-10	Solid	140-150 km	250 kg
Oghab	Solid	40 km	70 kg
Qiam 1	Liquid	500-1 000 km	500 kg
Sejil/Ashura	Solid	2000-2 500 km	750 kg
Shahab-1	Liquid	300 km	1000 kg
Shahab-2	Liquid	500 km	730 kg
Shahab-3	Liquid	800-1 300 km	760-1 100 kg
Zelzal-1	Solid	125 km	600 kg
Zelzal-2	Solid	200 km	600 kg

*Source:* Information provided by Member States and “Iran’s Ballistic Missile Capabilities: A Net Assessment”, *IISS*, 2010.

Incidents inspected by the Panel in 2011-2012

<i>Incident</i>	<i>Item</i>	<i>United Nations item number</i>	<i>United Nations class</i>	<i>Quantity</i>	<i>Weight</i>	<i>Country of origin</i>	<i>Country of seizure</i>	<i>Country of destination</i>	<i>Mode of transportation</i>
Seizure by the International Security Assistance Force on 5 February 2011 of missiles in Southern Afghanistan, reported to the Committee in a letter dated 21 April 2011	122-mm rockets	n/a	n/a	48	Approx. 64 kg	Highly probable Islamic Republic of Iran (continuing investigation by the Panel)	Afghanistan	Afghanistan	Truck
	Fuses	n/a	n/a	49	0.68-0.70 kg				
	7.62-mm ammunition	n/a	n/a	1 000	n/a				
Seizure by the Turkish authorities on 19 March 2011 of arms and ammunition, reported to the Committee in a letter dated 28 March 2011	AK-47 assault rifles	n/a	n/a	60	n/a	Islamic Republic of Iran	Turkey	Syrian Arab Republic	Aeroplane
	BKC (Bixi) machine guns	n/a	n/a	14	n/a				
	BKC/AK-47 ammunition	n/a	n/a	7 920	n/a				
	60-mm mortar shells	n/a	n/a	560	n/a				
	120-mm mortar shells	n/a	n/a	1 288	n/a				



<i>Incident</i>	<i>Item</i>	<i>United Nations item number</i>	<i>United Nations class</i>	<i>Quantity</i>	<i>Weight</i>	<i>Country of origin</i>	<i>Country of seizure</i>	<i>Country of destination</i>	<i>Mode of transportation</i>
Seizure by the Turkish authorities on 15 February 2011 of arms and related materiel, reported to the Committee in a letter dated 12 January 2012	Powder M9	27	1.1D	2 boxes	890 kg	Islamic Republic of Iran	Turkey	Syrian Arab Republic	Truck
	Propelling charge	160	1.3C	2 boxes	1 400 kg				
	Slow-burning material	1325	4.1	1 box	30 kg				
	Sensitive material	121	1.1G	1 box	10 kg				
	Rocket fuel	186	1.3C	6 pallets	2 643 kg				
	RDX	483	1.1D	2 pallets	1 700 kg				

**Annex X****Vessels and entities controlled by the Irano Hind Shipping Company****List of vessels and registered owners (R/O)**

<i>Vessel</i>	<i>Flag</i>	<i>International Maritime Organization No.</i>	<i>Registered owner</i>	<i>Country of registered owner</i>
<i>Teen</i>	Malta	9101649	BIIS Maritime Limited	Malta/Panama
<i>Attar</i>	Malta	9074092	ISIM ATR Limited	Malta
<i>Sattar</i>	Malta	9040479	ISIM Sat Limited	Malta
<i>ISI Olive</i>	Bolivia	9003237	ISIM Olive Limited	Malta
<i>Amin</i>	Bolivia	9422366	ISIM Amin Limited	Malta
<i>Sinin</i>	Malta	9274941	ISIM Sinin Limited	Malta
<i>Tour</i>	Bolivia (Plurinational State of)	9364112	ISIM Tour Limited	Malta
<i>Taj Mahal</i>	Malta	9459046	Irano Hind Shipping Company	Islamic Republic of Iran (not in operation)

**List of other companies related to the Irano Hind Shipping Company**

ISI Maritime Limited

ISIM Taj Mahal Limited

ISIM Sea Chariot Limited

ISIM Sea Crescent Limited

Imir Limited

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**List of container carriers previously controlled by the Irano Hind Shipping Company**

<i>Vessel</i>	<i>Flag</i>	<i>International Maritime Organization No.</i>	<i>Registered owner</i>	<i>R/O Registered</i>
<i>Neri</i>	Malta	9148491	Bai Handelas Limited	Malta
<i>Melish</i>	Malta	9148518	Bai Lai Limited	Malta

*Note:* Bai Handelas Limited and Bai Lai Limited are owned by Transatlantik Denizcilik Limited (registered in Turkey).

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**Security Council**

Distr.: General  
27 June 2017

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**Letter dated 22 June 2017 from the Security Council Facilitator  
for the implementation of resolution 2231 (2015) addressed to the  
President of the Security Council**

I have the honour to transmit herewith, as agreed among the representatives of the Security Council for the implementation of resolution 2231 (2015), my six-month report on the implementation of the resolution, which covers the period from 16 January to 15 June 2017.

I should be grateful if the present letter and the report could be issued as a document of the Security Council.

(*Signed*) **Sebastiano Cardi**  
Security Council Facilitator for the  
implementation of resolution 2231 (2015)



## **Third six-month report of the Facilitator on the implementation of Security Council resolution 2231 (2015)**

### **I. Introduction**

1. The note by the President of the Security Council of 16 January 2016 (S/2016/44) set forth the practical arrangements and procedures for the Council for carrying out tasks related to the implementation of resolution 2231 (2015), particularly with respect to the provisions specified in paragraphs 2 to 7 of annex B to that resolution.
2. In the note, it was established that the Security Council should select, on an annual basis, one member to serve as its facilitator for the functions specified therein. On 3 January 2017, I was appointed as Facilitator for the implementation of resolution 2231 (2015) for the period ending 31 December 2017 (see S/2017/2/Rev.1).
3. It was also established in the note that the Facilitator should brief the other members of the Security Council on his or her work and the implementation of resolution 2231 (2015) every six months, in parallel with the report submitted by the Secretary-General on the implementation of the resolution.
4. The present report covers the period from 16 January to 15 June 2017.

### **II. Summary of the activities of the Council in the “2231 format”**

5. On 18 January 2017, the Security Council was briefed by the Under-Secretary-General for Political Affairs on the second report of the Secretary-General on the implementation of resolution 2231 (2015) (S/2016/1136), by me on the work of the Council and the implementation of resolution 2231 (2015) (S/2017/49) and by the Head of the Delegation of the European Union to the United Nations, on behalf of the High Representative of the Union for Foreign Affairs and Security Policy, in her capacity as Coordinator of the Joint Commission established in the Joint Comprehensive Plan of Action (see S/PV.7865).
6. On the same day, a letter from the Permanent Representative of the Islamic Republic of Iran to the United Nations addressed to the Secretary-General was received by the President of the Security Council (S/2017/51). The letter transmitted the views of the Islamic Republic of Iran on the second report of the Secretary-General on the implementation of resolution 2231 (2015) (S/2016/1136). It was circulated to the representatives of the “2231 format” of the Security Council on the same day.
7. On 31 January, the Security Council held informal consultations to consider the ballistic missile launch by the Islamic Republic of Iran on 29 January. Following the informal consultations, a letter dated 7 February, containing a report regarding the implementation of resolution 2231 (2015), was addressed to me by the Permanent Representative of the United States of America to the United Nations, on behalf of France, Germany, the United Kingdom of Great Britain and Northern Ireland and the United States. The letter also contained a proposal that the discussion of the launch, and of an appropriate response to it, take place within the “2231 format”. Subsequently, on 2 March, the Council held a meeting in the “2231 format” to further consider the launch (see para. 17 below). As agreed within the “2231 format”, I subsequently briefed the Security Council during the informal consultations held on 25 April.

8. On 17 March, the Security Council held a meeting in the “2231 format” to hear a briefing from the Coordinator of the Procurement Working Group of the Joint Commission established in the Joint Comprehensive Plan of Action. The Coordinator gave an overview of the procurement channel and of the work of the Procurement Working Group in terms of its functions, the activities covered, the processing of proposals and various benchmarks. The Secretariat, through the Security Council Affairs Division of the Department of Political Affairs, also provided an update on the support provided to the Council for the processing of proposals through the procurement channel. Prior to his briefing, I had met with the Coordinator to discuss the functioning of the procurement channel, receiving further confirmation of the smooth cooperation between the Council and the Joint Commission.

9. During that same meeting, the representatives also agreed to technically adjust the reporting schedule on the implementation of resolution 2231 (2015) in the programme of work of the Security Council to June and December, in order to give Facilitators the opportunity to brief the Council on their work after six months into and at the end of their tenure.

10. During the reporting period, there were no changes to the list maintained pursuant to resolution 2231 (2015), which, at present, comprises 23 individuals and 61 entities.

### III. Monitoring the implementation of resolution 2231 (2015)

#### Joint Comprehensive Plan of Action

11. In line with paragraph 4 of resolution 2231 (2015), the Director General of the International Atomic Energy Agency (IAEA) submitted two quarterly reports, in February and June 2017, to the IAEA Board of Governors and, in parallel, to the Security Council, on its verification and monitoring activities in the Islamic Republic of Iran in the light of resolution 2231 (2015) (S/2017/234 and S/2017/502).

12. In the February report, the Agency recalled that, on 15 January 2017, it had verified that the Islamic Republic of Iran had taken the actions specified in paragraph 15.12 of annex V to the Joint Comprehensive Plan of Action, namely the removal of all excess centrifuges and infrastructure from the Fordow Fuel Enrichment Plant and their transfer to storage at the Natanz Fuel Enrichment Plant under continuous Agency monitoring. In addition, the Agency indicated that, on 21 January 2017, the Islamic Republic of Iran, under Agency verification and monitoring, had begun feeding natural UF<sub>6</sub> into a single IR-8 centrifuge for the first time.

13. In both quarterly reports, the Agency affirmed that the Islamic Republic of Iran had not pursued construction of the existing Arak heavy water research reactor (IR-40 reactor) based on its original design; that it had no more than 130 metric tons of heavy water; that no more than 5,060 IR-1 centrifuges remained installed in 30 cascades at the Natanz plant; that it had not enriched uranium above 3.67 per cent U-235; and that, throughout each reporting period, it had not conducted any uranium enrichment or related research and development activities at the Fordow plant and there had not been any nuclear material at the same plant.

14. The Agency also reported that the Islamic Republic of Iran had continued to permit the Agency to use online enrichment monitors and electronic seals, which communicate their status within nuclear sites to Agency inspectors, and to facilitate the automated collection of Agency measurement recordings registered by installed

measurement devices; that it had issued long-term visas to Agency inspectors designated for the Islamic Republic of Iran as requested by the Agency, provided proper working space for the Agency at nuclear sites and facilitated the use of working space at locations near nuclear sites in the Islamic Republic of Iran; and that it had accepted additional Agency inspectors designated for the Islamic Republic of Iran.

15. The Agency further reported that it was continuing to verify the non-diversion of declared nuclear material at the nuclear facilities, and locations outside facilities where nuclear material is customarily used, declared by the Islamic Republic of Iran under its Safeguards Agreement; that the Islamic Republic of Iran continued to provisionally apply the Additional Protocol to its Safeguards Agreement; and that the Agency was continuing its evaluations regarding the absence of undeclared nuclear material and activities for the Islamic Republic of Iran, including through the conduct of complementary accesses under the Additional Protocol to sites and other locations in the Islamic Republic of Iran.

### **Ballistic missile launch**

16. By means of a letter dated 7 February 2017 from the Permanent Representative of the United States, France, Germany, the United Kingdom and the United States submitted a report to the Security Council on the ballistic missile launch by the Islamic Republic of Iran on 29 January. On 10 February, the Permanent Representative of Israel to the United Nations addressed a letter to the President of the Security Council concerning the launch (S/2017/123). Both letters were circulated within the “2231 format” of the Council.

17. On 2 March 2017, the Security Council held a meeting in the “2231 format”, during which a briefing was offered by the delegation of a Member State. The experts observed that the medium-range ballistic missile, a Khorramshahr, tested by the Islamic Republic of Iran on 29 January, was designed to carry a payload greater than 500 kg to a range over 1,000 km. According to the briefers’ assessment, these characteristics indicated that the missile was inherently capable of delivering nuclear weapons. In that context, the experts noted that “500 kg has been the approximate mass required to carry a first-generation nuclear weapon and 300 km is an internationally accepted range of strategic significance”. The experts concluded that, in their view, the test constituted an activity related to ballistic missiles designed to be capable of delivering nuclear weapons and was inconsistent with resolution 2231 (2015).

18. Following the briefing, the issue of the particular sensitivity of the launch was discussed with regard to its regional implications and its relation to resolution 2231 (2015), as raised by some representatives. Some representatives concurred that the recent missile launch by the Islamic Republic of Iran was inconsistent with resolution 2231 (2015) and, together with others, expressed concerns about the test, which they considered to be destabilizing and as having the potential to increase tensions in the region. Some expressed the need for more information and investigations prior to making any conclusions.

19. A representative emphasized that resolution 2231 (2015) did not provide a definition as to which types of missiles were constructed in such a manner as to be capable of delivering nuclear weapons. That representative also noted the lack of evidence that the missile had been developed with the intent to deliver nuclear weapons. Other delegations said that resolution 2231 (2015) concerned intrinsic capability rather than intent. Since the launch involved a system that was, by design, capable of delivering a nuclear warhead, its use was therefore inconsistent with resolution 2231 (2015). A representative said that, because resolution 2231 (2015)

did not expressly prohibit, but only “calls upon”, the Islamic Republic of Iran not to conduct launches of ballistic missiles designed to be capable of delivering nuclear weapons, the missile launch did not constitute a violation of resolution 2231 (2015). Some representatives emphasized that the Islamic Republic of Iran had denied its intention of obtaining nuclear weapons. Others underlined that the Islamic Republic of Iran was in compliance with its nuclear-related commitments under the Joint Comprehensive Plan of Action as verified by the International Atomic Energy Agency in the Director General’s latest report to the IAEA Board of Governors (S/2017/234).

20. Some representatives stressed the importance for the credibility of the Security Council that the provisions of annex B to resolution 2231 (2015), including those related to the transfer of ballistic missile technology to or from the Islamic Republic of Iran, be implemented in a robust and comprehensive manner. Other representatives emphasized that the full implementation of Security Council resolution 2231 (2015) would create a conducive atmosphere for the successful implementation of the Joint Comprehensive Plan of Action. Several representatives also stressed the importance, for all relevant parties, of maintaining dialogue and of remaining committed to the full implementation of the Plan for its full duration.

21. Some representatives called upon the Secretary-General to report fully and thoroughly on the launch in his next report to the Security Council on the implementation of resolution 2231 (2015) and encouraged Member States to share information on the launch with the Secretariat. A representative objected to the need for the Secretary-General to report on the launch, asserting that it was not inconsistent with the resolution and that the Secretariat had neither the mandate nor the capabilities to investigate.

22. In the light of the views expressed by delegations, I noted that there was no consensus on how that particular launch related to resolution 2231 (2015). I stressed that it was essential that the Security Council act with unity in that field, so as to assist in the effective implementation of resolution 2231 (2015). I also proposed that, in the framework of my regular contact with interested parties, including the Permanent Representative of the Islamic Republic of Iran, I would underline the importance, for all parties, of continuing to maintain an attitude conducive to building trust and of continuing to implement the terms of the Joint Comprehensive Plan of Action and resolution 2231 (2015).

23. On 9 March, the Permanent Representative of the Islamic Republic of Iran addressed a letter to the President of the Security Council concerning the launch (S/2017/205). The letter was circulated within the “2231 format” of the Security Council on 10 March.

#### **IV. Procurement channel approval, notifications and exemptions**

24. Since Implementation Day, a total of 16 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 by four Member States from three different regional groups, including States that are not participants in the Joint Comprehensive Plan of Action. This reflects the growing confidence of Member States in the procurement channel. I am also pleased to note that, on average, the proposals were processed through the procurement channel in less than 46 calendar days. In order to ensure the proper functioning of the procurement channel process, I wish to recall the importance of abiding by the various timelines set out in paragraph 2 of annex B to resolution 2231 (2015) for the submission of transfer or exemption notifications.



25. The Joint Commission provided a recommendation of approval for the two proposals that had been submitted to the Security Council in December 2016 and were still under consideration at the date of issuance of my previous report. The two proposals were subsequently approved by the Council.

26. During the reporting period, 10 new proposals for the supply of items, material, equipment, goods and technology set out in INFCIRC/254/Rev.9/Part 2 were submitted to the Security Council, including 2 for temporary export for the purposes of demonstration and display in an exhibition. Five of those proposals have been approved, one has been withdrawn and four are currently under review by the Joint Commission.

27. Pursuant to paragraph 2 of annex B to resolution 2231 (2015), certain nuclear-related activities do not require approval but do require a notification to be submitted to the Security Council or to both the Council and the Joint Commission.

28. In that regard, since my previous report, one notification was submitted to the Security Council in January in relation to the transfer to the Islamic Republic of Iran of natural uranium in exchange for enriched uranium in excess of 300 kg removed from the Islamic Republic of Iran in December 2015. Three notifications were also submitted to the Council in February and March, in relation to the transfer to the Islamic Republic of Iran of equipment covered by annex B, section 1, of INFCIRC/254/Rev.12/Part 1 intended for light water reactors. In addition, one notification was submitted to the Council in April for an activity related to the necessary modification of the two cascades at the Fordow facility for stable isotope production. Lastly, one notification was submitted to the Council in June in relation to the transfer to the Islamic Republic of Iran of items set out in INFCIRC/254/Rev.10/Part 2 for exclusive use in light water reactors.

29. On 14 February, I received a letter from the Coordinator of the Procurement Working Group of the Joint Commission requesting that the Security Council share with the participants in the Procurement Working Group, through its Coordinator, the notifications of the supply, sale or transfer proposals that are approved by the Security Council. On 23 February, I informed the Coordinator that the Council had agreed to his request.

30. On 12 June, the Coordinator of the Procurement Working Group transmitted to me the third six-month report of the Joint Commission (S/2017/495), in accordance with paragraph 6.10 of annex IV to the Joint Comprehensive Plan of Action.

## V. Other approval and exemption requests

31. Since 16 January 2016, no proposal has been submitted by Member States to the Security Council to participate in or permit the activities set forth in paragraph 4 of annex B to resolution 2231 (2015).

32. A proposal to participate in or permit the activities set forth in paragraph 5 of annex B to resolution 2231 (2015) was submitted by a Member State on 23 November 2016 and brought to the attention of the Security Council the next day. On 24 February 2017, the Member State provided additional information to the Council on its proposal. On 28 February, I informed the Member State that, as a result of thorough consultations with respect to its specific request for approval, the Council had reached no agreement and returned its request.

33. Since 16 January 2016, no proposal has been submitted by Member States to the Security Council pursuant to paragraph 6 (b) of annex B to resolution 2231 (2015).

34. Exemptions to the asset freeze provisions and to the travel ban provisions are contained in paragraphs 6 (d) and 6 (e), respectively, of annex B to resolution 2231 (2015). No exemption requests were received or granted by the Security Council in relation to the 23 individuals and 61 entities currently on the list maintained pursuant to resolution 2231 (2015).

## **VI. Transparency, outreach and guidance**

35. Eighteen months after Implementation Day, transparency, practical guidance and outreach remain a priority. In this regard, I plan on engaging in new outreach activities on the implementation of resolution 2231 (2015) during the second part of my tenure. Further outreach activities by the Secretariat, as mandated by the note mentioned in paragraph 1 above (S/2016/44), could form an additional instrument for fostering awareness of resolution 2231 (2015).

36. The website on resolution 2231 (2015), managed and regularly updated by the Secretariat, plays a key role in providing relevant information on resolution 2231 (2015). During the reporting period, the number of page views was more than 57,000, for a total of more than 194,000 since the creation of the website. I invite the Secretariat to regularly maintain, update and improve the website on resolution 2231 (2015).

37. I also held several bilateral consultations with Member State representatives, including the Islamic Republic of Iran, to discuss issues relevant to the implementation of resolution 2231 (2015).

WORLD NEWS

DECEMBER 3, 2018 / 10:36 AM / 8 MONTHS AGO

## France says Iran ballistic test provocative and destabilizing



PARIS (Reuters) - Iran's test of a medium-range ballistic missile capable of carrying multiple warheads is a provocative and destabilizing act, France's foreign ministry said on Monday.

"France is concerned about Iran's mid-range ballistic missile test last Saturday. It condemns this provocative and destabilizing action," Ministry spokeswoman Agnes von der Muhll said in a statement.

She said the test did not comply with U.N. Security Council Resolution 2231 and called on Tehran to immediately stop all its ballistic missile-related activities designed to carry nuclear weapons.

Reporting by John Irish; editing by Michel Rose

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# Iran – Iranian rocket launch on January 15, 2019 (16 January 2019)

Iran has claimed to have conducted a satellite launch. France strongly condemns this launch which is not in compliance with UNSCR 2231.

Indeed, UNSCR 2231 calls on Iran to refrain from conducting activities related to ballistic missiles designed to be capable of delivering nuclear weapons, including launches. Space launch vehicles use technology that is very similar to that used for ballistic missiles, in particular for intercontinental ballistic missiles.

This launch follows the firing of short-range ballistic missiles into Syria on September 30 and the firing of a medium-range ballistic missile on December 1. These missile launches were also not in compliance with UNSCR 2231.

The Iranian ballistic missile program is a source of concern for the international community and France. We call on Iran to refrain from conducting any further launches of ballistic missiles designed to be capable of delivering nuclear weapons, including space launch vehicles, and urge Iran to comply with its obligations under the relevant UN Security Council resolutions.

## Useful links

- Links
  - [More information on the website of the ministry\\_\(in French\)](#)
  - [Embassy of France in Iran \(https://ir.ambafrance.org/\)](https://ir.ambafrance.org/)
  - [Embassy of Iran in France \(http://www.mfe.org/Default.aspx?SID=12292&DYN\\_VIEW=DETAIL&PAYS=IRAN\)](http://www.mfe.org/Default.aspx?SID=12292&DYN_VIEW=DETAIL&PAYS=IRAN)

**Letter dated 22 February 2019 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the President of the Security Council**

I have the honour to transmit herewith a letter dated 20 February 2019 from the Permanent Representatives of France, Germany and the United Kingdom addressed to the Secretary-General (see annex). I would be most grateful if you would circulate the present letter and its annex as a document of the Security Council.

*(Signed)* Karen **Pierce**

**Annex to the letter dated 22 February 2019 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the President of the Security Council**

France, Germany and the United Kingdom wish to bring to the attention of the Security Council recent actions taken by Iran which are inconsistent with paragraph 3 of annex B to resolution [2231 \(2015\)](#).

As the Security Council is aware, in paragraph 3 of annex B to resolution [2231 \(2015\)](#),

Iran is called upon not to undertake any activity related to ballistic missiles designed to be capable of delivering nuclear weapons, including launches using such ballistic missile technology, until the date eight years after the Joint Comprehensive Plan of Action adoption day or until the date on which the International Atomic Energy Agency submits a report confirming the Broader Conclusion, whichever is earlier.

The phrase “ballistic missiles designed to be capable of delivering nuclear weapons” in paragraph 3 includes Missile Technology Control Regime category I systems. By definition, Missile Technology Control Regime category I systems, which are those capable of delivering at least a 500-kilogram payload to a range of at least 300 kilometres, are inherently capable of delivering nuclear weapons.

On 15 January 2019, Iran conducted the third flight test of its Simorgh satellite launch vehicle. The Iranian Government said that the satellite launch vehicle failed to successfully place a satellite in orbit due to a failure of the vehicle’s final stage, which is used to finalize the satellite’s orbital position. Although the launch failed, the test will have proven the operation of the satellite launch vehicle’s first and second stage propulsion systems, which are based on technologies shared with Iran’s ballistic missile programme. Significantly, the first stage is a cluster of four Shahab-3 medium-range ballistic missile engines and the second stage incorporates technology of the Khorramshahr medium-range ballistic missile. Both the Shahab-3 and the Khorramshahr meet the criteria of Missile Technology Control Regime category I missile systems and are therefore inherently capable of delivering nuclear weapons.

Furthermore, the technologies necessary for the conception, fabrication and launch of a satellite launch vehicle are closely related to those required for the development of a long-range ballistic missile or an intercontinental ballistic missile. Actual launches of satellite launch vehicles provide Iran with empirical results that can be used to optimize capabilities related to the development of such missile systems.

We therefore re-emphasize our assessment that Iran’s programme to develop ballistic missiles continues to be inconsistent with paragraph 3 of annex B to resolution [2231 \(2015\)](#). Iran’s ballistic missile activity, including the launch of the Simorgh satellite launch vehicle, is a matter of deep concern, as it has a destabilizing effect on the region and increases existing tensions.

We trust that this information will assist the Security Council in promoting the implementation of resolution 2231 (2015) by all States. In light of the requests made of the Secretary-General in resolution 2231 (2015), we therefore respectfully request that the Secretary-General report fully and thoroughly Iran's ballistic missile activity inconsistent with resolution 2231 (2015) in his next report.

*(Signed)* François **Delattre**  
Permanent Representative of France

*(Signed)* Christoph **Heusgen**  
Permanent Representative of Germany

*(Signed)* Karen **Pierce**  
Permanent Representative of the United Kingdom

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WORLD NEWS

DECEMBER 11, 2018 / 4:37 AM / 8 MONTHS AGO

## Iran confirms missile test in defiance of U.S.

Babak Dehghanpisheh



GENEVA (Reuters) - A senior Iranian military commander has confirmed that Tehran recently carried out a ballistic missile test, to the anger of the United States, the Fars news agency said on Tuesday.

FILE PHOTO: A display featuring missiles and a portrait of Iran's Supreme Leader Ayatollah Ali Khamenei is seen at Baharestan Square in Tehran, Iran September 27, 2017. Picture taken September 27, 2017. Nazanin Tabatabaee Yazdi/TIMA via REUTERS



The Revolutionary Guards official's comment came after U.S. Secretary of State Mike Pompeo's assertion earlier this month that Iran had test-fired a missile capable of carrying multiple warheads and reaching the Middle East and Europe.

"We will continue our missile tests and this recent action was an important test," Guards aerospace division head Amirali Hajizadeh was quoted as saying by the semi-official Fars news agency.

"The reaction of the Americans shows that this test was very important for them and that's why they were shouting," he added, without specifying what type of missile had been tested.

The U.N. Security Council met last week to discuss the test, which the United States, Britain and France said flouted U.N. restrictions on Tehran's military program.

U.S. President Donald Trump pulled out of an international agreement on Iran's nuclear program in May and reimposed sanctions on Tehran. He said the deal was flawed because it did not include curbs on Iran's development of ballistic missiles or its support for proxies in Syria, Yemen, Lebanon and Iraq.

Iran has ruled out negotiations with Washington over its military capabilities, particularly the missile program run by the Guards. It says the program is purely defensive and denies missiles are capable of being tipped with nuclear warheads.

Hajizadeh said Iran holds up to 50 missile tests a year.

"The issue of missiles has never been subject to negotiations and nothing has been approved or ratified about its prohibition for the Islamic Republic of Iran in (U.N.) resolution 2231," Foreign Minister Mohammad Javad Zarif said on Tuesday, according to the Tasnim news agency.

“Our defense doctrine is basically founded upon deterrence.”

Under U.N. Security Council Resolution 2231, which enshrined the nuclear deal in 2015, Iran is “called upon” to refrain from work on ballistic missiles designed to deliver nuclear weapons for up to eight years.

Some states argue the language does not make it obligatory.

Last month, Hajizadeh said U.S. bases in Afghanistan, the United Arab Emirates and Qatar, and U.S. aircraft carriers in the Gulf were within range of Iranian missiles.

The head of the Guards, Major General Mohammad Ali Jafari, said on Tuesday the United States was becoming weaker.

“American power is declining,” Jafari said, according to Fars. “The enemies don’t dare bring up the issue of overthrowing the Islamic Republic and they will take this wish to the grave.”

In October, the Revolutionary Guards fired missiles at Islamic State militants in Syria after the Islamist group said it was responsible for an attack at a military parade in Iran that killed 25 people, nearly half of them Guards members.


Reporting by Babak Dehghanpisheh; Editing by Richard Balmforth and Andrew Cawthorne

*Our Standards: The Thomson Reuters Trust Principles.*

# Iran Wants to Expand Missile Range Despite U.S. Opposition

Dec. 4, 2018



FILE PHOTO: A display featuring missiles and a portrait of Iran's Supreme Leader Ayatollah Ali Khamenei is seen at Baharestan Square in Tehran, Iran September 27, 2017. Nazanin Tabatabaee Yazdi/TIMA via REUTERS  REUTERS

**GENEVA (REUTERS) - IRAN** wants to increase its missiles' range, a senior military official was quoted as saying on Tuesday, a move that would irk the United States which views Tehran's weapons program as a regional security threat.

U.S. President Donald Trump pulled out of an international nuclear agreement in May and reimposed sanctions on the Islamic Republic, criticizing the deal for not including curbs on Iran's development of ballistic missiles.



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"One of our most important programs is increasing the range of missiles and ammunition," said the head of the Iranian air force, Brigadier General Aziz Nasirzadeh, according to the semi-official Fars news agency.

"We don't see any limitations for ourselves in this field."

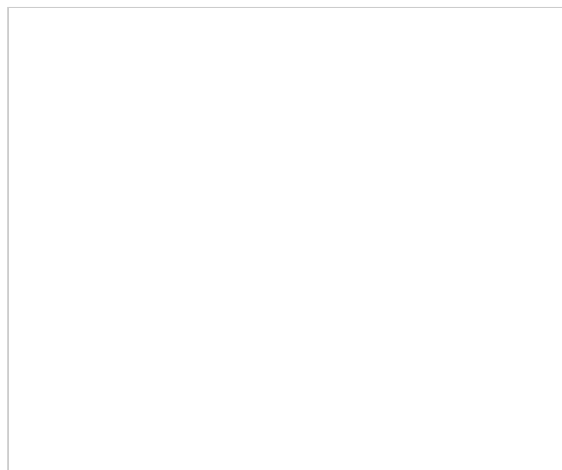
Iran's military has cited 2,000 km (1,240 miles) as the current missile range, and said U.S. bases in Afghanistan, the United Arab Emirates and Qatar, plus U.S. aircraft carriers in the Gulf, were within range.

Iranian Foreign Minister Mohammad Javad Zarif also defended the missile program in a Twitter post on Tuesday, in which he said the U.N. Security Council resolution which endorsed the nuclear agreement did not ban Tehran from working on missiles.

"Making a mockery of the UNSC won't obscure failure to fulfill obligations & to hold US to account over non-compliance. Esp when even US admits that UNSCR2231 does NOT prohibit Iran's deterrent capabilities. Rather than undermining 2231, better to work towards its adherence by all." Zarif wrote.

Nasirzadeh did not give details on how far Iran would like to increase that range, according to the Fars report.

Tehran insists its missile program is purely defensive but has threatened to disrupt oil shipments through the Strait of Hormuz in the Gulf if Washington tries to strangle its exports.



of the agreement on Tehran's nuclear program.

Iran has repeatedly said its missile program is not up for negotiation.

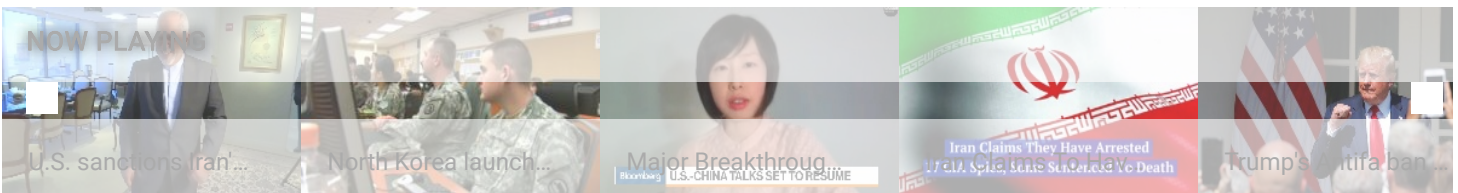
(Reporting By Babak Dehghanpisheh; Editing by Andrew Cawthorne and Gareth Jones)

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**Human Rights Council****Fortieth session**

25 February–22 March 2019

Agenda item 4

**Human rights situations that require the Council's attention****Situation of human rights in the Islamic Republic of Iran****Report of the Special Rapporteur on the situation of human rights in the Islamic Republic of Iran\****Summary*

The present report, submitted pursuant to Human Rights Council resolution 37/30, comprises two parts.

In the first part, the Special Rapporteur describes how the protests in the Islamic Republic of Iran reflect long-standing grievances related to human rights. An amendment to the drug trafficking law has led to a decline in executions. Nevertheless, increasing economic challenges have intensified grievances, which may be exacerbated following the reimposition of unilateral sanctions. Discontent has been expressed through disparate protests by different groups across the country. The Government has introduced some measures aimed at addressing economic challenges, but the arrests of lawyers, human rights defenders and labour activists signal an increasingly severe State response.

In the second part, the Special Rapporteur describes how the execution of child offenders in the Islamic Republic of Iran has continued over decades in violation of the country's international human rights obligations. Girls can be sentenced to death as young as 9 and boys as young as 15. Despite amendments to the Penal Code and practical efforts aimed at reducing the executions, at least 33 child offenders have been executed since 2013. The Special Rapporteur makes a number of targeted recommendations to the Parliament and the judiciary with a view to ending such executions.

\* Agreement was reached to publish the present report after the standard publication date owing to circumstances beyond the submitter's control.



## I. Introduction

1. The present report, submitted pursuant to Human Rights Council resolution 37/30, is divided into two parts. The first part describes a number of pressing human rights concerns in the Islamic Republic of Iran. The second part examines the execution of individuals who were children (persons below 18 years of age<sup>1</sup>) at the time of the alleged commission of the relevant offence (hereinafter referred to as “child offenders”<sup>2</sup>) in the country.

2. Since his appointment, the Special Rapporteur on the situation of human rights in the Islamic Republic of Iran has met with numerous victims of alleged violations, relatives of victims, human rights defenders, lawyers, and representatives of civil society organizations, including in Germany and the United Kingdom of Great Britain and Northern Ireland. The Special Rapporteur travelled to Geneva and to New York to present his most recent report<sup>3</sup> to the General Assembly. During these missions, he met with representatives of the Permanent Mission of the Islamic Republic of Iran to the United Nations and other interlocutors. The Special Rapporteur has reviewed written submissions and information submitted, and government statements and reports, legislation, media reports, and reports of international human rights mechanisms. The Government has provided comments on the Special Rapporteur’s reports. The Special Rapporteur thanks all interlocutors and officials for the cooperation extended and information submitted.

3. In 2018, special procedures of the Human Rights Council issued 14 communications, 3 of which were replied to by the Government. In order to further engagement, the Special Rapporteur reiterates his request to visit the Islamic Republic of Iran.

## II. Human rights situation

4. The current human rights situation has been characterized by the Government’s response to increasing economic challenges, sanctions, and long-standing human rights concerns. Widespread protests in December 2017 and January 2018 morphed into disparate protests driven by falling living standards, high inflation, perceived misallocation of public funds, delays in the payment of salaries, and challenges in accessing water, among other issues. The reimposition of sanctions heightened tensions.

5. The Special Rapporteur is disturbed by indications of an increasingly severe response to the protests, amidst patterns of violations of the right to life, the right to liberty and the right to a fair trial. An increasing number of human rights defenders, lawyers, journalists and labour activists are being arrested or harassed. The Head of the Judiciary publicly described the protests as “sedition” aimed at “dragging people to the streets to target the very foundation of the Islamic Republic”.<sup>4</sup>

### A. Right to life

6. The Special Rapporteur remains concerned at the extensive use of the death penalty, despite positive developments. From January to October 2018, 207 persons were reportedly executed, in comparison to 437 for the same period in 2017.<sup>5</sup> The decline largely resulted from an amendment to the drug trafficking law in November 2017, which reduced executions related to drug offences. As a result, punishments for certain drug offences were retroactively amended from the death penalty or life imprisonment to a maximum prison term of 30 years. The quantity of drugs required for a death sentence to be imposed was also increased.

<sup>1</sup> The Committee on the Rights of the Child has consistently recommended that States make necessary legal amendments to establish the definition of the child as persons below the age of 18 years. See CRC/C/IRN/CO/3-4, para. 28.

<sup>2</sup> This terminology is in line with Committee on the Rights of the Child general comment No. 10 (2007) on children’s rights in juvenile justice.

<sup>3</sup> See A/73/398.

<sup>4</sup> See [www.mizanonline.com/fa/news/472402](http://www.mizanonline.com/fa/news/472402).

<sup>5</sup> See <https://iranhr.net/en/articles/3514/>.

Following the adoption of the amendment, the judiciary was instructed to review the cases of those already sentenced to death for drug-related offences. The lack of transparency on death penalty cases has made it difficult to assess the review process, but in October 2018, the Deputy Chairman of the Islamic Consultative Assembly Judiciary Commission reportedly stated that the death sentences of 15,000 individuals had been commuted.<sup>6</sup> Concerns remain, however, about the availability of legal assistance to those eligible for review, the lack of opportunity to appeal the outcome of the review, and the retention of the mandatory death penalty for some drug offences.

7. Other concerns persist. According to article 6 of the International Covenant on Civil and Political Rights, which the Islamic Republic of Iran has ratified, States parties that have not yet abolished the death penalty should only impose it for the “most serious crimes”, a term confined to crimes involving intentional killing.<sup>7</sup> However, the Islamic Republic of Iran continues to apply the death penalty for numerous acts that do not entail intentional killing. Concerns were raised following the establishment of special courts in August 2018 to try “economic crimes” which carry the death penalty.

8. A further long-standing concern relates to the execution of individuals convicted of murder in the context of *qisas* (retribution in kind). In such cases, the application of absolute, equivalent retaliation in the form of the death penalty is available to the next of kin of the victim. Such executions accounted for nearly three quarters of reported executions in 2018.<sup>8</sup> As an alternative, the next of kin of the victim can pardon the defendant with or without accepting *diya* (compensation known as “blood money”). *Qisas* is an offence which entails a mandatory punishment. No consideration can be given to mitigating factors such as the offender’s age or character or the circumstances of the crime.

9. In 2006, the then Special Rapporteur on extrajudicial, summary or arbitrary executions observed, *inter alia*, that while *diya* saved lives to the extent that it avoided executions, it could violate the guarantees of non-discrimination, because the request to pay *diya* discriminated against those who were not in a position to buy their freedom.<sup>9</sup> The Penal Code also stipulates that *diya* for murdering a woman is half that of a man. Furthermore, while Iranian law has been amended to provide the equal application of *qisas* punishments and *diya* for the murder of Muslims and constitutionally recognized religious minorities, this does not apply to non-recognized groups. Additionally, when a pardon in exchange for *diya* has not been granted, it leads to violations of the right to seek pardon or commutation from the State.<sup>10</sup>

10. Reports indicate that ethnic and religious minority groups constitute a disproportionately large percentage of persons executed or imprisoned.<sup>11</sup> Many are also on death row. Concerns have been raised, for example, about the situation of Hedayat Abdollahpour, a Kurdish Iranian, whose death sentence was upheld by the Supreme Court upon its second review in October 2018 amidst reports that he had been subjected to torture in detention and had been denied access to a lawyer of his choice.

11. The right to life has been violated by non-State actors. On 22 September 2018, an attack on a military parade in Ahvaz led to the death of at least 24 persons and injury to numerous others.<sup>12</sup> Another attack in December 2018 in the city of Chabahar reportedly led to the death of two people and numerous injuries.<sup>13</sup> The Special Rapporteur expresses his deepest condolences to the victims and their families, and to the Government and people of the Islamic Republic of Iran. The Special Rapporteur unreservedly condemns the attacks, and recalls the State’s obligation to hold the perpetrators accountable, in compliance with international human rights law, including the right to a fair trial. Following the Ahvaz attack,

<sup>6</sup> See <http://kerman.farsnews.com/news/13970725000810>.

<sup>7</sup> See Human Rights Committee, general comment No. 36 (2018) on the right to life.

<sup>8</sup> See <https://iranhr.net/en/articles/3514/>.

<sup>9</sup> A/61/311, para. 60.

<sup>10</sup> International Covenant on Civil and Political Rights, art. 6 (4).

<sup>11</sup> See <https://ipa.united4iran.org/en/prisoner/>.

<sup>12</sup> See Security Council press statement available at [www.un.org/press/en/2018/sc13523.doc.htm](http://www.un.org/press/en/2018/sc13523.doc.htm).

<sup>13</sup> See [www.irna.ir/en/News/83125141](http://www.irna.ir/en/News/83125141).



the Special Rapporteur received reports indicating that at least 300 members of Ahwazi Arab minority groups had been detained incommunicado.<sup>14</sup> The authorities later confirmed that 22 people had been arrested,<sup>15</sup> and then later denied that they had been executed.<sup>16</sup> In its comments, the Government stated that investigations were continuing. The Special Rapporteur reiterates the right to a fair trial of those detained, and the need for information on their whereabouts.

## **B. Right to a fair trial and liberty**

12. The extensive use of the death penalty is alarming given the numerous reported cases of violations of the right to a fair trial. Many cases highlight violations of the right to defend oneself through legal assistance of one's own choosing and the right to not to be compelled to testify against oneself or to confess guilt, which are guaranteed under article 14 of the International Covenant on Civil and Political Rights which the Islamic Republic of Iran has ratified.

13. According to article 35 of the Constitution and article 48 of the Code of Criminal Procedure, individuals are guaranteed the right to be represented by their chosen lawyer. However, in articles 48 and 302 of the Code of Criminal Procedure it is stated that if individuals are accused of offences punishable by death, life imprisonment or amputation, or of "political or press crimes", their choice of legal representation during the investigation stage is restricted to lawyers on a list approved by the Head of the Judiciary. The Special Rapporteur is particularly disturbed by these restrictions, given the reports received and information obtained during interviews indicating a pattern of torture and other ill-treatment conducted to compel confessions during the investigation stage. The Special Rapporteur notes that according to the Penal Code, confessions extracted under duress or torture are prohibited and inadmissible before the courts,<sup>17</sup> and perpetrators are subject to punishment. However, in article 171 of the Penal Code it is also stated that "if an accused person confesses to the commission of an offence, his or her confession shall be admissible and there is no need for further evidence". Furthermore, it is stated in article 360 of the Code of Criminal Procedure that convictions can be issued on the basis of voluntarily given confessions alone. As such, the Special Rapporteur is concerned that there is a strong institutional expectation to extract confessions, which does not facilitate an environment conducive to fair trials. In its comments, the Government described the conditions that must be met before – under the Penal Code – a confession can be introduced, which include that the accused must be "recognized to be reasonable, mature, and impartial and free during confession".

14. Discrimination in the administration of justice has been illustrated by the disproportionate number of arrests and convictions of members of minority groups. The Special Rapporteur received numerous reports in this respect, consistent with information obtained during interviews conducted with members of the Baha'i, Azerbaijani Turkish, Kurdish and Baloch communities among others. The Special Rapporteur also reviewed a list of 83 imprisoned members of the Baha'i community. In February 2018, special procedure mandate holders noted that they were aware of several reported cases in which members of the Christian minority had received heavy sentences after being charged with threatening national security, either for converting people or for attending house churches.<sup>18</sup>

15. The Special Rapporteur reviewed reports of violations of the right to a fair trial and liberty of dual and foreign nationals detained in the Islamic Republic of Iran. On the basis of ongoing reports, information reviewed and interviews conducted, the Special Rapporteur considers that there is a pattern involving the arbitrary deprivation of liberty of dual nationals and foreign nationals in the Islamic Republic of Iran, as identified by the Working Group on

<sup>14</sup> See [www.amnesty.org/en/latest/news/2018/11/iran-fears-mounting-for-detained-ahwazi-arabs-amid-reports-of-secret-executions/](http://www.amnesty.org/en/latest/news/2018/11/iran-fears-mounting-for-detained-ahwazi-arabs-amid-reports-of-secret-executions/).

<sup>15</sup> See <https://bit.ly/2EZ3MWK>.

<sup>16</sup> See [www.irna.ir/fa/News/83096589](http://www.irna.ir/fa/News/83096589).

<sup>17</sup> See arts. 168–169.

<sup>18</sup> See [www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=22629&LangID=E](http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=22629&LangID=E).

Arbitrary Detention.<sup>19</sup> The Special Rapporteur concurs with the Working Group's assessment that many of the cases follow a familiar pattern, which includes, inter alia, arrest and detention outside of legal procedures, lengthy pretrial detention, denial of access to legal counsel, prosecution under vaguely worded criminal offences with inadequate evidence to support the allegations, torture and ill-treatment, and denial of medical care.<sup>20</sup> The patterns identified point to an urgent need for the Government to address the situation of all dual and foreign nationals detained in the Islamic Republic of Iran, including Ahmadreza Djalali, Kamran Ghaderi, Robert Levinson, Saeed Malekpour, Siamak and Baquer Namazi, Xiyue Wang, Nazanin Zaghari-Ratcliffe and Nizar Zakka. The Working Group has issued opinions calling for the release of a number of the aforementioned individuals,<sup>21</sup> including Ahmadreza Djalali who has been sentenced to death. The Special Rapporteur is further alarmed by reports indicating that a number of them need urgent and appropriate medical care, and calls upon the Government to address such concerns. In its comments, the Government denied that Mr. Levinson was detained and stated it had "initiated investigations, on the basis of its legal obligations toward the missing allegation, and the case is still open and under further investigation". The Government further described national security-related charges against the other aforementioned individuals.

### C. Right to freedom of peaceful assembly and association

16. Reports received indicate a curtailment on the enjoyment of the right to freedom of association and assembly over the year, which has affected various groups, including workers, teachers, students, minority groups, and women.

17. Workers at the Haft Tapeh sugar mill protested about unpaid wages in July 2017, August 2018 and November 2018. In November 2018, the authorities reportedly detained approximately 18 workers and labour activists.<sup>22</sup> Twelve persons were reportedly released, while protests calling for the release of the remaining detainees continue at the time of writing.

18. In March 2018, 10 workers at the Iran National Steel Industrial Group in Ahvaz were detained for several days owing to their alleged involvement in a strike over wages and work conditions.<sup>23</sup> In June, "dozens" more were reportedly arrested after protesting about unpaid wages.<sup>24</sup> A strike resumed in November in the absence of a response to their demands.

19. Truck drivers have conducted strikes across many provinces since May 2018 in protest against low wages in light of increasing inflation. Over 150 drivers were later reportedly detained after they resumed their strike in September,<sup>25</sup> including in Qazvin Province.

20. Teachers protested against low wages and underfunding in October and November 2018. Some were detained or summoned to courts.<sup>26</sup> In May 2018, Mohammad Habibi, a member of the Iranian Teachers' Trade Association of Tehran, was arrested. He was convicted on national security-related charges in August<sup>27</sup> amidst concerns that he had been denied medical care despite sustaining injuries caused by ill-treatment during his arrest.<sup>28</sup> In its comments, the Government stated that Mr. Habibi had received 27 visits for medical reasons and had been sent to medical centres three times.

21. Protests related to access to water have been reported, with demonstrations in Khuzestan Province, Bavi, Khorramshahr, Abadan, Kut-e-Abdollah and Ahvaz. Fifteen

<sup>19</sup> See the Working Group's opinions No. 49/2017, para. 44; and No. 52/2018, para. 82.

<sup>20</sup> See the Working Group's opinion No. 52/2018, para. 86.

<sup>21</sup> See the Working Group's opinions Nos. 52/2018, 92/2017, 49/2017, 50/2016 and 28/2016.

<sup>22</sup> See [www.tuc.org.uk/tuc-writes-iranian-ambassador-regarding-arrests-haft-tapeh-sugar-workers](http://www.tuc.org.uk/tuc-writes-iranian-ambassador-regarding-arrests-haft-tapeh-sugar-workers).

<sup>23</sup> See [www.industrialunion.org/iran-10-detained-after-protests-over-unpaid-wages-of-4000-steel-workers](http://www.industrialunion.org/iran-10-detained-after-protests-over-unpaid-wages-of-4000-steel-workers).

<sup>24</sup> See [www.hra-news.org/2018/hranews/a-15727/](http://www.hra-news.org/2018/hranews/a-15727/).

<sup>25</sup> See [www.itfglobal.org/en/news-events/press-releases/2018/october/itf-statement-on-iran-truckers-strike](http://www.itfglobal.org/en/news-events/press-releases/2018/october/itf-statement-on-iran-truckers-strike).

<sup>26</sup> See [www.hrw.org/news/2018/11/22/iran-mounting-crackdown-teachers-labor-activists](http://www.hrw.org/news/2018/11/22/iran-mounting-crackdown-teachers-labor-activists).

<sup>27</sup> Ibid.

<sup>28</sup> See [www.amnestyusa.org/wp-content/uploads/2018/10/uaa17418.pdf](http://www.amnestyusa.org/wp-content/uploads/2018/10/uaa17418.pdf).

farmer representatives were arrested when 200 farmers protested against water diversions to the Governorate of Kohgiluyeh va Boyer Ahmad Province.<sup>29</sup>

22. Consistent with the pattern of discrimination observed, minority groups have been affected. In July 2018, 80 persons from the Azerbaijani Turkish community were reportedly arrested before and during a cultural celebration at Babak Fort in East Azerbaijan Province.<sup>30</sup> Most were released amidst reports that those detained had been subjected to ill-treatment. In August, 40 persons from the community were temporarily detained during a gathering in Meshgin Shahr in Ardabil Province amidst reports of excessive force by security forces. Concerns have also been raised about the fate and whereabouts of eight Gonabadi dervishes who allegedly held a sit-in protest in August 2018 at the Great Tehran Penitentiary.<sup>31</sup> In its comments, the Government stated that the aforementioned persons were imprisoned with access to telephone calls.

23. The Special Rapporteur is further troubled by the arrests of women protesting against compulsory veiling (the hijab). While most were released on bail, some were sentenced to up to two years in prison on the charge of “encouraging moral corruption”.<sup>32</sup> Women who do not wear the hijab can be sentenced to up to two months in prison or fined, in violation of their right to take part in cultural life without discrimination.<sup>33</sup>

#### **D. Right to freedom of expression and opinion**

24. The Special Rapporteur observes increasing limitations placed upon the rights to freedom of opinion and expression. In April 2018, popular social media website Telegram was banned for allegedly “disrupting national unity” and “allowing foreign countries to spy” on the Islamic Republic of Iran.<sup>34</sup> In November, the Government proposed a bill which introduced new offences associated with the use of banned online applications.<sup>35</sup> In its comments, the Government stated that active social networks such as Telegram “are obliged to register only with the Ministry of Culture and Islamic Guidance”.

25. The Special Rapporteur is further disturbed by the trend of human rights defenders, including women human rights defenders, being arrested and imprisoned in connection with their activities, and the increasing numbers of arrests of lawyers and labour activists.

26. In June 2018, prominent human rights lawyer Nasrin Sotoudeh was arrested. Hoda Amid, a lawyer who had represented women in vulnerable situations, was arrested in September and subsequently released on bail pending trial.<sup>36</sup> Lawyer Zeinab Taheri was arrested and later released on bail pending charges.<sup>37</sup> In one welcome development, human rights lawyer Abdolfattah Soltani was released on conditional parole in November.<sup>38</sup>

27. In November 2018, special procedure mandate holders raised concerns about the arrest of Nasrin Sotoudeh, her husband Reza Khandan, and Farhad Meysami, following their advocacy in support of women’s rights.<sup>39</sup> Women’s rights defenders Najmeh Vahedi and Rezvaneh Mohammadi were arrested and then reportedly released on bail in November pending trial.<sup>40</sup>

<sup>29</sup> See [www.ilna.ir/fa/tiny/news-628251](http://www.ilna.ir/fa/tiny/news-628251).

<sup>30</sup> See [www.amnesty.org/download/Documents/MDE1388892018ENGLISH.PDF](http://www.amnesty.org/download/Documents/MDE1388892018ENGLISH.PDF).

<sup>31</sup> See <https://iranhumanrights.org/2018/10/great-tehran-penitentiary-imposes-information-blackout-on-eight-sufi-detainees-held-in-solitary-confinement/>.

<sup>32</sup> See <https://bit.ly/2EV0xzs>.

<sup>33</sup> A/72/155, para. 76.

<sup>34</sup> See <https://rsf.org/en/news/iranian-court-imposes-total-ban-telegram>.

<sup>35</sup> See [www.isna.ir/news/97082813960/](http://www.isna.ir/news/97082813960/).

<sup>36</sup> See [www.en-hrana.org/womens-rights-activist-hoda-amid-released-on-bail](http://www.en-hrana.org/womens-rights-activist-hoda-amid-released-on-bail).

<sup>37</sup> See [www.fidh.org/en/issues/human-rights-defenders/release-on-bail-of-zeinab-taheri](http://www.fidh.org/en/issues/human-rights-defenders/release-on-bail-of-zeinab-taheri).

<sup>38</sup> See [www.irna.ir/fa/News/83108418](http://www.irna.ir/fa/News/83108418).

<sup>39</sup> See [www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23947&LangID=E](http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23947&LangID=E).

<sup>40</sup> See [www.iranhumanrights.org/2018/09/three-detained-womens-rights-activists-should-be-immediately-released/](http://www.iranhumanrights.org/2018/09/three-detained-womens-rights-activists-should-be-immediately-released/).

28. Other individuals remain imprisoned for exercising their right to freedom of opinion and expression. Alternative health practitioner Mohammad Ali Taheri was imprisoned following a conviction for “spreading corruption on earth”. The Special Rapporteur reiterates the call of the United Nations High Commissioner for Human Rights for his release.<sup>41</sup>

29. The Special Rapporteur is alarmed by the health situation of numerous imprisoned human rights defenders. Farhad Meysami began a hunger strike in August 2018 in protest at his lack of access to a lawyer of his choice and the charges against him. Arash Sadeghi is in need of specialist medical care and remains imprisoned despite calls for his release from the Working Group on Arbitrary Detention in April.<sup>42</sup> Soheil Arabi is in urgent need of medical attention. He was due for release in 2018, but was instead charged with additional offences and was sentenced to 10 years and 8 months of additional imprisonment. In November, concerns were raised about the worrying health situation of Narges Mohammadi, who is in need of appropriate medical care. She remains imprisoned despite the call of the Working Group on Arbitrary Detention in 2017 to release her.<sup>43</sup> The health situation of prisoners was highlighted in December 2018, following the death of Vahid Sayyadi-Nasiri, a prisoner who had begun a hunger strike in November. The Special Rapporteur urges the Government to conduct a prompt, independent, impartial and effective investigation into the circumstances of the death of Mr. Sayyadi-Nasiri, and to ensure that all those detained in need of medical attention are afforded it urgently. In its comments, the Government stated that Mr. Sadeghi was under the continuous supervision of a specialist and had access to medical clinics outside of the prison.

30. The Special Rapporteur received reports of arrests and intimidation of journalists and media workers within the country. Journalists outside of the country have also been targeted, such as the staff of the British Broadcasting Corporation (BBC) Persian Service. A collective criminal investigation and a purportedly temporary asset-freezing injunction initiated in 2017 against over 150 staff still remains in place. In some cases, staff members’ families based in the Islamic Republic of Iran have been interrogated and harassed. Staff have also been threatened and defamatory news stories have been circulated on social media about them. The Special Rapporteur reiterates his predecessor’s concerns at such actions and calls upon the Government to cease all legal actions<sup>44</sup> and harassment against journalists, including the BBC Persian Service staff. In its comments, the Government stated that a number of BBC staff had been acquitted with respect to the asset-freezing injunction while other cases remained open.

## E. Impact of sanctions

31. The violations of civil and political rights described must be examined in the context of renewed economic challenges for the Islamic Republic of Iran. These challenges intensified with the reimposition of sanctions in 2018 following the decision by the United States of America to cease its participation in the Joint Comprehensive Plan of Action (the nuclear deal).<sup>45</sup>

32. In October 2018, the International Court of Justice indicated provisional measures pending further proceedings and its final decision on proceedings brought by the Islamic Republic of Iran against the United States on the alleged violation of the Treaty of Amity, Economic Relations and Consular Rights between the two States.<sup>46</sup> It considered that assurances by the United States regarding humanitarian exemptions were “not adequate to address fully the humanitarian and safety concerns raised” by the Islamic Republic of Iran, and therefore it is of the view that there remains a risk that measures adopted by the United

<sup>41</sup> See [www.ohchr.org/FR/NewsEvents/Pages/DisplayNews.aspx?NewsID=16292&LangID=E](http://www.ohchr.org/FR/NewsEvents/Pages/DisplayNews.aspx?NewsID=16292&LangID=E).

<sup>42</sup> See the Working Group’s opinion No. 19/2018.

<sup>43</sup> See the Working Group’s opinion No. 48/2017.

<sup>44</sup> See [www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=22314&LangID=E](http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=22314&LangID=E).

<sup>45</sup> See [www.whitehouse.gov/presidential-actions/ceasing-u-s-participation-jcpoa-taking-additional-action-counter-irans-malign-influence-deny-iran-paths-nuclear-weapon/](http://www.whitehouse.gov/presidential-actions/ceasing-u-s-participation-jcpoa-taking-additional-action-counter-irans-malign-influence-deny-iran-paths-nuclear-weapon/).

<sup>46</sup> International Court of Justice press release dated 3 October 2018, available at <https://www.icj-cij.org/files/case-related/175/175-20181003-PRE-01-00-EN.pdf>.

States may entail irreparable consequences.<sup>47</sup> The Court’s provisional measures mandate the United States to ensure that sanctions allow for humanitarian exemptions, including medicines and medical devices; foodstuffs and agricultural commodities; and spare parts, equipment and services necessary for the safety of civil aviation.<sup>48</sup> The United States announced it was terminating the Treaty.<sup>49</sup>

33. In October 2018, the United States Secretary of State said “existing exceptions, authorizations, and licensing policies for humanitarian-related transactions and safety of flight will remain in effect”.<sup>50</sup> The United States Department of the Treasury has issued guidance in this respect, including for third-country financial institutions.<sup>51</sup> In the guidance, it is noted that United States sanctions law “contains explicit exceptions that allow foreign financial institutions to conduct or facilitate transactions for the sale of agricultural commodities, food, medicine, or medical devices” to the Islamic Republic of Iran “without penalty, as long as the transaction does not involve a designated entity or otherwise proscribed conduct”.<sup>52</sup> Given that most Iranian banks are on the Department of the Treasury’s Specially Designated Nationals List, financial transactions – even for non-sanctionable trade – might prove difficult in practice. Furthermore, given the ambiguity around the application of secondary sanctions and the complexity of applying them as part of the exemptions, foreign companies and banks are likely to remain cautious in fear of repercussions by the United States.<sup>53</sup> According to reports,<sup>54</sup> companies exporting medical supplies to the Islamic Republic of Iran face challenges in accessing non-sanctioned banking services as well as shortages of foreign currency in the Islamic Republic of Iran, which limit the possibility of payments to foreign companies.

34. Following declarations<sup>55</sup> that the Society for Worldwide Interbank Financial Telecommunication (SWIFT) could be subject to sanctions, SWIFT indicated its decision to suspend some Iranian banks. Non-sanctioned Iranian financial institutions were allowed to remain on SWIFT to conduct limited transactions involving food and medicine.<sup>56</sup>

35. The Special Rapporteur is concerned that by preventing financial transfers to the Islamic Republic of Iran, the aforementioned secondary sanctions, which target third parties, are likely to hinder the production, availability and distribution of essential medical and pharmaceutical equipment and supplies, which could potentially increase mortality rates. Similar concerns were expressed in the context of previous sanctions.<sup>57</sup> In September, the Syndicate of Pharmaceutical Industries noted that the Islamic Republic of Iran imported more than half of the raw material required for the production of medicines.<sup>58</sup> According to members of the Parliament’s Health Commission, the Islamic Republic of Iran was short of 80 pharmaceutical items<sup>59</sup> and hospitals were experiencing shortages of medicines, medical equipment and consumer goods.<sup>60</sup> The Special Rapporteur on the negative impact of unilateral coercive measures on the enjoyment of human rights stated: “The current system

<sup>47</sup> International Court of Justice, Request for the indication of provisional measures, Order, paras. 91–92, dated 3 October 2018, available at <https://www.icj-cij.org/files/case-related/175/175-20181003-ORD-01-00-EN.pdf>.

<sup>48</sup> Ibid.

<sup>49</sup> See [www.state.gov/secretary/remarks/2018/10/286417.htm](http://www.state.gov/secretary/remarks/2018/10/286417.htm).

<sup>50</sup> Ibid.

<sup>51</sup> “Clarifying guidance on humanitarian assistance and related exports to the Iranian people”, 6 February 2013, available at [www.treasury.gov/resource-center/sanctions/Programs/Documents/hum\\_exp\\_iran.pdf](http://www.treasury.gov/resource-center/sanctions/Programs/Documents/hum_exp_iran.pdf).

<sup>52</sup> Ibid., p. 4.

<sup>53</sup> See [www.economist.com/business/2018/11/08/european-companies-will-struggle-to-defy-america-on-iran](http://www.economist.com/business/2018/11/08/european-companies-will-struggle-to-defy-america-on-iran).

<sup>54</sup> See [www.ecfr.eu/article/commentary\\_iran\\_the\\_case\\_for\\_protecting\\_humanitarian\\_trade](http://www.ecfr.eu/article/commentary_iran_the_case_for_protecting_humanitarian_trade).

<sup>55</sup> See [www.state.gov/secretary/remarks/2018/11/287090.htm](http://www.state.gov/secretary/remarks/2018/11/287090.htm).

<sup>56</sup> See [www.bloomberg.com/opinion/articles/2018-11-02/trump-s-iran-bank-cutoff-from-swift-will-make-u-s-sanctions-hurt](http://www.bloomberg.com/opinion/articles/2018-11-02/trump-s-iran-bank-cutoff-from-swift-will-make-u-s-sanctions-hurt).

<sup>57</sup> See A/67/327.

<sup>58</sup> See <http://fna.ir/a0ws79>.

<sup>59</sup> See [www.isna.ir/news/97061105121/](http://www.isna.ir/news/97061105121/).

<sup>60</sup> See [www.ilna.ir/fa/tiny/news-673055](http://www.ilna.ir/fa/tiny/news-673055).

creates doubt and ambiguity which makes it all but impossible” for the Islamic Republic of Iran to import “these urgently needed humanitarian goods. This ambiguity causes a ‘chilling effect’ which is likely to lead to silent deaths in hospitals as medicines run out, while the international media fail to notice.”<sup>61</sup>

### III. Execution of child offenders

#### A. Introduction

36. The execution of child offenders is prohibited by international law, regardless of the age of the accused when the execution takes place. This prohibition is enshrined within the Convention on the Rights of the Child, the International Covenant on Civil and Political Rights and customary international law. In 2003, the Commission on Human Rights affirmed that international law established that the execution of child offenders was in contravention of customary international law.<sup>62</sup>

37. Numerous human rights mechanisms have called upon the Islamic Republic of Iran to stop sentencing children to death, including the Committee on the Rights of the Child,<sup>63</sup> the Human Rights Committee,<sup>64</sup> the General Assembly,<sup>65</sup> the United Nations High Commissioner for Human Rights<sup>66</sup> and special procedure mandate holders.<sup>67</sup> Successive Secretaries-General of the United Nations have raised this issue, in 10 previous reports on the Islamic Republic of Iran, as well as in public statements.<sup>68</sup> During universal periodic reviews, numerous States have recommended that the Islamic Republic of Iran end the executions. In 2010, the recommendation to “consider the abolition of juvenile execution” was supported by the Government,<sup>69</sup> and in 2014 the recommendation to “ban executions of juvenile offenders, while at the same time providing for alternative punishments in line with the new Iranian Penal Code” was partially supported.<sup>70</sup> The Islamic Republic of Iran explicitly accepted the obligation to prohibit such executions through its ratification of the Convention on the Rights of the Child and the International Covenant on Civil and Political Rights.

38. The Special Rapporteur deeply regrets, however, that the Islamic Republic of Iran continues to sentence children to death “far more often than any other State”.<sup>71</sup> Girls as young as 9 and boys as young as 15 can be sentenced to death. Information received indicates that at least 61 child offenders have been executed since 2008.<sup>72</sup> At least six child offenders were executed in 2018. All were aged between 14 and 17 at the time of the alleged commission of the crime, and all were executed on the basis of *qisas* for the crime of murder. According to previous reports, 5 child offenders were executed in 2017,<sup>73</sup> 5 in 2016,<sup>74</sup> 4 in 2015<sup>75</sup> and 13 in 2014.<sup>76</sup> Credible information received indicates that there are at least 85 child offenders

<sup>61</sup> See [www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23469&LangID=E](http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23469&LangID=E).

<sup>62</sup> See Commission on Human Rights resolution 2003/67.

<sup>63</sup> CRC/C/IRN/CO/3-4, para. 36.

<sup>64</sup> CCPR/C/IRN/CO/3, para. 13.

<sup>65</sup> See General Assembly resolution 73/181.

<sup>66</sup> See [www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23689&LangID=E](http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23689&LangID=E).

<sup>67</sup> See [www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=23216&LangID=E](http://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=23216&LangID=E).

<sup>68</sup> United Nations, “Secretary-General, concerned at worrying trend of executions in Iran, reaffirms United Nations opposition to death penalty”, 19 October 2015, available at <https://www.un.org/press/en/2015/sgsm17247.doc.htm>.

<sup>69</sup> A/HRC/14/12, para. 90 (40).

<sup>70</sup> A/HRC/28/12, para. 138.156; and A/HRC/28/12/Add.1, para. 7 (b).

<sup>71</sup> See [www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=22664&LangID=E](http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=22664&LangID=E).

<sup>72</sup> Six executions were documented in 2018. Fifty-five executions were reported from 2008 to 2017. See Iran Human Rights and Ensemble contre la peine de mort, annual report 2017, p. 27, available at <https://iranhr.net/en/articles/3258/>.

<sup>73</sup> See A/HRC/37/68, para. 19.

<sup>74</sup> See A/HRC/34/40, para. 18.

<sup>75</sup> See A/71/418, para. 21.

<sup>76</sup> See A/HRC/28/70, para. 15.

currently on death row in the Islamic Republic of Iran and that 21 children have been sentenced to death since 2013.

39. In 2013, the Government amended the Penal Code to give judges the discretion to exempt children from the death penalty if the judge assesses that the child did not realize the nature of the crime or if there is uncertainty about his or her mental development. It stated that its policy was to seek to avoid executions through mediation when possible. In comments provided, it also highlighted the importance of restorative justice and juvenile rehabilitation. The Special Rapporteur encourages the Government to continue to review existing policies with a view to prohibiting the execution of child offenders, in line with its international treaty commitments. The present report seeks to support such efforts.

## **B. Legal framework**

### **1. International legal framework**

40. In 1975, the Islamic Republic of Iran ratified the International Covenant on Civil and Political Rights without reservation. In article 6 (5) of the Covenant, it is stated that the “sentence of death shall not be imposed for crimes committed by persons below eighteen years of age ...”. In 1994, the Islamic Republic of Iran ratified the Convention on the Rights of the Child, which stipulates in its article 37 (a) that “neither capital punishment nor life imprisonment without possibility of release shall be imposed for offences committed by persons below eighteen years of age”. In both cases, the explicit and decisive criterion is the age at the time of the alleged commission of the offence. The Human Rights Committee has stated that if there is no reliable and conclusive proof that the person was not below the age of 18 at the time that the crime was committed, he or she will have the right to the benefit of the doubt and the death penalty cannot be imposed.<sup>77</sup>

41. Upon ratification of the Convention on the Rights of the Child, the Islamic Republic of Iran made a reservation stating that it “reserves the right not to apply any provisions or articles of the Convention that are incompatible with Islamic Laws and the international legislation in effect”. Article 19 of the Vienna Convention on the Law of Treaties, of 1969, provides that reservations should not be incompatible with the object and purpose of the treaty. In 2016, the Committee on the Rights of the Child recommended that the Islamic Republic of Iran withdraw it accordingly,<sup>78</sup> in the light of article 51 (2) of the Convention in which it is specified that “a reservation incompatible with the object and purpose of the present Convention shall not be permitted”. In response, the Government noted that the provisions of the Convention are “legally binding in the country”.<sup>79</sup>

42. The prohibition of imposing the death penalty on children is widely considered to form part of the *jus cogens* category of norms of international law. No derogation or deviation from such peremptory norms is permissible. This *jus cogens* character is reflected by almost complete unanimity in calls to end the practice, which continues in only a few States. In its comments, the Government disagreed that the prohibition formed part of *jus cogens*.

### **2. National legal framework**

#### **(a) Age of criminal responsibility**

43. Substantial inconsistencies exist within Iranian legislation and the Iranian justice system which mean that girls aged 9 and boys aged 15 can be sentenced to death for certain crimes, whereas children aged up to 18 are sentenced to correctional measures for other crimes.

<sup>77</sup> See the Committee’s general comment No. 36 (2018) on the right to life.

<sup>78</sup> CRC/IRN/CO/3-4, paras. 9–10.

<sup>79</sup> Supplementary response of the National Body on the Convention on the Rights of the Child, para. 1, available from [https://tbinternet.ohchr.org/\\_layouts/treatybodyexternal/Download.aspx?symbolno=INT%2fCRC%2fCOB%2fIRN%2f23480&Lang=en](https://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=INT%2fCRC%2fCOB%2fIRN%2f23480&Lang=en).

44. According to the Civil Code, the age of “maturity” for girls is 9 lunar years, and for boys 15 lunar years.<sup>80</sup> Maturity in this context is assessed according to the child’s physical development according to some traditional rulings in Islamic jurisprudence. Articles 146 and 147 of the 2013 revised Penal Code also specify the age of criminal responsibility at 9 lunar years for girls and 15 lunar years for boys.

45. Criminal responsibility for crimes punishable by *hudud* (punishments fixed by God) or *qisas* is maintained at the same age of maturity, that is, 9 lunar years for girls and 15 lunar years for boys. These crimes carry mandatory punishments such as death, flogging and amputation, giving no discretion to the court as to what sentence is appropriate based on individual circumstances, age, and mitigating factors. All child offenders executed in 2018 were executed on the basis of *qisas*.

46. In contrast, the age of responsibility for the frequently less serious *ta’zir* crimes (crimes for which the judge has discretion as to the sentence imposed) is 18 years for all children. In such circumstances, convicted children are sentenced to correctional measures.

47. The Special Rapporteur notes further inconsistencies within the legal framework. In the 2017 amendment to the drug trafficking law, the death penalty was retained for any individual who “has exploited children or juveniles under the age of 18 ... for the commission of the crime”.<sup>81</sup> Article 35 continues to sanction “anyone who forces children and juveniles under the age of 18 ... to use drugs”. These provisions indicate a clear acknowledgment that individuals below the age of 18 years have less “maturity” or “mental development” than those above the age of 18 years.

48. Other legislative provisions reflect a similar understanding. Article 1 of the Protection of Children and Adolescents Act, of 2002, defines a child as every human being below the age of 18 years old. Furthermore, only an individual over 18 years old can obtain a passport,<sup>82</sup> vote,<sup>83</sup> or obtain a driving licence.

49. In the light of the inconsistencies described, the Special Rapporteur reiterates the recommendations of the Committee on the Rights of the Child to the Islamic Republic of Iran to revise its legislation to increase the age of maturity to 18 years.<sup>84</sup> In its comments, the Government noted that “the minimum age for criminal liability has been determined through taking into account of the mental and psychological development of children and juveniles, and considering of geographical, cultural, social, religious and racial conditions. When an age is recognized as the minimum age for criminal liability, it indicates that the juvenile, at this age, has reached the level of emotional, mental and psychological maturity that may recognize his/her liability against his/her behaviours. Therefore, the recognition of the minimum age is associated with consideration of the mental maturity of juveniles.”

## (b) Legislative developments

50. In 2013, the Penal Code was amended. Article 91 of the amended Code exempts children aged below 18 years and above the age of maturity from the death penalty if it is assessed that they “do not realize the nature of the crime committed or its prohibition, or if there is uncertainty about their full mental development, according to their age”. Article 91 also stipulates that “the court may ask the opinion of forensic medicine or resort to any other method that it sees appropriate in order to establish the full mental development”.<sup>85</sup> Following the amendment, child offenders on death row began to apply to the Supreme Court for retrials. Some applications were successful but others were refused. This led to the issuance of a “unifying judicial precedent” by the Supreme Court in 2014 which confirmed that applications for retrials were admissible. In submissions to the Committee on the Rights of the Child, the Islamic Republic of Iran noted that “the retrial of all adolescents who were

<sup>80</sup> Article 1210, note 1.

<sup>81</sup> Art. 45.

<sup>82</sup> Passport and Immigration Law, sect. 1, art. 18.

<sup>83</sup> Election Law, art. 36.

<sup>84</sup> CRC/C/15/Add.254, para. 23; and CRC/C/IRN/CO/3-4, paras. 27–28.

<sup>85</sup> See <https://iranhrdc.org/english-translation-of-books-i-ii-of-the-new-islamic-penal-code/>.



under 18 at the time of committing the crime is accepted and their previous verdicts have been annulled by the Supreme Court”.<sup>86</sup> However, as will be elaborated on, child offenders face numerous hurdles in relying upon the provisions of article 91 and the executions continue.

### C. Efforts and position of the State

51. A number of measures have been put in place relating to child offenders. Most recently, a bill on the protection of children and adolescents was approved by Parliament. It is pending approval by the Guardian Council. The Code of Criminal Procedure provides for the establishment of children’s and adolescents’ courts, comprised of a specialist judge and a qualified adviser with knowledge of child development.<sup>87</sup> However, if children above the age of maturity (9 lunar years for girls and 15 lunar years for boys) are accused of *qisas* or *hudud* crimes or certain *ta’zir* crimes, they instead face the First Criminal Court’s special adolescents’ division.<sup>88</sup> Credible information received indicates that in practice this means that the child is tried in the same physical courtroom in which adults are tried.

52. All child offenders executed in 2018 were executed pursuant to a conviction for murder on the basis of *qisas*. In comments received, the Government stated that extensive efforts were made to satisfy the next of kin of the victim through mediation in order to convert *qisas* to *diya*. It further noted that its “principled policy ... is to encourage compromise even with ... cash assistance to realize the payment of the *diyeh*” and “this is the prevailing trend and main course of dealing with this group of offenders”. The Government also referred to the establishment of a reconciliation commission, and a task force consisting of officials, psychologists, social workers, corrections officials, lawyers, and members of civil society which supports mediation with the next of kin of the victim. In addition, conflict resolution council branches and the Women and Children and Protection Office of the judiciary intervene in cases. Non-governmental organizations (NGOs) also support mediation and fundraising for payments of *diya*. Notwithstanding such efforts, the Special Rapporteur has received reports that relevant actors are reluctant to intervene in cases of *hudud* crimes such as adultery, same-sex relationships, or murder crimes also involving rape.

53. In comments received, the Government justified the continuing executions, on the basis that “the duty of the State in this case is merely to examine and deliberate the murder, and execution of the sentence is only possible on the basis of the request of the owners of the blood”. In 2009, the Special Rapporteur on extrajudicial, summary or arbitrary executions noted that no other State in which Islamic law was applicable saw the need to make such an argument to justify the executions of child offenders.<sup>89</sup> He further noted that article 37 (a) of the Convention on the Rights of the Child and article 6 (5) of the International Covenant on Civil and Political Rights bound the Government to extend the abolition of execution of child offenders to *qisas* crimes.<sup>90</sup> Furthermore, as noted, this practice deprives the child of his or her right to seek pardon or commutation from the State as enshrined in article 6 (4) of the International Covenant on Civil and Political Rights.

### D. Vulnerability and treatment of children in the criminal justice system

54. Child offenders continue to be executed in the Islamic Republic of Iran amidst violations concerning the right to a fair trial, torture and other ill-treatment, and a lack of consideration given to each child’s individual circumstances.

<sup>86</sup> See CRC/C/IRN/3-4/Add.1.

<sup>87</sup> Code of Criminal Procedure, arts. 289 and 408.

<sup>88</sup> *Ibid.*, art. 315.

<sup>89</sup> A/HRC/11/2, paras. 35–36.

<sup>90</sup> *Ibid.*

## 1. Patterns of convictions based upon confessions

55. The sentencing of children to death is particularly alarming, given their specific vulnerability as children amidst documented patterns of violations related to the lack of access to a lawyer and the reliance on confessions obtained through coercion or torture in judicial proceedings.<sup>91</sup> The Convention on the Rights of the Child and the International Covenant on Civil and Political Rights require that a child cannot be compelled to confess guilt or acknowledge guilt.<sup>92</sup> The Committee on the Rights of the Child further states that children may be led to a confession that is not true because of their age, their development, the length of the interrogation, their lack of understanding, the fear of unknown consequences, or the suggested possibility of imprisonment, as well as the promise of possible release or lighter sanctions.<sup>93</sup> The inherent vulnerability of children is further increased because if they are charged with crimes involving the death penalty they cannot choose their own lawyer during the initial investigation phase. They are instead limited to a lawyer approved by the Head of the Judiciary. Information received indicates that numerous children have been convicted on the basis of confessions compelled during this phase. In 2018 for example, Zeinab Sekaanvand was reportedly coerced into confessing that she had killed her husband when she was 17 years old.<sup>94</sup> She recanted her confession but was nevertheless executed. Alireza Tajiki was executed in 2017, after confessing to murder at the age of 15 after reportedly being tortured. He also later recanted his confession but no investigation was undertaken into his claims.<sup>95</sup>

## 2. Practices amounting to torture and other ill-treatment

56. The treatment of children on death row is of deep concern. Government representatives have claimed that the Islamic Republic of Iran does not execute children.<sup>96</sup> In practice, this means that the State imprisons the convicted child on death row for years until they reach the age of 18 and executes them thereafter. Reports received also indicate that the executions of numerous child offenders were repeatedly postponed, often at the last minute.<sup>97</sup> In this respect, in June 2018 the United Nations High Commissioner for Human Rights raised the case of Abolfazi Chezani Sharahi, a child offender whose execution was postponed four times before his eventual execution.<sup>98</sup> Similarly, the executions of Alireza Tajiki and Omid Rostami were postponed four times. They were executed in 2017 and 2018 respectively after spending numerous years on death row. The Special Rapporteur is concerned that the combination of circumstances, with respect to repeated postponements, the practice of waiting until the child reaches the age of 18, and the inherent vulnerability of the child given his or her age, inevitably leads to severe mental trauma and physical deterioration.<sup>99</sup> The Special Rapporteur accordingly contends that the policy and practice of sentencing children to death in the Islamic Republic of Iran amounts to a pattern of torture and other cruel, inhuman, or degrading treatment contrary to the Convention on the Rights of the Child and the International Covenant on Civil and Political Rights, to which the Islamic Republic of Iran is a party. The Special Rapporteur emphasizes that the way to address this is to immediately prohibit the sentencing of children to death and to commute the death sentences of all child offenders on death row.

## 3. Circumstances of children sentenced to death

57. Reports received indicate that many children sentenced to death on the basis of *qisas*, along with their families, have lower levels of economic and social standing, education, and

<sup>91</sup> See para. 13 above.

<sup>92</sup> Convention on the Rights of the Child, art. 40; and International Covenant on Civil and Political Rights, art. 14.

<sup>93</sup> See the Committee's general comment No. 10 (2007) on children's rights in juvenile justice, para. 57.

<sup>94</sup> See [www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23689&LangID=E](http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23689&LangID=E).

<sup>95</sup> See [www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=21958&LangID=E](http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=21958&LangID=E).

<sup>96</sup> See the statement made by the Head of the Judiciary in 2014, available at <https://bit.ly/2LE4dGY>.

<sup>97</sup> A/67/279, para. 48.

<sup>98</sup> See [www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23279&LangID=E](http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23279&LangID=E).

<sup>99</sup> See A/67/279, pp. 9–14 on the “death row phenomenon”.

support networks.<sup>100</sup> Girl child offenders have in some cases faced extreme situations, including forced marriage and domestic violence. However, there is no legislative scope that allows the court to take into account mitigating factors related to the background and circumstances in which the child is living or the conditions in which the offence has been allegedly committed. Two individuals who had married as children were executed in 2018. Mahboubeh Mofidi, who was married at the age of 13, allegedly murdered her husband when she was aged 17.<sup>101</sup> Zeinab Sekaanvand, who was married at the age of 15, allegedly murdered her husband when she was aged 17.<sup>102</sup> Ms. Sekaanvand was executed despite no investigation being undertaken into allegations of domestic violence during her marriage. The Special Rapporteur reiterates the recommendation of the Committee on the Rights of the Child that the minimum age of marriage of 13 years for girls and 15 years for boys should be increased to 18 years.<sup>103</sup>

58. The Special Rapporteur notes that the background of the accused child and the circumstances in which the offence was allegedly committed are critical, not only because they should be taken into account by the court, but also because they can hinder attempts to avoid execution by paying for *diya*. Children who have grown up in poverty, for example, are unlikely to be able to afford the *diya* requested (which has no upper limit for *qisas* crimes). The child's life therefore depends upon his or her family being able to attract the attention of NGOs that can help to raise enough money. Such organizations are not present in every province, and poorer families in more remote provinces with less influence, education and awareness face serious challenges. The Special Rapporteur contends that these factors explain why most executed child offenders originate from poorer backgrounds and economically less advantaged provinces.

59. In its comments, the Government stated that according to article 286 of the Code of Criminal Procedure, the preparation of a "personality file" which considered the conditions at the time of offence was mandatory at the time of issuing the verdict. It also stated that the file was prepared separately from the criminal file and included a social worker's report on the defendant's physical, family and social status, as well as medical and psychiatric reports. It further noted that for the purposes of paying *diya*, the "destitution" of the accused was taken into consideration, and that NGOs and social institutions contributed financially.

## E. Implementation of article 91 of the Penal Code

### 1. Overview

60. As noted, the enactment of article 91 of the Penal Code in 2013 allowed judges to exempt children from the death penalty if the judge assessed that the child did not "realize the nature of the crime committed or its prohibition, or if there is uncertainty about their full mental development, according to their age". In its submission to the Committee on the Rights of the Child in 2015, the Islamic Republic of Iran stated that the previous verdicts of all child offenders would be annulled, pending retrials.<sup>104</sup> In its comments on the present report, the Government stated that "the provisions of the Islamic Penal Code have been effective in reducing the execution of adults under the age of 18 years". Recent reports indicate that the sentences of at least six child offenders were commuted in 2017 following retrials.<sup>105</sup> Executions have however continued. Since article 91 entered into force in 2013, the Special Rapporteur estimates that at least 33 child offenders have been executed,<sup>106</sup> and according to credible information received at least 21 children were sentenced to death on the basis of *qisas*. In 2016, the Committee on the Rights of the Child deplored the fact that

<sup>100</sup> See, for example, Amnesty International, *Growing Up on Death Row* (2016), p. 53, available at [www.amnestyusa.org/wp-content/uploads/2017/04/growing\\_up\\_on\\_death\\_row\\_-\\_the\\_death\\_penalty\\_and\\_juvenile\\_offenders\\_in\\_iran\\_final.pdf](http://www.amnestyusa.org/wp-content/uploads/2017/04/growing_up_on_death_row_-_the_death_penalty_and_juvenile_offenders_in_iran_final.pdf).

<sup>101</sup> See [www.hrw.org/news/2018/02/07/iran-three-child-offenders-executed](http://www.hrw.org/news/2018/02/07/iran-three-child-offenders-executed).

<sup>102</sup> See [www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23689&LangID=E](http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23689&LangID=E).

<sup>103</sup> CRC/C/IRN/CO/3-4, paras. 27–28.

<sup>104</sup> CRC/C/IRN/Q/3-4/Add.1, para. 33.

<sup>105</sup> A/72/322, para. 68.

<sup>106</sup> See para. 38 above.

the executions had continued despite the amendment<sup>107</sup> and in 2017 some special procedure mandate holders described ongoing executions as “conclusive proof of the failure of the 2013 amendments to stop the execution of individuals sentenced to death as children”.<sup>108</sup> In the present section, the Special Rapporteur seeks to explain why article 91 has not been effective in stopping the executions.

## 2. Inconsistent and arbitrary assessments

61. In 2016, the Committee on the Rights of the Child expressed “serious concern” that decisions to exempt children from death sentences on the basis of article 91 assessments “are under the full discretion of judges”, and strongly urged the Islamic Republic of Iran to remove such discretion from the courts.<sup>109</sup> The discretion given is particularly problematic because the criteria used for assessing “mental development” is undefined and subjective. In some cases, judges reportedly asked simple questions focused on whether the child knew that it was wrong to kill. In other cases, judges considered the child to be “mentally developed” as long as there was no evidence of mental health issues. Judges have also used measures such as assessing whether the defendant has grown body hair to confirm mental development.<sup>110</sup>

62. In its comments, the Government stated that “the lack of understanding on the side of the defendant, of the nature of the committed crime or existence of doubt in his/her maturity and wisdom are stipulations and the terminology referred to in article 91 shall be carefully observed at the time of the judicial proceedings ...”. The Government further noted that “the legislator, in article 91, approached the acceptance of criminal liability maturity and in a way, it has admitted that adolescent people under the age of 18 could have not reached mentally maturity and do not understand the nature of their act; there is doubt on their growth and perfection of mind; and thus, they may not be subject to *hadd* or *qisas*. Therefore, the reference of the law [to] those terms is important, because it helps the judge to reason on this basis and, instead of imposing severe penalties, such as *hadd* or *qisas*, determine, as per case and their age, the prescribed punishments.”

## 3. Inconsistent use and provision of expert advice

63. Article 91 of the Penal Code provides that “the court may ask for the opinion of forensic medicine or resort to any other method it sees appropriate in order to establish the full mental development”. The Committee on the Rights of the Child expressed serious concern that judges “are allowed but are not mandated to seek forensic expert opinion”.<sup>111</sup> In some cases where expert opinion has not been requested, the child has been assessed by the judge as being mentally developed. For example, Omid Rostami, who was convicted of killing someone when he was 16 years of age, was executed in 2018 despite the failure of the District Court and the Supreme Court to request an expert opinion to assess his mental development.

64. When expert advice has been requested, an opinion has been sought from doctors working for the Iranian Legal Medicine Organization, a State institution. On numerous occasions, the Iranian Legal Medicine Organization has undertaken the assessment long after the crime was allegedly committed. Fatemeh Salbehi was convicted of killing her husband in 2008, when she was aged 17. She was sentenced to death and then afforded a retrial pursuant to article 91 in 2013. During the retrial, the Iranian Legal Medicine Organization concluded that she was mentally developed at the time of the crime, which had taken place five years earlier. She was executed. Similarly, child offender Abolfazl Sharahi was assessed as being mature one year after the alleged commission of the offence, and was subsequently executed. The Special Rapporteur suggests that it is impossible for a credible assessment to be made in such circumstances. The Special Rapporteur observes that there is a need to highlight the

<sup>107</sup> CRC/C/IRN/CO/3-4, para. 35.

<sup>108</sup> See [www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=21547&LangID=E](http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=21547&LangID=E).

<sup>109</sup> CRC/C/IRN/CO/3-4, paras. 35–36.

<sup>110</sup> Joint alternative report by civil society organizations, “Rights of the child in Iran”, March 2015, available at [https://tbinternet.ohchr.org/Treaties/CRC/Shared%20Documents/IRN/INT\\_CRC\\_NGO\\_IRN\\_19809\\_E.pdf](https://tbinternet.ohchr.org/Treaties/CRC/Shared%20Documents/IRN/INT_CRC_NGO_IRN_19809_E.pdf).

<sup>111</sup> CRC/C/IRN/CO/3-4, paras. 35–36.

extensive evidenced-based research supporting the view that individuals under the age of 18 have a lower level of mental development than adults. Further evidence is available to support this view in Iranian legislation itself, as already noted.<sup>112</sup> The Special Rapporteur also observes that article 91 allows for a child offender to be exempted from the death penalty if there is “uncertainty about their full mental development”. This indicates that if there is any doubt whatsoever then the child cannot be sentenced to death.

#### 4. Inconsistent follow-up

65. In some cases, even when the judge has assessed that there is uncertainty as to the mental development of the child, the assessment has been overturned upon appeal and the child has been subsequently sentenced to death. For example, Mohammad Kalhori was initially assessed as not mentally developed at the time of the crime and was sentenced to imprisonment. However the Supreme Court later overturned his sentence and he was sentenced to death during a retrial.<sup>113</sup>

#### 5. Inconsistent implementation of retrials

66. Information received by the Special Rapporteur indicates that article 91 has not been effective in sparing children already on death row from execution. One reason for this is that article 91 does not provide for an automatic review of cases. Child offenders on death row or their families must instead submit an application for retrial. As noted, many have lower levels of economic and social standing, education, and support networks, and lower levels of familiarity with their legal rights. In such circumstances, they may not be aware of the possibility of applying for a retrial or may not have the means to do so. In other cases, applications for retrials have been rejected. This trend was highlighted by the predecessor to the current Special Rapporteur, who described how the requests of Zeinab Sekaanvand and three other child offenders had been rejected by the Supreme Court without explanation.<sup>114</sup>

67. Even when requests for retrial have been accepted, some child offenders have been resentenced to death. The Committee on the Rights of the Child and the predecessor to the current Special Rapporteur expressed concerns in this respect in 2016<sup>115</sup> and 2017<sup>116</sup> respectively.

#### 6. Assessment of the implementation of article 91

68. The Special Rapporteur has described some fundamental and serious limitations related to the implementation of article 91, while acknowledging that in some cases child offenders have been exempted from the death penalty. The assessment of mental development at the time of the crime is arbitrary and inconsistent, and at the sole discretion of the judge, who can choose whether to seek medical advice or not. The credibility of such assessments is further undermined by the use of inconsistent criteria, particularly when they were conducted years after the crime in question. In some cases the findings of the assessment have been overturned upon appeal in any event. Some requests under article 91 for retrials for child offenders on death row have been rejected. In other cases where retrials have been granted, the child offender has been found to be mentally developed and the death sentence has been upheld.

## IV. Conclusions and recommendations

### A. Human rights situation

69. **The Special Rapporteur observes that the protests in the Islamic Republic of Iran which began in December 2017 reflect long-standing grievances related to human rights,**

<sup>112</sup> See paras. 46–49 above.

<sup>113</sup> See [www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=23216&LangID=E](http://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=23216&LangID=E).

<sup>114</sup> A/72/322, para. 67.

<sup>115</sup> CRC/C/IRN/CO/3-4, paras. 35–36.

<sup>116</sup> A/72/322, para. 68.

in particular the enjoyment of economic, cultural and social rights. Positive developments have been noted, such as the amendment to the drug trafficking law which led to a substantial decline in executions. Nevertheless, increasing economic challenges have intensified the grievances. These grievances may be further exacerbated due to the recent reimposition of unilateral sanctions. Discontent has been expressed through disparate protests by different groups across the country. The Government has introduced some measures aimed at mitigating the economic impact but has also increased the limits placed upon the rights to freedom of opinion, expression, assembly, and association. In parallel, ominous developments signal an increasingly severe State response, illustrated by the arrests of lawyers, human rights defenders and labour activists. Their imprisonment undermines the protection of all rights, including the right to a fair trial. This is worrying, given the pattern observed of ill-treatment to coerce confessions during the initial investigation stage and the denial of access to a chosen lawyer during this stage for serious offences. In the meantime, the death penalty continues to be used extensively, including for crimes that do not entail intentional killing.

70. The Special Rapporteur recommends that the Government and Parliament:

(a) Pending abolishment, remove from the scope of the death penalty any offence other than the “most serious crimes”, which are confined to intentional killing, and ensure that all those sentenced to death for other offences have their sentences commuted. Amend legislation to ensure that any person sentenced to death, including on the basis of *qisas*, can seek pardon or commutation from the State;

(b) Ensure that prisoners are protected from all forms of torture and other ill-treatment. Ensure that confessions obtained through such treatment are never admitted as evidence against the accused;

(c) Amend the Penal Code and the Code of Criminal Procedure to ensure that confessions alone are not sufficient for admission of guilt;

(d) Ensure that medical care is urgently provided to those individuals in detention who need it, including those identified in the present report, in light of the imminent threat to life or serious deterioration of their health. Ensure that all individuals in custody receive adequate, prompt and regular health care, including specialist care as needed, on the basis of their informed consent;

(e) Ensure that deaths in custody, and allegations of violations of due process and of ill-treatment are promptly, independently, impartially and effectively investigated by an independent competent authority with a view to bringing those suspected of criminal responsibility to justice in compliance with their right to a fair trial;

(f) Ensure that all persons accused of any crime are assured access to a lawyer of their choosing during all stages of the judicial process, including during the initial investigation and interrogation stage, and are provided with legal aid as needed;

(g) Ensure that all prisoners with health conditions for whom staying in prison would mean an exacerbation of their condition are not detained in prison, and issue alternative sentences if there is no prospect of recovery through the full implementation of article 502 of the Code of Criminal Procedure;

(h) Protect the rights of all persons belonging to religious and ethnic minorities and address all forms of discrimination against them, and release all those imprisoned for having exercised their right to freedom of religion or belief;

(i) Ensure that all those arrested for the peaceful exercise of their rights to freedom of opinion, expression, assembly and association are released. Promptly report to the families the whereabouts and situation of individuals taken into custody;

(j) Ensure that human rights defenders, including women human rights defenders, and lawyers and journalists are not threatened with or subjected to intimidation, harassment, arbitrary arrest, deprivation of liberty or other arbitrary sanction, and release all those detained in connection with their work;

(k) Implement the recommendations reflected in the opinions of the Working Group on Arbitrary Detention, and address patterns of violations highlighted by the Working Group with respect to dual and foreign nationals;

(l) Take all measures necessary to mitigate some of the effects of economic sanctions, and to meet its obligations under the International Covenant on Economic, Social and Cultural Rights, including on the protection of vulnerable groups. Establish a transparent financial mechanism to ensure that trade in medicines and other essential humanitarian items continues.

71. The Special Rapporteur recommends that sanctions-imposing countries take all steps to ensure that sanctions in the Islamic Republic of Iran do not undermine human rights, including by ensuring that humanitarian and procedural safeguards and exemptions prevent a harmful impact on the enjoyment of human rights.

## B. Execution of child offenders

72. The Special Rapporteur notes that the execution of child offenders has continued over decades in violation of the international human rights obligations of the Islamic Republic of Iran. Girls as young as 9 and boys as young as 15 can be sentenced to death. The Government's support for mediation efforts to obtain forgiveness for *qisas* crimes, and the enactment of article 91 of the Penal Code, have meant some children have avoided the death penalty. Despite this, at least 21 children have been sentenced to death and 33 child offenders have been executed since the enactment of article 91. These numbers confirm that the content of article 91 is not sufficient and its implementation has not been effective. In numerous cases, the assessment of mental development provided for by article 91 has been conducted years after the crime in question was allegedly committed. Information reviewed indicates that many children sentenced to death have lower levels of economic and social standing, education, and support networks, and in some cases have faced extreme situations including forced marriage and alleged domestic violence. However, the legislation does not allow the court to take into account mitigating factors when considering the death sentence. Furthermore, if *diya* is agreed, children whose families are not as wealthy are less able to "buy" their freedom and depend upon others to find the money to save their lives. Hence the executions continue unabated.

73. The Special Rapporteur recommends that Parliament:

(a) Urgently amend legislation to prohibit the execution of persons who committed a *hudud* or *qisas* crime while below the age of 18 years and as such are children. Urgently amend the legislation to commute all existing sentences for child offenders on death row;

(b) Withdraw the general reservation to the Convention on the Rights of the Child given that such a general reservation is not compatible with the object and purpose of the Convention;

(c) Amend the Penal Code to increase the age of criminal responsibility for *qisas* and *hudud* crimes to 18 years for all children, and ensure that all children are treated equally and without discrimination within the criminal justice system.

74. The Special Rapporteur recommends that the judiciary:

(a) Urgently halt the planned execution of all child offenders, and commute the death sentences imposed on the basis of *qisas* and *hudud* crimes for all child offenders;

(b) Pending legislative review, urgently issue a circular which requires all judges not to sentence children to death on the basis of *qisas* or *hudud* crimes, and which requires presiding judges to order retrials for all child offenders on death row without recourse to the death penalty.

75. Pending implementation of the aforementioned recommendations, and without prejudice to the binding obligation enshrined in the Convention on the Rights of the Child and the International Covenant on Civil and Political Rights to not sentence children to death and to not execute child offenders, the Special Rapporteur recommends that the judiciary:

(a) Require courts to comprehensively assess mental development in all cases in line with article 91 of the Penal Code, and to always seek expert advice from the relevant child development, psychology, psychiatry, and social service fields as well as from the Iranian Legal Medicine Organization, with a view to ensuring that the child is exempted from the death penalty;

(b) Ensure that any article 91 assessment is conducted on the prima facie basis that there is uncertainty about the mental development of the child, and as such a death sentence cannot be imposed. Ensure that the burden of proof is always on the prosecution to establish complete certainty about the full mental development of the child, in line with article 91. Furthermore, ensure that the child is afforded the benefit of the doubt if the assessment is not undertaken immediately after the crime;

(c) Undertake a prompt, effective and transparent review of all child offenders on death row and ensure that they are afforded legal representation and financial and other needed support to exercise their right to a retrial as provided for by article 91 of the Penal Code;

(d) Ensure that children who have been detained or arrested are interviewed only in the presence of their chosen lawyer, are immediately granted legal aid if needed, and are granted access to a family member of their choice at all times regardless of the offence they are accused of;

(e) When assessing the quality and veracity of testimony or confession offered by the child, ensure that the judge considers all circumstances of interrogation, especially the age of the child as well as the length of detention and interrogation and the presence of legal or other representatives and parents during questioning;

(f) Require that all those who deal with children in the criminal justice system, especially judges, prosecutors, medical examiners, police interrogators and other law enforcement professionals, undergo specialist, ongoing and systematic training on the rights of the child. Such training should inform participants about how to take into account the child's physical, psychological, mental and social development in a manner consistent with the obligations of the Islamic Republic of Iran under international human rights law;

(g) Establish specialist and separate child courts to consider cases involving children, for all crimes including *qisas* and *hudud* crimes, in the first instance and on appeal, in all provinces. Ensure that the judges who preside over such courts, and the prosecutors who are able to bring cases before such courts, have a minimum level of professional qualifications and expert training in child sociology, child psychology and behavioural sciences;

(h) Ensure that the court takes into account the circumstances in which the child is living and the conditions in which any offence has allegedly been committed, including through the preparation, introduction and full consideration of pre-sentence reports. Ensure that the court is informed about all relevant facts about the child, such as social and family background, wealth, education and circumstances of marriage. Ensure that adequate social services capacity has been established to be able to provide such reports and is mandated to provide such advice;

(i) Ensure that detention pending trial is only used as a measure of last resort and for the shortest possible period of time for children accused of any crime, including *qisas* and *hudud* crimes;

(j) Provide the Office of the United Nations High Commissioner for Human Rights and the Special Rapporteur with a list of all child offenders on death row.



76. Pending abolition of the death penalty for child offenders, the Special Rapporteur recommends that the Iranian Legal Medicine Organization, and other expert bodies called upon to conduct article 91 assessments:

(a) Conduct assessments that provide a scientific, evidence-based assessment as to whether there is total certainty about the mental development of the child offender at the time of the offence in line with article 91 of the Penal Code. Ensure that such an assessment reflects the findings of assessments by experts from all relevant fields, including the relevant child development, psychology, psychiatry, and social service fields;

(b) Afford the child offender the benefit of the doubt and deliver a finding of uncertainty when absolute certainty cannot be scientifically established, including if the assessment is not conducted immediately after the alleged offence. Establish and publish a methodology to conduct the assessment.

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SEPTEMBER 26, 2018 12:00AM EDT

## Iran: Targeting of Dual Citizens, Foreigners

Prolonged Detention, Absence of Due Process

(Beirut) – Iran’s security apparatus has escalated its targeting of Iranian dual citizens and foreign nationals whom they perceive to have links with Western academic, economic, and cultural institutions, Human Rights Watch said today.

Human Rights Watch has documented and reviewed the cases of 14 dual or foreign nationals whom Iran’s Islamic Revolutionary Guard Corps’ (IRGC) Intelligence Organization has arrested since 2014. In many cases courts have charged them with cooperating with a “hostile state” without revealing any evidence.

People interviewed about the cases said they

believed that in the cases of those targeted, authorities perceived these individuals shared an ability to facilitate relationships between Iran and Western entities outside the control of Iranian security agencies.

“At a time when Iran was getting ready to open its door to international trade and cultural exchanges, security authorities were apparently throwing in prison some of the people best suited to rebuild relationships with the international community,” said Sarah Leah Whitson, Middle East director at Human Rights Watch. “This targeted campaign against foreign and dual nationals sends a threatening message to Iranian expatriates and foreigners interested in working in Iran, that their knowledge and expertise are a liability if they visit the country.”

In May and June 2018, Human Rights Watch interviewed 10 people with close knowledge of the 14 cases documented, including former detainees, lawyers, family members, and Iran policy experts. Human Rights Watch also reviewed Persian-language videos featuring these cases on Iran’s state TV, statements of Iranian officials, and submissions made on behalf of Iranian cases to the United Nations Working Group on Arbitrary Detention.



[From top left] Siamak Namazi, Baquer Namazi, Nazanin Zaghari-Ratcliffe, Xiyue Wang and his family, and Nizar Zakka.

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Based on this evidence, it is apparent that Iranian authorities have violated detainees' due process rights and carried out a pattern of politically motivated arrests. The exact number of those detained since 2014 is most likely considerably higher than the 14 cases Human Rights Watch confirmed. On November 9, 2017, Reuters reported that authorities had detained at least 30 dual nationals in Iran since 2015.

While detainees have ranged from academics to art curators, during interrogations, intelligence personnel accused detainees of spying or espionage based simply on their affiliations with Western public institutions, as opposed to any specific action or document that could raise the possibility of wrongdoing. The supposed incriminating videos Iranian state media broadcast also mirror the interrogators' questions, highlighting detainees' affiliations with various legitimate institutions and accusing them of espionage without offering any evidence.

The UN Working Group on Arbitrary Detention has ruled that the arrests and detentions in several of these cases were arbitrary, and that authorities targeted people based on their "national or social origin" as dual nationals or foreign nationals. It also noted that there was an emerging pattern of Iran detaining dual nationals.

The detention of these individuals is marked by serious due process violations. Iranian authorities systematically deny people charged with national security crimes access to lawyers of their choosing during the investigation phase. Sources familiar with detention of dual and foreign nationals have said that many of them did not have access to any legal counsel during investigation.

Branch 15 of Tehran's revolutionary court has tried and sentenced a majority of the accused in these cases under article 508 of the Islamic penal code, which states that "any person or group who cooperates with hostile states in any shape or form... if not deemed *Mohareb* [a sentence which involves the death penalty], will be sentenced to 1 to 10 years in prison." The revolutionary court verdicts, however, do not align with a 2014 opinion of Iran's Supreme Court that stated, "Iran is not in conflict with any country and the phrase 'hostile state' does not refer to political differences with countries."

Some Iranian media outlets close to the rights-abusing intelligence agencies, including the Islamic Republic of Iran Broadcasting (IRIB) news agency, play an important role in undermining fair trial rights and the presumption of innocence by shaping public opinion about detainees' alleged offenses. The outlets broadcast smear-campaign "documentaries" claiming that the accused are part of Western attempts to "infiltrate" the country. Some of the broadcasts include film of the accused making apparently coerced confessions.

Dual nationals who were detained and later released were usually not acquitted but released on what authorities have often called "humanitarian grounds." Since the prisoner exchange between Iran and the United States in 2016, there have been several indications that Iranian authorities might be willing to again release detained dual and foreign nationals in return for bilateral agreements with the detained people's countries.

"Having citizens with deep connections to other cultures and countries is an asset, not a criminal offense," Whitson added. "But Iran's security apparatus has apparently made the despicable decision to use these individuals as bargaining chips to resolve diplomatic disputes."

## **Expanding Role of the Revolutionary Guards' Intelligence Organization**

As Iran's Islamic Revolutionary Guard Corps has increased its role and influence, it has become the leading security agency targeting dual nationals and foreigners. In reaction to former President Mohammad Khatami's attempts to achieve limited accountability for the serial assassinations of dissidents in the late 1990s, several groups began to develop parallel intelligence institutions outside the control of his presidency. Under the presidency of Mahmoud Ahmadinejad, those intelligence institutions retained and expanded their power outside the Intelligence Ministry's oversight. An article published in the Fars News website on October 21<sup>06</sup> reported that 16 intelligence organizations were operating in Iran.

While Ahmadinejad's Intelligence Ministry arbitrarily arrested hundreds of activists across the country, it was seen by other parts of the security establishment as incapable of dealing with the anti-government demonstrations that broke out following the June 2009 elections. Esmael Ahmadi Moghadam, the former head of Tehran's police, told Shargh newspaper on August 23, 2015 that the Intelligence Ministry was weak because reformist forces created its structure: "During the 2009 sedition [i.e., Green Movement election protests] we felt that the ministry staff at large were good people... but there were tendencies [toward reformists] and these people will not do their best to cut the roots of the sedition."

Hardliner intelligence forces went a step further in 2009, when on October 7, IRNA news agency reported that the status of the Revolutionary Guards' Intelligence Unit was upgraded to the IRGC Intelligence Organization, designating it a major intelligence institution with broad powers. When President Hassan Rouhani's term began in 2013, his intelligence minister attempted to facilitate coordination among intelligence institutions by regularly convening meetings of the Council to Coordinate Intelligence.

Despite this effort, the ministry became even more marginalized under Rouhani, to the point that that the IRGC Intelligence Organization arrested several activists close to the government and had met with Seyed Mahmoud Alavi, the intelligence minister, at the end Rouhani's first term. Since 2013, the IRGC has also arbitrarily arrested dozens of Iranian journalists, activists, and academics on vaguely defined national security charges accusing them of being connected to Western entities and kept them in solitary confinement for months, among them dual and foreign nationals.

On October 11, 2017, a court sentenced Abdol Rasoul Dorri Esfehani, a dual Canadian-Iranian citizen and a member of Iran's nuclear negotiations team arrested by Revolutionary Guards' intelligence, to five years in prison for "espionage." Intelligence Minister Alavi then said that he did not consider Dorri Esfehani a spy and that it is the Intelligence Ministry that makes such determinations. Mizan Online News Agency, the judiciary's news agency, published an article the next day saying that other intelligence agencies, such as the Revolutionary Guards, have similar mandates.

The Intelligence Ministry continues to target people on vaguely defined espionage charges, but the IRGC Intelligence Organization, led by Hossein Taeb, appears to have established itself as the leading security agency in

repressing dissent and perceived threats to the autocratic control of the Islamic Republic's unelected political bodies, extending its reach to foreign and dual nationals.

On September 2, Javad Karimi Ghodussi, a Parliament member from the city of Mashhad, released a “documentary” that, without providing any evidence, accused Dorri Esfahani of cooperating with American and British intelligence. The video, allegedly produced by people close to Revolutionary Guards’ intelligence, directly attacked the intelligence minister’s statement that he did not consider Dorri Esfahani a spy.

### **Arrests of Dual Nationals, Foreigners under Presidents Khatami and Ahmadinejad**

Zahra Kazemi, an Iranian-Canadian journalist, was among the most prominent victims of these parallel security institutions during the Khatami presidency. Iranian security forces detained Kazemi at Tehran’s Evin prison for photographing in a restricted area in front of the same prison in July 2003. She died in detention just a few days later, but the authorities have not provided a clear answer about the circumstances her death.

Under Ahmadinejad, the authorities arrested and intimidated several Iranian dual nationals, in particular scholars who worked on civil society issues, on allegations of working to “build networks” or planning a “color revolution” in Iran. In April 2006, authorities arrested Ramin Jahanbegloo, an Iranian-Canadian philosopher and the director of contemporary studies at the Cultural Research Bureau, a private institution in Tehran. Iran’s Intelligence Minister at the time, Mohseni Ejeji, accused Jahanbegloo of working towards the US goal of instigating a “color Revolution in Iran,” and authorities detained him for four months.

On May 8, 2007 Intelligence Ministry authorities arrested Haleh Esfandiari, the Iranian-American director of the Middle East program at the Woodrow Wilson International Center in Washington, DC, and accused her of “furthering the interests of foreign powers,” “espionage,” “planning the soft overthrow of the government,” and “acting against national security.”

On May 11, Intelligence Ministry agents arrested Kian Tajbakhsh, a scholar with Iranian and US nationality, on similar charges of “furthering the interests of foreign powers,” “espionage,” “planning the soft overthrow of the government,” and “acting against national security.” The government apparently focused on Tajbakhsh because of his ties with foreign institutions, namely the Soros Foundation, for which he worked as a consultant.

On July 18 and 19, Iranian state television broadcast Esfandiari and Tajbakhsh’s “confession” in a program called “In the Name of Democracy.” During the program, Esfandiari, Tajbakhsh, and Jahanbegloo were allegedly coerced to appear in front of the camera to describe their efforts in creating relationships between Iranian and American policymakers in academic settings. Authorities ultimately released Tajbakhsh and Esfandiari in September 2007 and allowed Esfandiari to leave the country.

Around the same period, in May 2007, authorities arrested another Iranian-American, Ali Shakeri, a founding board member of University of California Irvine's Center for Citizen Peacebuilding, and temporarily confiscated the passports of two journalists, Parnaz Azima, an Iranian-American, and Mehrnoush Solouki, a French-Iranian,

preventing both from leaving Iran. The authorities released Shakeri in September 2007 with no further explanation.

In the aftermath of the disputed 2009 presidential elections, authorities targeted dual nationals and Iranians connected to Western Embassies, apparently as part of Iranian efforts to frame their narrative of the protests being plotted by the West. Tajbakhsh, whom authorities arrested again, Maziar Bahari, an Iranian-Canadian reporter for *Newsweek*, Nazak Afshar, an Iranian employee of the French Embassy in Tehran, Hossein Rassam, an Iranian employee of the British embassy in Tehran, and Clotilde Reiss, a French academic working in Iran, were among the dozens of individuals who appeared in televised mass trials after the elections. Authorities accused arrested diplomatic staff of instigating protests and released them on bail, after which they left the country.

Tajbakhsh said during his trial that the 2009 unrest was the result of years of American planning as part their effort to carry out a “soft overthrow” of the Islamic Republic of Iran. He also said he considered himself a victim of Western propaganda. Dozens of people who appeared in the same televised trials have said that they were tortured and coerced into making false confessions.

In October, the court sentenced Tajbakhsh to 12 years in prison on charges of acting against national security. The “evidence” included membership on a mailing list, links to anti-regime figures, and accepting a consultancy from George Soros. The Court of Appeal reduced his sentence to five years. In May 2010, Branch 26 of Tehran’s Revolutionary Court sentenced Bahari, who had left Iran, to 13 years in prison. After leaving Iran, Bahari wrote in a letter that he had been tortured into confessing that he had intended to “overthrow the government.”

In August 2011, authorities arrested Amir Mirzaei Hekmati, a former US Marine, who his family said was visiting relatives in Iran. Iranian authorities accused him of espionage. On December 18, Iranian state television aired a confession by Hekmati in which he said he had infiltrated Iran to establish a CIA presence in the country. After serving in the US Marine Corps from 2001 to 2005, in 2006 Amir Hekmati started his own company, Lucid Linguistics, doing document translation that specialized in Arabic, Persian, and “military-related matters,” according to its website.

Hekmati had also worked for Kuma Games, which enabled players to participate in military confrontation games based on real events. Among its games was one in 2005 that involved an imagined American military attack on Iran.

On January 9, 2012, a revolutionary court sentenced Hekmati to death for espionage. The Supreme Court granted his appeal in March 2012 and in April 2014, the court sentenced him to 10 years in prison.

In July 2012, authorities arrested Saeed Abedini, an Iranian-American Christian pastor and a convert from Islam while he was building an orphanage in Iran. A court charged Abedini with acting against national security by establishing home churches and sentenced him to eight years in prison. Ayatollah Ali Khamenei, Iran’s supreme leader, had warned in October 2010 about the “enemy’s effort to promote promiscuity, false mysticism, Baha’i

faith and expansion of house churches.” Hekmati and Abedini remained in prison until January 2016, then were released in a prisoners’ swap with the US.

### ***Rouhani and the Post-Nuclear Agreement Era (2014-2018)***

After the nuclear negotiations with Europe and the US resulted in an agreement, Ayatollah Khamenei and other leading government figures expressed concerns about Western intentions to influence Iranian politics through engagement. In October 2015 Khamenei explicitly advised against negotiating further with the US as it could open doors for cultural, economic, political, and security infiltration. The phrase “infiltration” became the watchword for intelligence agencies in defining domestic enemies they claimed were national security “threats.”

Ahmad Jannati, the head of Iran’s Guardian Council, said that the “JCPOA [Joint Comprehensive Plan of Action] was the first step... They [the West] will come for other things, and if the people and government don’t refuse, tomorrow they will ask us to recognize Israel, to equalize men and women’s rights, to abolish Qisas, to legalize gay marriage and cut ties with Hezbollah, Syria, and Iraq.”

Since November 2015, the newspaper, Kayhan, seen as close to the intelligence apparatus, has published numerous articles on the West’s supposed infiltration attempts into Iran, including start-up and environmental activities. These articles have mentioned several people by name, including dual nationals, accusing them without proof of cooperating with the West. Many of those named have been arrested and detained.

### **Dual, Foreign Nationals Detained by the Revolutionary Guards Since 2014**

#### ***Jason Rezaian, 42, Washington Post correspondent in Tehran. Arrested on July 22, 2014.***

Following Rezaian’s arrest, news websites close to security forces published several accusations against him, calling him an American spy but offering no clear evidence. On August 5, Vatan-e Emrooz news website ran a profile on Rezaian, accusing him of links to lobby groups that pursue the “Western human rights case” to increase external pressure on Iran.

On October 11, 2015, Hojatoleslam Mohseni Ejevi, the judiciary spokesman, announced that a revolutionary court had sentenced Rezaian to prison, without revealing his sentence or the specific charges for which he had been convicted. On October 19, Fars News agency, which is close to the Republican Guard, published an article quoting Karimi Ghodussi, a parliament member, saying that according to the Revolutionary Guards’ intelligence officials, Rezaian had a close relationship with members of the Iranian government establishment, including the Office of the President and the Foreign Ministry.

Karimi Ghodussi claimed that one of the goals of the network Rezaian was a part of was “to lay a red carpet [for] Americans [to] return to Iran and the revival of American policies before the Islamic Revolution.” On January 16, 2016, the day the nuclear agreement went into force, Rezaian was released as part of a prisoners’ swap between Iran and the US.

***Siamak Namazi, 46, the head of strategic planning at Dubai-based Crescent Petroleum. Arrested on October 13, 2015.***

Namazi, a dual Iranian-American citizen, was first interrogated by intelligence officials when he landed at the Imam Khomeini airport from Dubai on July 18, 2015.

For the next three months, the Revolutionary Guards summoned and interrogated Namazi numerous times and accused him of spying for Western countries. On October 13, authorities arrested him and transferred him to 2-Alef ward of Evin prison, which is under the Revolutionary Guards' control. The UN working group reported that the authorities did not allow Namazi to have a lawyer during the investigation phase, telling him that he could only choose a lawyer from an approved list, but he was never even provided this list despite his repeated requests.

On October 18, 2016, Mizan Online News Agency reported that Branch 15 of Tehran's revolutionary court had sentenced Namazi to 10 years in prison based on article 508 of the Islamic Penal Code. On August 28, 2017, Jared Genser, the lawyer of Namazi's family, told media that an Appeal's court had upheld the sentence. Since Namazi's arrest, state-sponsored media outlets have produced several video clips, and articles accusing him of working to advance Western interests but had offered no evidence of wrongdoing.

On October 16, 2016, Mizan Online News Agency published a video titled, "Latest Humiliation," which showed authorities arresting Namazi. The video shows copies of Namazi's passport and a United Arab Emirates residency card. Subsequent videos produced by pro-hardline institutions accused the Namazi family of plotting the 2009 "unrest" and working toward Iran-US rapprochement by providing policy briefs and talks at various institutions in Washington, DC, as well as providing logistical support for Iran's growing start-up sector through Atiyeh Bahar, a consultancy firm based in Iran.

On April 21, 2018 during his most recent trip to the US, Foreign Minister Mohammad Javad Zarif who was asked about the possibility of a prisoner swap negotiations said, "It is a possibility, certainly from a humanitarian perspective, but it requires a change in attitude [from the US government]," he said.

On August 28, Genser, the Namazi family's lawyer, said that the Namazis' Iranian lawyers had filed an appeal with Iran's Supreme Court in response to Iran suing the US at the International Court of Justice or ICJ) for breaching the 1955 Amity treaty between the two countries. The treaty, which Iran is arguing still applies to the US and Iran, is in apparent tension with the charge against Namazi of "cooperating with a hostile country" [i.e., the US].

***Nizar Zakka, Lebanese information technology expert. Arrested on September 18, 2015.***

Zakka, a Lebanese citizen with US permanent residency who lives in Washington, DC, is an advocate for internet freedom and leads a nonprofit group that has worked for the US government. He was arrested after he had traveled to Iran on September 18, 2015, to participate in a conference on entrepreneurship at the government's invitation. Zakka did not have access to legal counsel during pretrial detention. On October 18, 2016, Mizan Online News Agency reported that Branch 15 of Tehran's revolutionary court had sentenced Zakka to 10 years in



prison for cooperating with a foreign enemy state. An appeals court upheld the sentence. In November 2015, Mashregh news website, close to Iran's Revolutionary Guards, published articles accusing Zakka of being part of "the US project for Iran post-JCPOA." On September 14, in response to a question from Associated Press about Zakka's arrest, Shahindokht Mowlverdy, Rouhani's advisor for citizens right said that "We did all we could to stop this from happening, but we are seeing that we have failed to make a significant impact.

***Matthew Trevithick, 32, researcher. Arrested in December 2015.***

Trevithick went to Iran in mid-September 2015 to study Persian and was arrested in December. Authorities pressured Trevithick to appear on state television and accused him of "trying to overthrow the Iranian government," he told CNN during an interview. On January 16, 2016, he was released as part of the US-Iran prisoner swap.

***Baquer Namazi, 81, Retired UNICEF Staff. Arrested on February 22, 2016.***

On or about February 21, 2016, Baquer Namazi, Siamak's father, received a call from Evin prison informing him that special permission had been granted for him to visit his son, but that the permission was valid only for February 24. IRGC Intelligence Organization authorities arrested him on February 22, after he landed in Tehran from the UAE, and detained him in 2-Alef Ward of Evin prison. They accused him of espionage and collusion with an enemy state, but presented no evidence.

On February 26, Fars News and Mashregh news agencies, both close to Revolutionary Guard forces, accused Namazi of being a "key element in network-building for change in Iran." In a case similar to the one against his son, in October 2016, a revolutionary court sentenced Namazi to 10 years in prison for cooperating with a foreign enemy state. The appeals court has upheld the sentence.

In determining that the continued detention of Siamak and Baquer Namazi, is arbitrary, the UN Working Group said that they had been targeted on the basis of their "national or social origin" as dual nationals, which was part of an emerging pattern in Iran. On August 27, 2018, Mehrdad Ghorbani Sarabi, the Namazis' lawyer in Iran, told the Iranian Labor News Agency that Baquer Namazi has been on a medical furlough since January.

***Nazanin Zaghari-Ratcliffe, 40, a manager at the Thomson Reuters Foundation. Arrested on April 3, 2016.***

Zaghari-Ratcliffe, a British-Iranian national who was visiting her family in Iran, was arrested at the Tehran Airport when she was boarding a plane with her 2-year-old daughter to return to the United Kingdom. In June 2016, Iran's Revolutionary Guards in Kerman province issued a statement accusing her of "participating in designing and carrying out media and cyber projects aimed at the soft overthrow of the Islamic Republic of Iran."

On September 6, her family announced that Branch 15 of Tehran's revolutionary court had sentenced her to five years in prison on vague national security charges, in connection with her past work at the BBC Media Action and Thomson Reuters Foundation. Iran's Supreme Court upheld the verdict on April 24, 2017.

On November 24, 2017 the Islamic Republic of Iran Broadcasting (IRIB) online news agency published a video accusing Zaghari-Ratcliffe of having ties to the British intelligence service through SOAS University. Zaghari-Ratcliffe did not attend the SOAS university. The IRIB video also accused her of working to instigate unrest in Iran by training journalists and bloggers on internet security, showing several email exchanges allegedly involving Zaghari-Ratcliffe, as well as a copy of her old paycheck, which appeared to have been taken from her personal devices.

In August 2016, the UN Working Group ruled that the detention of Zaghari-Ratcliffe was arbitrary. The opinion considered that the source of the complaint had established a prima facie case showing that her arrest and detention was motivated by a discriminatory factor, namely her status as a dual Iranian-British national.

On July 23, 2018 the Zaghari-Ratcliffe family announced that an Iranian Judge confirmed that she will not be released temporarily, given parole, or shown clemency on humanitarian grounds, until UK government debt is repaid to Iran.

The UK's debt to Iran dates from the 1970s, before Iran's 1979 revolution, when Iran purchased tanks and other vehicles. In November 2017, Hamid Baedinejad, Iran's ambassador to the UK, announced that "an outstanding debt owed by the U.K. to Tehran... has nothing to do with Nazanin Zaghari-Ratcliffe's case." The UK government also denied any linkage between the two issues.

On August 23, authorities granted Zaghari-Ratcliffe a three-day furlough but returned her to prison after three days.

***Homa Hoodfar, 68, anthropology professor at Concordia University. Arrested in early June 2016.***

Over the previous three months, authorities had confiscated the Iranian-Canadian professor's passport and interrogated her several times. On June 24, Jafari Dolatabadi, Tehran's prosecutor, said in news conference that Hoodfar was arrested for "feminist activities" and national security crimes. On June 24, the Young Journalist Club (YJC) news agency accused Hoodfar of being part of an American infiltration plot. On July 11, Mizan Online News Agency reported that Hoodfar's case had been submitted to a court. On September 26, Iran released Hoodfar on humanitarian grounds.

***Karen Vafadari and Afarin Neyssari, art curators. Arrested on July 20, 2016.***

The Revolutionary Guards arrested the Iranian-American Zoroastrian couple, who owned a well-known art gallery, Aun, in Tehran airport. Vafadari's family said the couple were interrogated for various trumped-up charges ranging from being a dual national and having alcoholic beverages at their house to associating with foreign diplomats, labelling their home a center of vice (prostitution), being spies, and collaborating with the enemies of the state. As well as attempting to overthrow the Islamic Republic of Iran, recruiting and signing up spies through foreign embassies, and assembly, and collusion against national security.

On January 30, 2018, Vafadari announced in a letter that the court had sentenced him to 27 years in prison and his wife to 16 years. Vafadari wrote: "Unfortunately, my international activities [in the art world] raised the

suspicious of the IRGC's Intelligence Organization... Fortunately, the initial, baseless security accusations that led to our arrest were dropped, but our gallery, office, warehouses and home remained locked and our cars, computers and documents were confiscated, followed by accusations and interrogations that indicated a deeper plot." On July 22, authorities temporarily released the couple on bail.

***Xiyue Wang, doctoral student at Princeton University. Arrested on August 8, 2016.***

The American doctoral student at Princeton University had been conducting research for his dissertation on the history of the Qajar dynasty, Iran's ruling monarchy that ended in the early 20th century, in Iran's public national archive. Princeton University said that before traveling to Iran, Wang explained his research plan to the Iranian Interest Section at the Pakistani embassy in Washington, DC, which issued his visa, and to the libraries in Iran that he planned to visit. The Mizan Online News Agency reported on July 16, 2017 that a revolutionary court had sentenced Wang to 10 years in prison on charges of "cooperating with an enemy state." In September, a court of appeal upheld the sentence.

On November 26, 2017, the IRIB broadcasted a video in which it claimed that Xiyue Wang had traveled to Iran to obtain documents from the Iranian Foreign Ministry, National Library, and parliament on behalf of the US government. IRIB did not mention that documents in these archives are accessible by the public. Wang also appeared in the video saying that "the more the US has more information about Iran, the better they can set the policies."

On August 23, the UN Working Group on Arbitrary Detention asserted that Wang's continued detention is arbitrary, concluding that that his "detention was motivated by the fact that he is a United States citizen."

***Abdolrasoul Dorri Esfahani, accountant. Arrested in August 2016.***

Dorri Esfahani, an Iranian-Canadian member of Iran's nuclear negotiations delegation, was accused of espionage in August 2016. While the intelligence minister rejected the allegations, in May 2017, branch 15 of Tehran's revolutionary court sentenced him to five years in prison for espionage charges including "collaborating with the British secret service." On September 2, 2018, Karimi Ghodussi, a parliamentarian from Mashad, posted a "documentary" film, "Toronto 521" on his website that accused Esfahani of working with American and British intelligence services but provided no evidence.

***Kavous Seyed Emami, 65, professor at Imam Sadegh University. Arrested on January 24 or 25, 2018.***

Seyed Emami, a prominent Iranian-Canadian environmentalist, was arrested during a wave of detentions of environmentalists on January 24 and 25. On February 10, Ramin Seyed Emami, his son, wrote on social media that authorities had summoned his mother the day before to inform her that her husband, who was detained in 2-Alef ward of Evin prison, had "committed suicide" in detention.

On February 15, Iranian state TV aired a program that that falsely accused Kavous Seyed-Emami and other detained environmentalists of using surveys of endangered Asiatic cheetahs as a pretext for spying in strategically sensitive areas without any evidence. The video state media broadcast showed nothing but Seyed Emami's family photos and videos of family parties, while accusing him of working to collect military intelligence for foreigners.

**Morad Tahbaz, businessman. Arrested on January 24 or 25, 2018.**

Tahbaz, an Iranian-American businessman and an environmental activist who also holds British citizenship, was arrested during the crackdown on environmentalists in late January. The charges against Tahbaz and other environmentalists in Evin prison remain unclear, but several news outlets close to the Revolutionary Guards have accused Tahbaz of being the central figure in an espionage plot but provided no evidence for such a grave accusation.

**Abbas Edalat, professor at the Imperial College of London and an activist. Arrested on April 15, 2018.**

Edalat is an Iranian-British professor who campaigned against economic sanctions on Iran. Mashregh news [has accused him of being part of the UK's infiltration network](#)

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## IRAN 2018 HUMAN RIGHTS REPORT

### EXECUTIVE SUMMARY

The Islamic Republic of Iran is an authoritarian theocratic republic with a Shia Islamic political system based on *velayat-e faqih* (guardianship of the jurist or governance by the jurist). Shia clergy, most notably the *rahbar* (supreme jurist or supreme leader), and political leaders vetted by the clergy dominate key power structures.

The supreme leader is the head of state. The members of the Assembly of Experts are in theory directly elected in popular elections, and the assembly selects and may dismiss the supreme leader. The candidates for the Assembly of Experts, however, are vetted by the Guardian Council (see below) and are therefore selected indirectly by the supreme leader himself. Ayatollah Ali Khamenei has held the position since 1989. He has direct or indirect control over the legislative and executive branches of government through unelected councils under his authority. The supreme leader holds constitutional authority over the judiciary, government-run media, and armed forces, and indirectly controls internal security forces and other key institutions. While mechanisms for popular election exist for the president, who is head of government, and for the Islamic Consultative Assembly (parliament or *majles*), the unelected Guardian Council vets candidates and controls the election process. The supreme leader appoints half of the 12-member Guardian Council, while the head of the judiciary (who is appointed by the supreme leader) appoints the other half. Candidate vetting excluded all but six candidates of 1,636 individuals who registered for the 2017 presidential race. In May 2017 voters re-elected Hassan Rouhani as president. Restrictions on media, including censoring campaign materials and preventing prominent opposition figures from speaking publicly, limited the freedom and fairness of the elections.

Civilian authorities maintained effective control over the security forces.

In response to nationwide protests that began in late December 2017 and continued throughout the year, the government used harsh tactics against protesters. Human rights organizations reported at least 30 deaths of protesters during the year, thousands of arrests, and suspicious deaths in custody.

The government's human rights record remained extremely poor and worsened in several key areas. Human rights issues included executions for crimes not meeting the international legal standard of "most serious crimes" and without fair trials of



individuals, including juvenile offenders; numerous reports of unlawful or arbitrary killings, forced disappearance, and torture by government agents; harsh and life-threatening prison conditions; systematic use of arbitrary detention and imprisonment, including hundreds of political prisoners; unlawful interference with privacy; severe restrictions on free expression, the press, and the internet, including censorship, site blocking, and criminalization of libel; substantial interference with the rights of peaceful assembly and freedom of association, such as overly restrictive nongovernmental organization (NGO) laws; egregious restrictions of religious freedom; restrictions on political participation; widespread corruption at all levels of government; unlawful recruitment of child soldiers by government actors to support the Assad regime in Syria; trafficking in persons; harsh governmental restrictions on the rights of women and minorities; criminalization of lesbian, gay, bisexual, transgender, and intersex (LGBTI) status or conduct; crimes involving violence or threats of violence targeting LGBTI persons; and outlawing of independent trade unions.

The government took few steps to investigate, prosecute, punish, or otherwise hold accountable officials who committed these abuses, many of which were perpetrated as a matter of government policy. Impunity remained pervasive throughout all levels of the government and security forces.

The country materially contributed to human rights abuses in Syria, through its military support for Syrian President Bashar Assad and Hizballah forces there; in Iraq, through its aid to certain Iraqi Shia militia groups; and in Yemen, through its support for Houthi rebels and directing authorities in Houthi-controlled areas of Yemen to harass and detain Bahais because of their religious affiliation.

## **Section 1. Respect for the Integrity of the Person, Including Freedom from:**

### **a. Arbitrary Deprivation of Life and Other Unlawful or Politically Motivated Killings**

The government and its agents reportedly committed arbitrary or unlawful killings, most commonly by execution after arrest and trial without due process, or for crimes that did not meet the international threshold of “most serious crimes.” Media and human rights groups also documented numerous suspicious deaths while in custody or following beatings of protesters by security forces throughout the year.

Following the January protests, according to a Center for Human Rights in Iran (CHRI) report, at least two detainees died in detention--Sina Ghanbari in Evin Prison, and Vahid Heydari in the 12th Police Station in Arak. According to the report, the bodies of the detainees were quickly buried without an investigation or autopsy, and officials claimed the deaths were suicides. Witnesses reportedly saw evidence of a severe blow to Heydari's skull, as though struck by an axe. The government made few attempts to investigate allegations of deaths that occurred after or during torture or other physical abuse, after denying detainees medical treatment, or during public demonstrations. In August Human Rights Watch (HRW) reported at least 30 persons had been killed in protests since January. HRW reported there was no indication that officials conducted impartial investigations into those deaths or, more broadly, into law enforcement officials' use of excessive force to repress protests.

As noted by the late UN special rapporteur (UNSR) on the situation of human rights in the Islamic Republic of Iran, Asma Jahangir, and documented by international human rights observers, Revolutionary Courts continued to issue the vast majority of death sentences in the country, and trials lacked due process. Legal representation was denied during the investigation phase, and in most cases, no evidence other than confessions, often reportedly extracted through torture, was considered. Judges may also impose the death penalty on appeal, which deterred appeals in criminal cases. According to the NGO Human Rights Activists in Iran, the government does not disclose accurate numbers of those executed during a year, and as many as 60 percent of executions are kept secret.

The NGO Iran Human Rights Documentation Center (IHRDC) reported there were 215 executions as of mid-November, while the government officially announced only 73 executions in that time period. For many of those executions, the government did not release further information, such as names, execution dates, or crimes for which they were executed.

The Islamic penal code allows for the execution of juvenile offenders starting at age nine for girls and age 13 for boys, the legal age of majority. The government continued to execute individuals sentenced as minors as well as individuals accused of committing offenses that do not meet the international legal standard of "most serious crimes." According to the former UN high commissioner for human rights, Zeid Ra'ad al Hussein, 85 juvenile offenders were on death row as of June. The government executed at least five juvenile offenders during the year, including Abolfazi Chezani Sharahi, who was executed in June. Sharahi was arrested in

2013 at age 14 and sentenced to death for allegedly stabbing his friend. A CHRI report noted serious concerns with the handling of Sharahi's case.

According to human rights organizations and media reports, the government continued to carry out some executions by torture, including hanging by cranes. Prisoners are slowly lifted from the ground by their necks and die slowly by asphyxiation. In addition, adultery remains punishable by death by stoning, although provincial authorities have reportedly been ordered not to provide public information about stoning sentences since 2001, according to the NGO Justice for Iran.

Authorities continued to carry out executions for crimes not meeting the international legal standard of "most serious crimes." Although the majority of executions were reportedly for murder during the year, the law also provides for the death penalty in cases of conviction for "attempts against the security of the state," "outrage against high-ranking officials," *moharebeh* (which has a variety of broad interpretations, including "waging war against God"), *fisad fil-arz* (corruption on earth, including apostasy or heresy), rape, adultery, recidivist alcohol use, consensual same-sex sexual conduct, and "insults against the memory of Imam Khomeini and against the supreme leader of the Islamic Republic."

Prosecutors frequently used "waging war against God" as a capital offense against political dissidents and journalists, accusing them of "struggling against the precepts of Islam" and against the state that upholds those precepts. Authorities expanded the scope of this charge to include "working to undermine the Islamic establishment" and "cooperating with foreign agents or entities." The judiciary is required to review and validate death sentences.

The overall number of executions decreased in comparison with 2017, reportedly as a result of an amendment passed in August 2017 by parliament to the 1997 Law to Combat Drugs to raise the threshold for the death penalty for drug-related offenses. The law went into effect in November 2017. Under the amended law, capital punishment applies to the possession, sale, or transport of more than approximately 110 pounds of natural drugs, such as opium, or approximately 4.4 to 6.6 pounds of manufactured narcotics, such as heroin or cocaine. According to the previous law, capital punishment applied to similar offenses involving slightly more than 11 pounds of natural drugs or two-thirds of a pound of manufactured drugs. Capital punishment, however, still applies to drug offenses involving smaller quantities of narcotics, if the crime is carried out using weapons, employing minors, or involving someone in a leadership role in a trafficking ring

or someone who has previously been convicted of drug crimes and given a prison sentence of more than 15 years.

In January Judiciary Chief Sadegh Larijani ordered judges to halt the death sentences of drug offenders potentially affected by this change to the law while their cases were reviewed. In July state media quoted Tehran's Prosecutor General Abbas Jafari-Dolatabadi announcing that of the 3,000 requests the government had received from death-row prisoners and from those sentenced to life imprisonment, 1,700 sentences had been reviewed and most of those sentences had been reduced, while 1,300 cases remained to be reviewed.

Mohammad Salas, a Gonabadi Sufi bus driver, was executed by hanging at Rajai Shahr Prison on June 18. Salas was convicted of killing three police officers during clashes between members of the Gonabadi Sufi dervishes and security forces in Tehran in February. Salas and his supporters maintained his innocence throughout a trial that Amnesty International called "grossly unfair," stating he had been tortured into a forced confession and that key defense witnesses who could have testified that Salas was already in custody at the time of the police officers' deaths were dismissed.

International and national media reported on a terrorist attack on a military parade in Ahwaz, the capital of Khuzestan Province, on September 22. According to reports, at least 29 military personnel and civilians were killed in the attack, with more than 70 wounded. A separatist group called the Ahwaz National Resistance, as well as the Islamic State, claimed responsibility for the attack.

## **b. Disappearance**

There were reports of politically motivated abductions during the year attributed to government officials. Plainclothes officials often seized journalists and activists without warning, and government officials refused to acknowledge custody or provide information on them. In March NGO PEN International reported the enforced disappearance of poet Mohammad Bamm following his arrest by security forces in December 2017. According to the report, Bamm was released on March 19 after being held in solitary confinement and allegedly tortured in Ahwaz Prison while his whereabouts were unknown. He was accused of causing harm to public order and security, participating in the leadership of illegal demonstrations, and insulting the supreme leader.

### **c. Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment**

Although the constitution prohibits all forms of torture “for the purpose of extracting confession or acquiring information,” use of physical and mental torture to coerce confessions remained prevalent, especially during pretrial detention. There were credible reports that security forces and prison personnel tortured and abused detainees and prisoners throughout the year.

Commonly reported methods of torture and abuse in prisons included threats of execution or rape, forced tests of virginity and “sodomy,” sleep deprivation, electroshock, burnings, the use of pressure positions, and severe and repeated beatings. Former UNSR Jahangir highlighted reports of prisoners subjected to physical abuse, as well as to blackmail.

Human rights organizations frequently cited some prison facilities, including Evin Prison in Tehran and Rajai Shahr Prison in Karaj, for their use of cruel and prolonged torture of political opponents, particularly Wards 209 and Two of Evin Prison, reportedly controlled by the Islamic Revolutionary Guards Corps (IRGC).

In September the Human Rights Activists News Agency (HRANA) reported the case of at least seven detainees subjected to torture by the IRGC’s Saravan Intelligence Unit. Saravan, located in Sistan va Baluchestan Province, is home to the Baloch ethnic minority community. According to the report, the prisoners were religious seminary students who were lashed with electrical wires and shocked with electricity, causing them to be unable to walk. IRGC-run detention centers reportedly used a technique called the “miracle bed,” which includes tying detainees to a bed frame and repeatedly flogging and electrocuting them until they “confess.”

NGOs reported that prison guards tortured Sunni Muslim prisoners at Ardabil Prison for their religious beliefs; numerous inmates at the prison were Sunni Muslims, while the guards were predominantly Shia. Guards also reportedly retaliated against prisoners there for “security issues” that occurred elsewhere in the country. According to reports, torture at Ardabil included severe beatings, being tied to flag poles for prolonged durations of time, and being forced to watch executions of fellow prisoners.

Authorities also allegedly maintained unofficial secret prisons and detention centers outside the national prison system where abuse reportedly occurred.

Judicially sanctioned corporal punishments continued. These included flogging, blinding, stoning, and amputation, which the government defends as “punishment,” not torture. At least 148 crimes are punishable by flogging, while 20 can carry the penalty of amputation.

In January Amnesty International reported that authorities amputated the hand of a man sentenced for stealing livestock. The amputation by guillotine, which Amnesty characterized as “unspeakably cruel,” took place at the central prison in Mashhad, Razavi Khorasan Province.

In July Amnesty International reported the public flogging of a man in Niazmand Square, Kashmar, Razavi Khorasan Province, for a sentence he had received 10 years before for consuming alcohol at a wedding when he was 14-15 years old. National media outlets posted a picture showing the man roped to a tree, lashed by a masked man and his back covered in blood, with a crowd of persons watching.

Extrajudicial punishments by authorities involving degrading public humiliation of alleged offenders were also frequently reported throughout the year. For example, Maedeh Hojabri was arrested for posting videos of herself dancing on social media, and authorities compelled her to confess to this “crime” on state television.

### **Prison and Detention Center Conditions**

Prison conditions were harsh and potentially life threatening due to food shortages, gross overcrowding, physical abuse, and inadequate sanitary conditions and medical care. Prisoner hunger strikes in protest of their treatment were frequent.

Physical Conditions: Overcrowding remained a problem in prisons with many prisoners forced to sleep on floors, in hallways, or in prison yards. The human rights NGO United for Iran, which closely monitored prison conditions, reported in 2017 that the prisoner population was three times the capacity of the country’s prisons and detention centers. State-run Islamic Republic News Agency (IRNA) reported that the head of the general court of Ardabil said the number of prisoners in Ardabil Prison was at three times its capacity.

There were reported deaths in custody. In March HRW reported at least five deaths in custody since December 2017. The government ruled three of the deaths--of Sina Ghanbari, Vahid Heydari, and Kavous Seyed-Emami, a prominent

Iranian-Canadian environmentalist--to be suicides, claims the deceased's family members and human rights groups strongly contested (see section 1.d.).

According to IranWire and human rights groups, guards beat both political and nonpolitical prisoners during raids on wards, performed nude body searches in front of other prisoners, and threatened prisoners' families. In some instances, according to HRANA, guards singled out political prisoners for harsher treatment.

Prison authorities often refused to provide medical treatment for pre-existing conditions, injuries that prisoners suffered at the hands of prison authorities, or illnesses due to the poor sanitary conditions in prison. Human rights organizations reported that authorities also used denial of medical care as a form of punishment for prisoners and as an intimidation tool against prisoners who filed complaints or challenged the authorities. In March CHRI reported that dozens of political prisoners were denied medical treatment and leave despite visible symptoms of their deteriorating health. The report mentioned specifically the cases of Vahed Kholousi, an education rights activist held in Rajai Shahr Prison since 2015; Alireza Golipour, held in Evin Prison since 2012 and suffering from worsening seizures and heart problems; and Mohammad Saber Malek-Raeisi, a Baluchi Sunni Muslim reportedly in critical condition from repeated severe beatings by guards in Ardabil Prison.

Medical services for female prisoners were reported as grossly inadequate. Human rights groups highlighted the case of children's rights activist Atena Daemi, serving a seven-year sentence for meeting with the families of political prisoners, criticizing the government on Facebook, and condemning the 1988 mass executions of prisoners in the country. In January Daemi was beaten and transferred from Evin Prison to Shahr-e Rey Prison (also known as Gharchak prison) in the city of Varamin, south of Tehran, which held 1,000 female prisoners in cramped, unsanitary conditions. Human rights organizations reported that prison authorities refused to allow Daemi and other prisoners access to necessary medical care.

According to Amnesty International, at least 10 Gonabadi Sufi dervish women were unjustly detained in Shahr-e Rey Prison since February. The women were routinely denied urgently needed medical care and kept in unsanitary, inhuman conditions. The report noted that prison doctors verbally abused the women and guards physically mistreated them.

The human rights community and international media reported on frequent water shortages, intolerable heat, unsanitary living spaces, and poor ventilation in prisons throughout the country.

UNSR Jahangir and others condemned the inhuman, life-threatening conditions of Rajai Shahr Prison in Karaj following the hunger strike of numerous political prisoners that began at the end of July 2017. Prisoners had protested the sudden transfer of more than 50 political prisoners, including at least 15 Bahais, whom authorities moved without notice from Ward 12 to the prison's high security Ward 10.

Authorities reportedly deprived prisoners of medicine, adequate medical treatment, and personal belongings, and sealed prisoners' cells with iron sheets that limited air circulation. Jahangir expressed deep alarm at the deteriorating medical conditions of the political prisoners and at reports of their continued torture following the transfer. In March CHRI reported that political prisoners at the prison continued to be subjected to inhuman living conditions as punishment for their hunger strike.

Authorities occasionally held pretrial detainees with convicted prisoners. Also, according to HRANA, juvenile detainees were held with adult prisoners in some prisons, including Saghez Central Prison in Kurdistan Province. Authorities held women separately from men.

In 2017 Mohammad Javad Fathi, a member of parliament's judicial committee, was quoted in media saying that 2,300 children lived in prisons with their incarcerated mothers. Fathi urged the Prisons Organization to provide transparent statistics on the number of imprisoned mothers. IranWire reported that multiple prisons across the country held older children who lived with their incarcerated mothers without access to medical care or educational and recreational facilities.

There were numerous reports of prisoner suicides throughout the year in response to prison conditions or mistreatment. In August HRANA reported on the suicide attempts of five prisoners on the same day at Sanandaj Central Prison. The five prisoners tried to kill themselves either by taking pills or hanging, all reportedly in response to prison conditions and the mistreatment of the prisoners and their family members by officials. In April HRANA reported that Vahid Safarzehi, held in the Central Prison of Zahedan, ingested a razor to commit suicide after his repeated requests for furlough to accompany his sick mother to the hospital were denied. He had previously attempted suicide by drinking acid.



In August CHRI shared the report of a journalist who had been detained in the Great Tehran Penitentiary, the largest detention facility. The journalist recounted the inhuman conditions of the prison as beyond the limits of human tolerance. According to the journalist, dozens of new prisoners were admitted to the prison a day and initially kept for days in a “sewer”-like quarantine unit without ventilation or washing facilities. More than 80 percent of the prisoners in quarantine were reportedly homeless drug addicts requiring immediate medical attention; they could hardly stand, and their vomit covered the floor.

Prisoner hunger strikes occurred frequently in prisons throughout the country, and reports on prisons’ inhuman conditions continued. These included infestations with cockroaches and mice, chronic overcrowding, poor ventilation, prisoners being forced to sleep on the floor with little bedding, and insufficient food and water.

The political prisoner Vahid Sayyadi-Nasiri died on December 12 after being on hunger strike since October 13. Sayyadi-Nasiri went on hunger strike to protest inhumane prison conditions at Iran’s Langroud Prison in Qom and government authorities’ denial of his right to counsel.

Administration: According to reports from human rights NGOs, prison authorities regularly denied prisoners access to visitors, telephone, and other correspondence privileges. As noted above, prisoners practicing a religion other than Shia Islam reported experiencing discrimination while incarcerated.

Authorities did not initiate credible investigations into allegations of inhuman conditions or suspicious deaths in custody. Prisoners were able to submit complaints to judicial authorities but often faced censorship or retribution in the form of slander, beatings, torture, and denial of medication or furlough requests. Families of executed prisoners did not always receive notification of their scheduled executions, or if they did, it was often on very short notice. Authorities frequently denied families the ability to perform funeral rites or families’ request for the findings from an impartial autopsy.

Independent Monitoring: The government did not permit independent monitoring of prison conditions. Prisoners and their families often wrote letters to authorities and, in some cases, to UN bodies to highlight and protest their treatment. UNSR Jahangir reported that authorities sometimes threatened prisoners after accusing them of contacting her office.

For more information on treatment of political prisoners, see section 1.e., Political Prisoners and Detainees.

#### **d. Arbitrary Arrest or Detention**

Although the constitution prohibits arbitrary arrest and detention, the practices occurred frequently during the year. President Rouhani's 2016 "Citizen's Rights Charter" enumerates various freedoms, including "security of their person, property, dignity, employment, legal and judicial process, social security and the like." The government did not implement these provisions. Detainees may appeal their sentences in court but are not entitled to compensation for detention.

#### **Role of the Police and Security Apparatus**

Several agencies shared responsibility for law enforcement and maintaining order, including the Ministry of Intelligence and Security and law enforcement forces under the Interior Ministry, which report to the president, and the IRGC, which reports directly to the supreme leader. The supreme leader holds ultimate authority over all security agencies.

The Basij, a volunteer paramilitary group with local organizations across the country, sometimes acted as an auxiliary law enforcement unit subordinate to IRGC ground forces. Basij units often engaged in repression of political opposition elements or intimidation of civilians accused of violating the country's strict moral code, without formal guidance or supervision from superiors.

Impunity remained a problem within all security forces. Human rights groups frequently accused regular and paramilitary security forces, such as the Basij, of committing numerous human rights abuses, including acts of violence against protesters and participants in public demonstrations. According to Tehran Prosecutor General Abbas Jafari-Dolatabadi, the attorney general is responsible for investigating and punishing security force abuses, but the process was not transparent, and there were few reports of government actions to discipline abusers. In a notable exception, in November 2017 authorities sentenced former Tehran prosecutor Saeed Mortazavi to two years in prison for his alleged responsibility for the torture and death of protesters in 2009. Media reported that Mortazavi, after initial reports that he had disappeared, was taken to prison in April to commence his sentence.

## **Arrest Procedures and Treatment of Detainees**

The constitution and law require a warrant or subpoena for an arrest and state that arrested persons should be informed of the charges against them within 24 hours. Authorities, however, held some detainees, at times incommunicado, for days, weeks, or months without charge or trial and frequently denied them contact with family or timely access to legal representation.

The law obligates the government to provide indigent defendants with attorneys for certain types of crimes. The courts set prohibitively high bail, even for lesser crimes, and in many cases, courts did not set bail. Authorities often compelled detainees and their families to submit property deeds to post bail, effectively silencing them due to fear of losing their families' property.

The government continued to use house arrest without due process to restrict movement and communication. At year's end former presidential candidates Mehdi Karroubi and Mir Hossein Mousavi, as well as Mousavi's wife Zahra Rahnavard, remained under house arrest imposed in 2011 without formal charges. Security forces continued to restrict their access to visitors and information. Concerns persisted over Karroubi's deteriorating health, reportedly exacerbated by his treatment by authorities.

Arbitrary Arrest: Authorities commonly used arbitrary arrests to impede alleged antiregime activities. Plainclothes officers arrived unannounced at homes or offices, arrested persons, conducted raids, and confiscated private documents, passports, computers, electronic media, and other personal items without warrants or assurances of due process.

Individuals often remained in detention facilities for long periods without charges or trials, and authorities sometimes prevented them from informing others of their whereabouts for several days. Authorities often denied detainees' access to legal counsel during this period.

International media and human rights organizations documented an increase in detentions of dual nationals--individuals who are citizens of both Iran and another country--for arbitrary and prolonged detention on politically motivated charges. One of the environmentalists detained, Iranian-Canadian Kavous Seyed-Emami, died in custody in February in Evin Prison, in what authorities called a suicide (see section 1.c.). Dual nationals, like other citizens, faced a variety of due process

violations, including lack of prompt access to a lawyer of their choosing and brief trials during which they were not allowed to defend themselves.

In September, Human Rights Watch documented the cases of 14 dual or foreign nationals whom the IRGC's Intelligence Organization has arrested since 2014. Several of those were American citizens, including Xiyue Wang, a doctoral student at Princeton University, who was arrested in August 2016. Wang had been conducting research for his dissertation on the history of the Qajar dynasty. In July 2017, Iranian state media reported that a Revolutionary Court had sentenced Wang to 10 years in prison on charges of "cooperating with an enemy state." Revolutionary Court Judge Abolqasem Salavati presided over the case. In August 2018, the UN Working Group on Arbitrary Detention said Wang's detention was arbitrary and "motivated by the fact that he is a United States citizen," and recommended the appropriate remedy would be to release Mr. Wang immediately.

Spiritual leader Mohammad Ali Taheri, founder of the spiritual doctrine Interuniversalism and the Erfan-e Halgheh group, had been in prison--mostly in solitary confinement--since his arrest in 2011. He was sentenced to five years in 2011 for "insulting the sanctities" and then was sentenced to death in 2015 for "corruption on earth." In August 2017 Taheri was sentenced to death for a second time. The Supreme Court subsequently rejected Taheri's death sentence and ordered him retried. At year's end Taheri was serving a second five-year prison sentence handed down in March. According to media and NGO reports, the IRGC also detained dozens of Taheri's followers.

Pretrial Detention: Pretrial detention was often arbitrarily lengthy, particularly in cases involving alleged violations of national security law. In other cases authorities held persons incommunicado for lengthy periods before permitting them to contact family members. Instances of unjust and arbitrary pretrial detention were commonplace and well documented throughout the year involving numerous prisoners of conscience, particularly following the countrywide protests beginning in December 2017. According to HRW, a judge may prolong detention at his discretion, and pretrial detentions often lasted for months. Often authorities held pretrial detainees in custody with the general prison population.

According to HRW, since January the IRGC's intelligence organization had arbitrarily arrested at least 50 environmental activists across the country and imprisoned them without bringing formal charges or evidence. These included several environmentalists affiliated with the Persian Wildlife Heritage Foundation who were arrested in January for espionage. They were accused of using

environmental projects as a cover to collect classified information. In July family members of Houman Jokar, Sepideh Kashani, Niloufar Bayani, Amirhossein Khaleghi, Sam Rajabi, Taher Ghadirian, Abdolreza Kouhpayeh, and Morad Tahbaz demanded their release in a published open letter, saying the environmentalists had been imprisoned for six months without a “shred of evidence.”

#### Detainee’s Ability to Challenge Lawfulness of Detention before a Court:

Detainees may appeal their sentences in courts of law but are not entitled to compensation for detention and were often held for extended periods without any legal proceedings.

#### **e. Denial of Fair Public Trial**

The constitution provides that the judiciary be “an independent power” that is “free from every kind of unhealthy relation and connection.” The court system was subjected to political influence, and judges were appointed “in accordance with religious criteria.”

The supreme leader appoints the head of the judiciary. The head of the judiciary, members of the Supreme Court, and the prosecutor general were clerics. International observers continued to criticize the lack of independence of the country’s judicial system and judges and maintained that trials disregarded international standards of fairness.

#### **Trial Procedures**

According to the constitution and law, a defendant has the right to a fair trial, to be presumed innocent until convicted, to have access to a lawyer of his or her choice, and to appeal convictions in most cases that involve major penalties. These rights were not upheld.

Panels of judges adjudicate trials in civil and criminal courts. Human rights activists reported trials in which authorities appeared to have determined the verdicts in advance, and defendants did not have the opportunity to confront their accusers or meet with lawyers. For journalists and defendants charged with crimes against national security, the law restricts the choice of attorneys to a government-approved list.

When postrevolutionary statutes do not address a situation, the government advised judges to give precedence to their knowledge and interpretation of sharia (Islamic law). Under this method judges may find a person guilty based on their own “divine knowledge.”

The constitution does not provide for the establishment or the mandate of the Revolutionary Courts. The courts were created pursuant to the former supreme leader Ayatollah Khomeini’s edict immediately following the 1979 revolution, with a sharia judge appointed as the head of the courts. They were intended as a temporary emergency measure to try high-level officials of the deposed monarchy and purge threats to the regime. The courts, however, became institutionalized and continue to operate in parallel to the criminal justice system. Human rights groups and international observers often identify the Revolutionary Courts, which are generally responsible for hearing the cases of political prisoners, as routinely employing grossly unfair trials without due process, handing down predetermined verdicts, and rubberstamping executions for political purposes. These unfair practices reportedly occur during all stages of criminal proceedings in Revolutionary Courts, including the initial prosecution and pretrial investigation, first instance trial, and review by higher courts.

The IRGC and Intelligence Ministry reportedly determine many aspects of Revolutionary Court cases. Most of the important political cases are referred to a handful of branches of the Revolutionary Courts, whose judges often have negligent legal training and are not independent.

During the year human rights groups and international media noted the absence of procedural safeguards in criminal trials. On September 8, three Kurdish men--Zaniar Moradi, Loghman Moradi, and Ramin Hossein Panahi--were executed at Rajai Shahr Prison following what Amnesty International called “grossly unfair” trials in which the men were denied access to lawyers.

Courts admitted as evidence confessions made under duress or torture. UNSR Jahangir stated that the government relied on physical and mental torture to coerce confessions from prisoners during pretrial detention and interrogations. Based on reports from numerous media and human rights groups, there was a noticeable increase during the year in the authorities’ use of torture, as well as forced videotaped confessions that the government later televised. A forced confession of a teenage girl, Maedeh Hojabri, was shown on state television on July 7, in which the girl confessed to the “crime” of posting a video of herself dancing on Instagram.

The Special Clerical Court is headed by a Shia Islamic legal scholar, overseen by the supreme leader, and charged with investigating alleged offenses committed by clerics and issuing rulings based on an independent interpretation of Islamic legal sources. As with the Revolutionary Courts, the constitution does not provide for the Special Clerical Court, which operated outside the judiciary's purview. Clerical courts were used to prosecute Shia clerics who expressed controversial ideas and participated in activities outside the sphere of religion, such as journalism or reformist political activities.

In March Ayatollah Hossein Shirazi, son of Grand Ayatollah Sadeq Shirazi, was arrested in Qom for criticizing "governance by the jurist," the foundational principle underpinning the supreme leader's power, and calling the supreme leader "the pharaoh" during a lecture. The Special Clerical Court initially heard Shirazi's case and, according to reports in the media, sentenced him to 120 years in prison. Following the eruption of protests inside the country and among Shia communities outside the country, the court reportedly withdrew the sentence and released Shirazi on bail.

### **Political Prisoners and Detainees**

Official statistics regarding the number of citizens imprisoned for their political beliefs were not available. According to United for Iran, on average there were an estimated 800-900 prisoners of conscience held in the country at any given time during the year, including those jailed for their religious beliefs.

The government often charged political dissidents with vague crimes, such as "antirevolutionary behavior," "corruption on earth," "siding with global arrogance," "waging war against God," and "crimes against Islam." Prosecutors imposed strict penalties on government critics for minor violations.

The political crimes law defines a political crime as an insult against the government, as well as "the publication of lies." Political crimes are those acts "committed with the intent of reforming the domestic or foreign policies of Iran," while those with the intent to damage "the foundations of the regime" are considered national security crimes. The court and the Public Prosecutor's Office retain responsibility for determining the nature of the crime.

The political crimes law grants the accused certain rights during arrest and imprisonment. Political criminals should be held in detention facilities separate

from ordinary criminals. They should also be exempt from wearing prison uniforms, not subject to rules governing repeat offenses, not subject to extradition, and exempt from solitary confinement unless judicial officials deem it necessary. Political criminals also have the right to see and correspond with immediate family regularly and to access books, newspapers, radio, and television.

Many of the law's provisions have not been implemented, and the government continued to arrest and charge students, journalists, lawyers, political activists, women's activists, artists, and members of religious minorities with "national security" crimes that do not fall under the political crimes law. Political prisoners were also at greater risk of torture and abuse in detention and often were mixed with the general prison population. The government often placed political prisoners in prisons far from their families, denied them correspondence rights, and held them in solitary confinement for long periods. Human rights activists and international media also reported cases of political prisoners confined with accused and convicted violent criminals, and with criminals carrying contagious diseases such as HIV or hepatitis. Former prisoners reported that authorities often threatened political prisoners with transfer to criminal wards, where attacks were more likely.

The government reportedly held some detainees in prison for years on unfounded charges of sympathizing with real or alleged terrorist groups.

The government issued travel bans on some former political prisoners, barred them from working in their occupations for years after incarceration, and imposed internal exile on some. During the year authorities occasionally gave political prisoners suspended sentences and released them on bail with the understanding that renewed political activity would result in their return to prison. The government did not permit international humanitarian organizations or UN representatives access to political prisoners.

A revolutionary court in Tehran sentenced prominent human rights defender and journalist Narges Mohammadi, arrested in 2016, to 16 years in prison. The court charged Mohammadi with "propaganda against the state," "assembly and collusion against national security," and establishing the illegal Step by Step to Stop the Death Penalty organization, allegedly harming national security. Prison authorities granted Mohammadi limited medical attention for significant health problems during the year but continued to deny her family visitation and telephone calls, according to media reports. The government repeatedly rejected Mohammadi's request for judicial review.



Seven Bahai leaders were arrested in 2008, convicted of “disturbing national security,” “spreading propaganda against the regime,” as well as “engaging in espionage,” and sentenced to 20 years in prison. Their sentences were subsequently reduced to 10 years. The last individual member of the group in prison, Afif Naeimi, was released on December 20.

Lawyers who defended political prisoners were often arrested. The government continued to imprison lawyers and others affiliated with the Defenders of Human Rights Center advocacy group. As of September the government had arrested at least eight prominent human rights attorneys during the year.

Authorities arrested human rights attorney Nasrin Sotoudeh on June 13 on national security charges, claiming she had been issued a five-year prison sentence in absentia for representing political prisoners and women who protested against the country’s compulsory hijab law. Sotoudeh was previously arrested in 2010 and sentenced to a six-year prison term for her human rights work representing activists and journalists, until receiving a pardon in 2013.

International human rights organizations reported the arrest of several other human rights lawyers during the year because of their work. On August 31, government agents arrested Payam Derafshan and Farrokh Forouzan. Earlier in the year, Arash Keykhosravi and Ghasem Sholeh Saadi were also unjustly detained. Zaynab Taheri was arrested on June 19 after publicly advocating for her client, Mohammad Salas (see section 1.a.).

### **Civil Judicial Procedures and Remedies**

Citizens had limited ability to sue the government and were not able to bring lawsuits through the courts against the government for civil or human rights violations.

### **Property Restitution**

The constitution allows the government to confiscate property acquired illicitly or in a manner not in conformity with Islamic law. The government appeared to target ethnic and religious minorities in invoking this provision.

### **f. Arbitrary or Unlawful Interference with Privacy, Family, Home, or Correspondence**

The constitution states that “reputation, life, property, [and] dwelling[s]” are protected from trespass, except as “provided by law.” The government routinely infringed on this right. Security forces monitored the social activities of citizens, entered homes and offices, monitored telephone conversations and internet communications, and opened mail without court authorization. The government also detained the family members of activists as a form of intimidation and reprisal.

According to international human rights organizations, the government arrested and intimidated BBC employees’ family members based in Iran. Separately, the government also compelled family members of journalists from other media outlets abroad to defame their relatives on state television.

Nasrin Sotoudeh’s husband, Reza Khandan, was arrested in September for publicly expressing his support for his detained wife, according to media reports.

#### **g. Abuses in Internal Conflicts**

Syria: Iran recruited Iraqi, Afghan, and Pakistani Shia fighters to support the Assad regime and thus prolonging the civil war, leading to the deaths of hundreds of thousands of Syrian civilians. According to HRW, the IRGC since 2013 allegedly recruited thousands of undocumented Afghans living in Iran to fight in Syria, threatening forced deportation in some cases.

Child Soldiers: In an October 2017 report, HRW asserted that the IRGC had recruited Afghan children as young as age 14 to serve in the Fatemiyoun Brigade, reportedly an Iranian-supported Afghan group fighting alongside government forces in Syria, and noted that at least 14 Afghan children had been killed fighting in the Syrian conflict. Another HRW report in November 2017 documented an interview by the Islamic Republic of Iran Broadcasting (IRIB) agency with a 13-year-old Afghan boy from Iran, conducted in the Syrian border city of Abu Kamal. During the interview the boy called himself a “defender of the shrine” and expressed his desire to fight in Syria.

Iraq: Iran directly supported certain Iraqi Shia militias, including designated foreign terrorist organization Kata’ib Hizballah, which reportedly was complicit in summary executions and other human rights abuses of civilians in Iraq.

Yemen: Since 2015 Iran provided hundreds of millions of dollars in support to the Houthi rebels in Yemen and proliferated weapons that exacerbated and prolonged the conflict. Also, according to a Bahai International Community report in April, Iranian authorities were directing authorities in Houthi-controlled areas of Yemen to harass and detain Bahais because of their religious affiliation.

## **Section 2. Respect for Civil Liberties, Including:**

### **a. Freedom of Expression, Including for the Press**

The constitution provides for freedom of expression, including for the press, except when words are deemed “detrimental to the fundamental principles of Islam or the rights of the public.” According to the law, “anyone who engages in any type of propaganda against the Islamic Republic of Iran or in support of opposition groups and associations shall be sentenced to three months to one year of imprisonment.”

Article 26 of the 2016 Charter on Citizens’ Rights acknowledges the right of every citizen to freedom of speech and expression. The charter grants citizens the right freely to seek, receive, publish, and communicate views and information, using any means of communication, but it has not been implemented.

The law provides for prosecution of persons accused of instigating crimes against the state or national security or “insulting” Islam. The government severely restricted freedom of speech and of the press and used the law to intimidate or prosecute persons who directly criticized the government or raised human rights problems, as well as to bring ordinary citizens into compliance with the government’s moral code.

Freedom of Expression: Authorities did not permit individuals to criticize publicly the country’s system of government, supreme leader, or official religion. Security forces and the judiciary punished those who violated these restrictions, as well as those who publicly criticized the president, cabinet, and parliament.

The government monitored meetings, movements, and communications of its citizens and often charged persons with crimes against national security and of insulting the regime, citing as evidence letters, emails, and other public and private communications. Authorities threatened arrest or punishment for the expression of ideas or images they viewed as violations of the legal moral code.

Press and Media Freedom: The government's Press Supervisory Board issues press licenses, which it sometimes revoked in response to articles critical of the government or the regime, or it did not renew them for individuals facing criminal charges or incarcerated for political reasons. During the year the government banned, blocked, closed, or censored publications deemed critical of officials.

The Ministry of Culture and Islamic Guidance (*Ershad*) severely limited and controlled foreign media organizations' ability to work in the country. The ministry required foreign correspondents to provide detailed travel plans and topics of proposed stories before granting visas, limiting their ability to travel within the country, and forced them to work with a local "minder."

Under the constitution private broadcasting is illegal. The government maintained a monopoly over all television and radio broadcasting facilities through IRIB, a government agency. Radio and television programming, the principal source of news for many citizens, particularly in rural areas with limited internet access, reflected the government's political and socioreligious ideology. The government jammed satellite broadcasts as signals entered the country, a continuous practice since at least 2003. Satellite dishes remained illegal but ubiquitous. Those who distributed, used, or repaired satellite dishes faced fines up to 90 million rials (\$2,100). Police, using warrants provided by the judiciary, launched campaigns to confiscate privately owned satellite dishes throughout the country.

Under the constitution the supreme leader appoints the head of the audiovisual policy agency, a council composed of representatives of the president, judiciary, and parliament. The Ministry of Culture reviews all potential publications, including foreign printed materials, prior to their domestic release and may deem books unpublishable, remove text, or require word substitutions for terms deemed inappropriate.

Independent print media companies existed, but the government severely limited their operations.

Violence and Harassment: The government and its agents harassed, detained, abused, and prosecuted publishers, editors, and journalists, including those involved in internet-based media, for their reporting. The government also harassed many journalists' families.

Reporters without Borders (RSF) reported that the government arrested an estimated 10 citizen-journalists for covering the nationwide protests that began in

December 2017. According to RSF, several citizen journalists were beaten and arrested while recording renewed protests in Tehran on June 25-26. Authorities banned national and international media outlets from covering the demonstrations in an attempt to censor coverage of the protests and to intimidate citizens from disseminating information about them.

In February, RSF reported that several employees of the Sufi news website *Majzooban Nor* were arrested while covering clashes between security forces and Gonabadi Dervishes. *Majzooban Nor* was the only independent website covering the dervishes, and most of the arrested journalists were reportedly severely beaten by police and militia members. In July and August, *Majzooban Nor* journalists were sentenced for lashes and prison terms of up to 26 years in connection for their work covering the dervishes' protests.

According to CHRI, in August the Mizan News Agency, which functions as the official news website of the judiciary, published statements that human rights activists interpreted as a call for vigilante violence against BBC journalists and their families. The BBC had filed a complaint at the UN Human Rights Council in March against Iranian authorities for their campaign of harassment against BBC Persian staff.

Censorship or Content Restrictions: The law forbids government censorship but also prohibits dissemination of information the government considers “damaging.” During the year the government censored publications that criticized official actions or contradicted official views or versions of events. “Damaging” information included discussions of women’s rights, the situation of minorities, criticism of government corruption, and references to mistreatment of detainees.

In September media reported that General Prosecutor Mohammad Jafar Montazeri ordered the closure of *Sedayeh Eslahat*, a reformist newspaper, on charges of insulting Shia Islam. According to reports, the newspaper had published an article on female-to-male sex reassignment surgery, titling the article, “Ruqayyah became Mahdi after 22 years.” Ruqayyah was the daughter of Hussein, a revered Shia Imam, while Mahdi, according to Shia beliefs, is the name of the 12th Shia Imam. Montazeri also called for the punishment of the newspaper’s editor.

Officials routinely intimidated journalists into practicing self-censorship. Public officials often filed criminal complaints against newspapers, and the Press Supervisory Board, which regulates media content and publication, referred such complaints to the Press Court for further action, including possible closure,

suspension, and fines. IRNA determined the main topics and types of news to be covered and distributed topics required for reporting directly to various media outlets, according to the IHRDC.

Libel/Slander Laws: The government commonly used libel laws or cited national security to suppress criticism. According to the law, if any publication contains personal insults, libel, false statements, or criticism, the insulted individual has the right to respond in the publication within one month. By law “insult” or “libel” against the government, government representatives, or foreign officials while they are on Iranian soil, as well as “the publication of lies” with the intent to alter, but not overthrow, the government are considered political crimes and subject to certain trial and detention procedures (see section 1.e.). The government applied the law throughout the year, often citing statements made in various media outlets or on internet platforms that criticized the government, in the arrest, prosecution, and sentencing of individuals for crimes against national security.

### **Internet Freedom**

The government restricted and disrupted access to the internet, monitored private online communications, and censored online content. Individuals and groups practiced self-censorship online.

The Ministries of Culture and of Information and Communications Technology are the main regulatory bodies for content and internet systems in the country. The Supreme Leader’s Office also includes the Supreme Council of Cyberspace, charged with regulating content and systems. The government collected personally identifiable information in connection with citizens’ peaceful expression of political, religious, or ideological opinion or beliefs.

According to the International Telecommunication Union, 60 percent of the population used the internet in 2017. According to the Ministry of Culture, 70 percent of youth between the ages of 15 and 29 used the internet. NGOs reported the government continued to filter content on the internet to ban access to particular sites and to filter traffic based on its content. The law makes it illegal to distribute circumvention tools and virtual private networks, and Minister of Information and Communications Technology Jahromi was quoted in the press stating that using circumvention tools is illegal.

The Ministry of Culture and Islamic Guidance must approve all internet service providers. The government also requires all owners of websites and blogs in the

country to register with the agencies that compose the Commission to Determine the Instances of Criminal Content (also referred to as the Committee in Charge of Determining Unauthorized Websites or Committee in Charge of Determining Offensive Content), the governmental organization that determines censoring criteria. These agencies include the Ministry of Culture and Islamic Guidance, Ministry of Information and Communications Technology, the Intelligence Ministry, and the Tehran Public Prosecutor's Office.

Ministry of Information and Communications Technology regulations prohibit households and cybercafes from having high-speed internet access. The government periodically reduced internet speed to discourage downloading material.

According to media reports, former minister of information and communications technology Mahmoud Vaezi announced in 2017 that the government had improved methods to control the internet and had shut down a number of online platforms. The government's decade-long project to build a National Information Network (NIN) resulted in its launch in 2016. The NIN enabled officials to allow higher speed and easier access on domestic traffic, while limiting international internet traffic. RSF reported that the NIN acted like an intranet system, with full content control and user identification. Authorities may disconnect this network from global internet content, and they reportedly intended to use it to provide government propaganda and disrupt circumvention tools. During nationwide protests in December 2017, authorities used NIN technology to cut off access to the global internet for 30 minutes.

Authorities continued to block online messaging tools, such as Facebook, YouTube, and Twitter, although the government operated Twitter accounts under the names of Supreme Leader Khamenei, President Rouhani, Foreign Minister Zarif, and other government-associated officials and entities.

Government organizations, including the Basij "Cyber Council," the Cyber Police, and the Cyber Army, which observers presumed to be controlled by the IRGC, monitored, identified, and countered alleged cyberthreats to national security. These organizations especially targeted citizens' activities on officially banned social networking websites such as Telegram, Facebook, Twitter, YouTube, and Flickr, and they reportedly harassed persons who criticized the government or raised sensitive social problems.

According to a report by CHRI, in May the Judiciary (the prosecutor of Branch 2 of the Culture and Media Prosecutor's Office in Tehran) blocked the popular messaging app Telegram. Telegram, used by approximately half the population as a platform for a wide variety of personal, political, business, and cultural content, had become a primary internet platform. As a foreign-owned company with servers outside the country, Telegram was not under the control of national censors. Many officials blamed Telegram for the spread of protests in December 2017. After the ban on Telegram, the Ministry of Information and Communications Technology began to disrupt access to circumvention tools used to access blocked applications or sites.

RSF reported that several bloggers and online journalists were arrested during the year for their expression. Blogger Hengameh Shahidi was arrested in May for tweets about her previous detention. Mohammad Hossien Hidari, the editor of the *Dolat e Bahar* news website, was arrested in May. His families and lawyers did not know what he had been charged with, and his website was inaccessible after his arrest. Amir Hossein Miresmaili, a journalist with the daily newspaper *Jahan Sanat (Industry World)*, was sentenced to 10 years in prison on August 22 for a tweet criticizing a mullah in Mashhad. Miresmaili's sentence also included a two-year ban on journalistic activity on social networks after his release from prison. According to his lawyer, Miresmaili was charged with "insulting the sacredness of Islam," "insulting government agents and officials," "publishing false information designed to upset public opinion," and "publishing immoral articles contrary to public decency."

### **Academic Freedom and Cultural Events**

The government significantly restricted academic freedom and the independence of higher education institutions. Authorities systematically targeted university campuses to suppress social and political activism by banning independent student organizations, imprisoning student activists, removing faculty, preventing students from enrolling or continuing their education because of their political or religious affiliation or activism, and restricting social sciences and humanities curricula.

According to a July HRW report, following the protests of December 2017 and January 2018, intelligence officers arrested at least 150 students and courts sentenced 17 to prison terms. Many of the arrested students did not participate in the protests but were preemptively detained, according to reports. HRW reported that as of mid-July, revolutionary courts had sentenced at least eight student protesters from universities in Tehran and Tabriz to prison sentences of up to eight



years. Some students were banned from membership in political parties or participating in media, including social media, for two years.

Authorities barred Bahai students from higher education and harassed those who studied through the unrecognized online university of the Bahai Institute for Higher Education. According to a HRANA report in September, more than 50 Bahai college applicants had been denied enrollment for their religious affiliation (see the Department of State's *International Religious Freedom Report* at [www.state.gov/religiousfreedomreport/](http://www.state.gov/religiousfreedomreport/)).

The government maintained controls on cinema, music, theater, and art exhibits and censored those productions deemed to transgress Islamic values. The government censored or banned films deemed to promote secularism, non-Islamic ideas about women's rights, unethical behavior, drug abuse, violence, or alcoholism.

According to the IHRDC, the nine-member film review council of the Ministry of Culture and Islamic Guidance, made up of clerics, former directors, former parliamentarians, and academics, must approve the content of every film before production and again before screening. Films may be barred arbitrarily from screening even if all the appropriate permits were received in advance.

According to media reports, renowned film director Jafar Panahi was banned again from traveling to the 2018 Cannes film festival. Panahi has been barred from traveling since 2010, when he was charged with generating "propaganda against the Islamic Republic."

Officials continued to discourage teaching music in schools. Authorities considered heavy metal and foreign music religiously offensive, and police continued to repress underground concerts and arrest musicians and music distributors. The Ministry of Culture must officially approve song lyrics, music, and album covers as complying with the country's moral values, although many underground musicians released albums without seeking such permission.

According to media reports in February, Benyamin Bahadori, a pop singer and composer, cancelled a concert in Kerman after female members of his music group were banned from appearing on stage. In April, according to media reports, the head of the Ministry of Culture and Islamic Guidance in Mashhad was arrested for undermining public decency and disrespecting laws when videos surfaced on

social media networks showing young men and women dancing at a concert at a shopping center in the city.

## **b. Freedoms of Peaceful Assembly and Association**

The government severely restricted freedoms of peaceful assembly and association.

### **Freedom of Peaceful Assembly**

The constitution permits assemblies and marches of unarmed persons “provided they do not violate the principles of Islam.” In order to prevent activities it considered antiregime, the government restricted this right and closely monitored gatherings such as public entertainment and lectures, student and women’s meetings and protests, meetings and worship services of minority religious groups, labor protests, online gatherings and networking, funeral processions, and Friday prayer gatherings.

According to activists, the government arbitrarily applied rules governing permits to assemble, with proregime groups rarely experiencing difficulty, while groups viewed as critical of the regime experienced harassment regardless of whether authorities issued a permit.

The government cracked down on small protests that began in the city of Mashhad in December 2017 and continued into 2018. These protests subsequently spread across the country and included broader economic and political grievances with the nation’s leadership. International media and human rights organizations widely covered the government’s crackdown on protests. According to media reports, at least 20 protesters were killed as of January, and thousands more were arrested throughout the year. Official government sources cited 4,970 arrested, 90 percent of whom were younger than 25 years old. Over the year, as protests arose across the country among various groups and by individuals expressing diverse grievances and demands, actions by security forces resulted in hundreds of additional arrests and further alleged deaths.

CHRI reported that authorities denied detainees access to attorneys and threatened them with charges that carried the death penalty if they sought counsel. There were multiple reports of detainees beaten while in custody. Several human rights organizations, including CHRI, reported that detainees were given pills of unknown substance, including methadone, to portray them as drug addicts.

According to CHRI, at least two detainees died under suspicious circumstances while in detention, while the death of a third detainee was labeled a “suicide” (see section 1.a.).

In February security forces violently cracked down on a group of Gonabadi Sufi dervishes in Tehran who were protesting to demand the release of a 70-year-old fellow Sufi, Nematollah Riahi, who protesters believed was unjustly detained because of his religious affiliation. According to CHRI and reports from Sufi news sites, at least 300 hundred Gonabadi Sufis were arrested and imprisoned in the Great Tehran Penitentiary and Qarchak Prison, with numerous deaths reported at the hands of security forces. Reports indicated that the government’s crackdown continued in various cities throughout the country and that Sufis were subjected to torture and forced confessions in detention centers prior to their transfer to prisons.

According to an August HRW report, revolutionary courts sentenced at least 208 Gonabadi Sufi dervishes, from the hundreds detained, in unfair trials to prison terms ranging from four months to 26 years, flogging, internal exile, travel bans, and a ban on membership in social and political groups. Authorities did not allow the defendants to choose their legal representation and repeatedly insulted and questioned their faith during trials that lasted as little as 15 minutes. More than 40 dervishes received sentences in absentia.

In August Great Tehran Penitentiary authorities conducted a “brutal” attack, according to CHRI, on Gonabadi Sufis prisoners who were peacefully protesting the harsh treatment of female Gonabadi Sufi prisoners at Qarchak Prison. According to the report, several detainees were badly injured and suffered broken bones, while female prisoners in Qarchak Prison were reportedly subjected to torture and beatings by prison officials.

### **Freedom of Association**

The constitution provides for the establishment of political parties, professional and political associations, and Islamic and recognized religious minority organizations, as long as such groups do not violate the principles of freedom, sovereignty, national unity, or Islamic criteria, or question Islam as the basis of the country’s system of government. The government limited the freedom of association through threats, intimidation, the imposition of arbitrary requirements on organizations, and the arrests of group leaders and members.

The government barred teachers from commemorating International Labor Day and Teachers' Day. Several prominent teachers and union activists either remained in prison or were awaiting new sentences, including Mahmoud Beheshti Langroudi and Esmail Abdi (see section 7.a.).

### **c. Freedom of Religion**

See the Department of State's *International Religious Freedom Report* at [www.state.gov/religiousfreedomreport/](http://www.state.gov/religiousfreedomreport/).

### **d. Freedom of Movement**

The law provides for freedom of internal movement, foreign travel, emigration, and repatriation, and the government generally respected these rights, with some exceptions, particularly concerning migrants and women. The government cooperated with the Office of the UN High Commissioner for Refugees (UNHCR) with regard to refugees from Afghanistan and Iraq.

In-country Movement: Judicial sentences sometimes included internal exile after release from prison, which prevented individuals from traveling to certain provinces. Women often required the supervision of a male guardian or chaperone to travel and faced official and societal harassment for traveling alone.

Foreign Travel: The government required exit permits for foreign travel for all citizens. Citizens who were educated at government expense or received scholarships had to either repay the scholarship or receive a temporary permit to exit the country. The government restricted the foreign travel of some religious leaders, members of religious minorities, and scientists in sensitive fields.

Several journalists, academics, opposition politicians, human and women's rights activists, and artists remained subject to foreign travel bans and had their passports confiscated during the year. Married women were not allowed to travel outside the country without prior permission from their husbands.

Exile: The law does not provide for forced exile abroad. Many citizens practiced self-imposed exile to express their beliefs freely or escape government harassment.

### **Protection of Refugees**

According to UNHCR, the government had granted registration to 950,142 Afghan and 28,268 Iraqi refugees under a system known as *amayesh*, through which authorities provide refugees with cards identifying them as legally registered refugees. The cards enable refugees to access basic services and facilitate the issuance of work permits. In addition to registered refugees, the government estimated it hosted 450,000 Afghans who hold Afghan passports and Iranian visas and 1.5 million undocumented Afghans.

HRW and other groups reported that the government continued its mistreatment of many Afghans, including physical abuse by security forces, deportations, forced recruitment to fight in Syria (see section 1.g.), detention in unsanitary and inhuman conditions, forced payment for transportation to and accommodation in deportation camps, forced labor, forced separation from families, restricted movement within the country, and restricted access to education or jobs.

Refoulement: According to activist groups and NGOs, authorities routinely arrested Afghans without *amayesh* cards and sometimes threatened them with deportation. According to the International Organization for Migration, from the beginning of the year to August, more than 219,254 undocumented Afghans returned to Afghanistan, with many claiming they were pressured to leave. In addition more than 273,089 were deported there throughout the year.

Access to Asylum: The law provides for the granting of asylum or refugee status to qualified applicants. While the government reportedly has a system for providing protection to refugees, UNHCR did not have information regarding how the country made asylum determinations. According to HRW, the government continued to block many Afghans from registering to obtain refugee status.

Afghans not registered under the *amayesh* system who had migrated in the past decades of conflict in their home country continued to be denied access to an asylum system or access to register with the United Nations as refugees. NGOs reported many of these displaced asylum seekers believed they were pressured to leave the country but could not return to Afghanistan because of the security situation in their home provinces.

Freedom of Movement: Refugees faced restrictions on in-country movement and faced restrictions from entering certain provinces, according to UNHCR.

Employment: Only refugees with government-issued work permits were able to work. NGO sources reported that *amayesh* cards were difficult to renew and were

often prohibitively expensive for refugees to maintain due to steep annual renewal fees.

Access to Basic Services: *Amayesh* cardholders had access to primary education and received primary health care, including vaccinations, prenatal care, maternal and child health, and family planning from the Ministry of Health. They also benefited from a universal basic health insurance package for hospitalization and paraclinical services (medicine, doctor’s visits, radiology, etc.) similar to citizens, and those with qualifying “special diseases” received comprehensive coverage.

In 2017 more than 112,000 vulnerable refugees enrolled in the Universal Public Health Insurance scheme providing coverage for 12 months, and in 2018 92,000 vulnerable refugees were expected to benefit from subsidized premium support from UNHCR.

The government claimed to grant refugees access to schools. More than 420,000 refugee children were enrolled in primary and secondary school, out of whom 103,000 were undocumented Afghan children. According to media reporting, however, Afghans continued to have difficulty gaining access to education. The government sometimes imposed fees for children of registered refugees to attend public schools.

There were barriers to marriage between citizens and displaced Afghans. Authorities required Afghans to obtain documentation from their embassy or government offices in Afghanistan to register their marriage in the country, according to media reporting. The law states, “Any foreigner who marries an Iranian woman without the permission of the Iranian government will be sentenced to two to five years in prison plus a cash penalty.” Furthermore, authorities considered children born from such unions eligible for citizenship only if the child’s father is a citizen and registers the child as his, potentially leaving many children stateless.

Most provinces’ residency limitations on refugees effectively denied them access to public services, such as public housing, in the restricted areas of those provinces.

### **Stateless Persons**

There were no accurate numbers on how many stateless persons resided in the country. Stateless persons included those without birth documents or refugee

identification cards. They were subjected to inconsistent government policies and relied on charities, principally domestic, to obtain medical care and schooling. Authorities prohibited stateless persons from receiving formal government support or travel documents.

Women may not directly transmit citizenship to their children or to noncitizen spouses. Only children born to Iranian mothers and non-Iranian fathers who reside in Iran for 18 years and whose parents' marriage is officially registered with the government are eligible to apply for citizenship. According to media reports, between 400,000 and one million persons lacked Iranian nationality despite having an Iranian citizen mother, due to limitations on citizenship transmission (see section 6, Children).

### **Section 3. Freedom to Participate in the Political Process**

The constitution provides citizens the ability to choose the president, as well as members of the Assembly of Experts and parliament, through elections based on universal suffrage. Candidate vetting conducted by unelected bodies, however, abridged this right in all instances. Reported government constraints on freedom of expression and the media; peaceful assembly; association; and the ability to freely seek, receive, and impart information and campaign also limited Iranians' right to freely choose their representatives in elections.

The Assembly of Experts, which is composed of 86 popularly elected clerics who serve eight-year terms, elects the supreme leader, who acts as the de facto head of state and may be removed only by a vote of the assembly. The Guardian Council vets and qualifies candidates for all Assembly of Experts, presidential, and parliamentary elections based on criteria that include candidates' allegiance to the state and adherence to Shia Islam. The council consists of six clerics appointed by the supreme leader and six jurists nominated by the head of the judiciary (who is appointed by the supreme leader) and approved by parliament.

There is no separation of state and religion, and certain clerics had significant influence in the government.

### **Elections and Political Participation**

Recent Elections: Presidential and local council elections were held in May 2017. The country's electoral system continued to fall short of international standards for free and fair elections because of the Guardian Council's controlling role in the

political process, including determining which individuals could run for office, and in certain instances, arbitrarily removing winning candidates.

In 2017 the Guardian Council approved six Shia male candidates for president from a total candidate pool of 1,636 individuals (0.37 percent of total applicants). Voters re-elected Hassan Rouhani as president. The Interior Ministry announced that Rouhani won 57 percent of the votes, with a 73 percent turnout of eligible voters.

Candidates for local elections were vetted by monitoring boards established by parliament, resulting in the disqualification of a number of applicants. Observers asserted that reformist candidates such as Abdollah Momeni, Ali Tajernia, and Nasrin Vaziri, previously imprisoned for peacefully protesting the 2009 election, were not allowed to run due to their political views.

CHRI reported that on July 21, the Expediency Council, the country's highest arbiter of disputes between state branches, voted by a two-thirds majority to amend the Law on the Formation, Duties, and Election of National Islamic Councils, thus affirming the right of constitutionally recognized religious minorities to run in local elections. As a result of this ruling, Sepanta Niknam, a member of the Zoroastrian faith, was able to reclaim his city council seat in Yazd, from which he was suspended in 2017 because of his religion. Niknam had been re-elected to the Yazd city council in May 2017 but was forced to step down in September 2017 after the local court ruled that Niknam, as member of a religious minority, could not be elected to a council in a Muslim-majority constituency.

Political Parties and Political Participation: The constitution provides for the formation of political parties, but the Interior Ministry granted licenses only to parties deemed to adhere to the “governance of the jurist” system of government embodied in the constitution. Registered political organizations that adhered to the system generally operated without restriction, but most were small, focused around an individual, and without nationwide membership. Members of political parties and persons with any political affiliation that the regime deemed unacceptable faced harassment and sometimes violence and imprisonment. The government maintained bans on several opposition organizations and political parties. Security officials continued to harass, intimidate, and arrest members of the political opposition and some reformists (see section 1.e.). In her August 2017 report, UNSR Jahangir noted a number of arrests and detentions of members of opposition parties in the months before the May 2017 elections.



Participation of Women and Minorities: Women faced significant legal, religious, and cultural barriers to political participation. According to the Guardian Council's interpretation, the constitution bars women, as well as persons of foreign origin, from serving as supreme leader or president, as members of the Assembly of Experts, the Guardian Council, or the Expediency Council, and as certain types of judges.

The Guardian Council disqualified all 137 women who registered as candidates for the May 2017 presidential election. Almost 18,000 female candidates, or 6.3 percent of all candidates, were permitted to run for positions in the 2017 local elections.

All cabinet-level ministers were men. A limited number of women held senior government positions, including that of Vice President for Legal Affairs and Vice President for Women and Family Affairs.

Practitioners of a religion other than Shia Islam are barred from serving as supreme leader or president, as well as being a member in the Assembly of Experts, Guardian Council, or Expediency Council. The law reserves five seats in parliament for members of recognized minority religious groups, although minorities may also be elected to nonreserved seats. The five reserved seats were filled by one Zoroastrian, one Jew, and three Christians. There were no non-Muslims in the cabinet or on the Supreme Court.

#### **Section 4. Corruption and Lack of Transparency in Government**

The law provides criminal penalties for official corruption, but the government implemented the law arbitrarily, sometimes pursuing apparently legitimate corruption cases against officials while bringing politically motivated charges against regime critics or political opponents. Most officials continued to engage in corrupt practices with impunity. Many expected bribes for providing routine services or received bonuses outside their regular work, and individuals routinely bribed officials to obtain permits for otherwise illegal construction.

Endowed religious charitable foundations, or *bonyads*, accounted for a quarter to a third of the country's economy, according to some experts. Government insiders, including members of the military and clergy, ran these tax-exempt organizations, which are defined under law as charities. Members of the political opposition and international corruption watchdog organizations frequently accused *bonyads* of

corruption. *Bonyads* received benefits from the government, but no government agency is required to approve their budgets publicly.

Numerous companies and subsidiaries affiliated with the IRGC engaged in trade and business activities, sometimes illicitly, including in the telecommunications, mining, and construction sectors. Other IRGC entities reportedly engaged in smuggling pharmaceutical products, narcotics, and raw materials. The domestic and international press reported that individuals with strong government connections had access to foreign currency at preferential exchange rates, allowing them to exploit a gap between the country's black market and official exchange rates.

Corruption: In August IRNA reported that Ahmad Araghchi, an Iran Central Bank deputy in charge of foreign currency affairs, was arrested, along with six others, as part of an investigation into financial corruption. IRNA quoted Judiciary spokesperson Gholamhossein Mohseni Ejei saying the arrests were part of the country's ongoing crackdown on graft and corruption in the foreign currency sector. According to the Mizan News Agency, at least 67 persons had been arrested as of August, accused of fraud and trying to undermine the banking system. Mohseni Ejei was quoted saying several of the individuals arrested had direct ties to the government and, charged with "corruption on Earth," could face the death penalty. He stated more than 100 government employees had been barred from leaving the country. According to the same report, Supreme Leader Khamenei approved a request from the head of the judiciary to set up special revolutionary courts to try individuals for economic crimes, seeking maximum sentences for those who "disrupted and corrupted" the economy. Khamenei was quoted saying that punishments for those accused of economic corruption, including government officials and those from the military, should be carried out swiftly. According to a BBC report, at least three businessmen were executed for corruption after trials that human rights groups said lacked due process protections.

According to media reports, in July parliamentarian Amir Khojasteh, president of the parliament's anticorruption caucus, claimed during an open session of parliament that \$44 billion had been allocated for goods that were never imported and that \$60 billion in goods were hoarded in warehouses.

Financial Disclosure: Regulations require government officials, including cabinet ministers and members of the Guardian Council, Expediency Council, and Assembly of Experts, to submit annual financial statements to the government inspectorate. Little information was available on whether the government

effectively implemented the law, whether officials obeyed the law, or whether financial statements were publicly accessible.

In an August televised interview, President Rouhani asserted his intent to ramp up anticorruption efforts, stating the government had no “red lines” when it came to fighting corruption. According to media reports, Rouhani earlier directed all government ministries to publish the names of individuals and entities that had received hard currency at the official exchange rate. In June the Ministry of Information and Communication Technology published the names of entities that had received foreign exchange at the official rate to import mobile phones, while the Central Bank of Iran published a similar list of entities that had received currency at the official exchange rate.

### **Section 5. Governmental Attitude Regarding International and Nongovernmental Investigation of Alleged Abuses of Human Rights**

The government restricted the operations of and did not cooperate with local or international human rights NGOs investigating alleged violations of human rights. The government restricted the work of domestic activists and often responded to their inquiries and reports with harassment, arrests, online hacking, and monitoring of individual activists and organization workplaces.

By law NGOs must register with the Ministry of Interior and apply for permission to receive foreign grants. Independent human rights groups and other NGOs faced continued harassment because of their activism, as well as the threat of closure by government officials following prolonged and often arbitrary delays in obtaining official registration.

During the year the government prevented some human rights defenders, civil society activists, journalists, and scholars from traveling abroad. Human rights activists reported intimidating telephone calls, threats of blackmail, online hacking attempts, and property damage from unidentified law enforcement and government officials. The government summoned activists repeatedly for questioning and confiscated personal belongings such as mobile phones, laptops, and passports. Government officials sometimes harassed and arrested family members of human rights activists. Courts routinely suspended sentences of convicted human rights activists, leaving open the option for authorities to arrest or imprison individuals arbitrarily at any time on the previous charges.

In her March report, UNSR Jahangir expressed concern about the arrest, arbitrary detention, and sentencing of human rights defenders, student activists, journalists, and lawyers. She noted acts of intimidation and reprisals in detention, including torture and mistreatment, as well as reports of reprisals against human rights defenders for engaging the UNSR and cooperating with other UN mechanisms.

According to NGO sources, including HRW and Amnesty International, the government's rights record and its level of cooperation with international rights institutions remained poor. The government continued to deny requests from international human rights NGOs to establish offices in or to conduct regular investigative visits to the country. The most recent visit of an international human rights NGO was by Amnesty International in 2004 as part of the European Union's human rights dialogue with the country.

The United Nations or Other International Bodies: During the year the government continued to deny repeated requests by the UNSR on the situation of human rights in Iran to visit the country.

On November 15, for the sixth consecutive year, the UN General Assembly adopted a resolution expressing serious concern about the country's continuing human rights violations. The resolution repeated its call for the country to cooperate with UN special mechanisms, citing the government's failure to approve any request from a UN thematic special procedures mandate holder to visit the country in more than a decade. It drew attention to the government's continued failure to allow the UNSR into the country to investigate human rights abuses despite repeated requests. The most recent visit by a UN human rights agency to the country was in 2005.

Government Human Rights Bodies: The High Council for Human Rights, headed by Mohammad Javad Larijani, is part of the judicial branch of the government and lacks independence. The council continued to defend the imprisonment of high-profile human rights defenders and political opposition leaders, despite domestic and international pressure. Larijani continued to call for an end to the position of the UNSR. There was no information available on whether the council challenged any laws or court rulings during the year.

## **Section 6. Discrimination, Societal Abuses, and Trafficking in Persons**

### **Women**

Rape and Domestic Violence: Rape is illegal and subject to strict penalties, including death, but it remained a problem. The law considers sex within marriage consensual by definition and, therefore, does not address spousal rape, including in cases of forced marriage. Most rape victims likely did not report the crime because they feared official retaliation or punishment for having been raped, including charges of indecency, immoral behavior, or adultery, the last of which carries the death penalty. Rape victims also feared societal reprisal or ostracism.

For a conviction of rape, the law requires four Muslim men or a combination of three men and two women or two men and four women, to have witnessed a rape. A woman or man found making a false accusation of rape is subject to 80 lashes. In June international media reported on the kidnapping and gang rape of at least 41 women and girls in the city of Iranshahr, Sistan va Baluchistan Province, which has a predominantly Baluchi population. According to the reports, authorities initially tried to deny the cases, leading to local protests. Reports indicated that some of the alleged perpetrators had ties to local security forces. Social media users expressed their anger and sought support for the victims online through an #Iranshahr girls campaign. Some of the social media participants, including Abdollah Bozorgzadeh, were reportedly harassed and arrested for their online activism.

The law does not prohibit domestic violence. Authorities considered abuse in the family a private matter and seldom discussed it publicly.

A 2017 CHRI report referenced a study presented at the nongovernmental Imam Ali Foundation's May 2017 conference in Tehran on violence against women in the country, according to which 32 percent of women in urban areas and 63 percent in rural areas had been victims of domestic violence. A government official was quoted in the report saying that 11,000 cases of domestic abuse had been registered by the National Welfare Organization. In January, according to media reports, the state-run Iranian Students News Agency (ISNA) apologized after an alleged relationship expert and marriage counselor advised domestic violence victims during a television broadcast to kiss their husband's feet, leading to a large social media backlash in the country. Some users reportedly mocked the advice and characterized it as "nonsense" and "scary."

Female Genital Mutilation/Cutting (FGM/C): The law criminalizes FGM/C and states, "the cutting or removing of the two sides of female genitalia leads to *diyeh* (financial penalty or blood money) equal to half the full amount of *diyeh* for the woman's life."

Little current data was available on the practice inside the country, although older data and media reports suggested it was most prevalent in Hormozgan, Kurdistan, Kermanshah, and West Azerbaijan Provinces.

Other Harmful Traditional Practices: There were no official reports of killings motivated by “honor” or other harmful traditional practices during the year, although human rights activists reported that such killings continued to occur, particularly among rural and tribal populations.

The law reduces punitive measures for fathers and other family members who are convicted of murder or physically harming children in domestic violence or “honor killings.” If a man is found guilty of murdering his daughter, the punishment is between three and 10 years in prison rather than the normal death sentence or payment of *diyeh* for homicide cases.

Sexual Harassment: The law addresses sexual harassment in the context of physical contact between men and women and prohibits physical contact between unrelated men and women. There was no reliable data on the extent of sexual harassment, but women and human rights observers reported that sexual harassment was the norm in many workplaces. There were no known government efforts to address this problem.

Coercion in Population Control: There were no reports of coerced abortion or involuntary sterilization.

Discrimination: The constitution provides for equal protection for women under the law in conformity with its interpretation of Islam. The government did not enforce the law, and provisions in the law, particularly sections dealing with family and property law, discriminate against women. Judicial harassment, intimidation, detention, and smear campaigns significantly challenged the ability of civil society organizations to fight for and protect women’s rights.

Women may not transmit citizenship to their children or to a noncitizen spouse. The government does not recognize marriages between Muslim women and non-Muslim men, irrespective of their citizenship. The law states that a virgin woman or girl wishing to wed needs the consent of her father or grandfather or the court’s permission.

The law permits a man to have as many as four wives and an unlimited number of *sigheh* (temporary wives), based on a Shia custom under which couples may enter into a limited-time civil and religious contract, which outlines the union's conditions.

A woman has the right to divorce if her husband signs a contract granting that right; cannot provide for his family; has violated the terms of their marriage contract; or is a drug addict, insane, or impotent. A husband is not required to cite a reason for divorcing his wife. The law recognizes a divorced woman's right to part of shared property and to alimony. These laws were not always enforced.

The government actively suppressed efforts to build awareness among women of their rights regarding marriage and divorce. According to a CHRI report, in September the IRGC Intelligence Organization arrested Hoda Amid, a human rights attorney, and Najmeh Vahedi, a prominent sociologist and women's rights activist, three days before they were supposed to host a workshop about the country's marriage laws, which they had organized with a legal permit. One of the purposes of the workshop was to teach women how to expand their rights with legally binding prenuptial contracts.

The law provides divorced women preference in custody for children up to age seven, but fathers maintain legal guardianship rights over the child and must agree on many legal aspects of the child's life (such as issuing travel documents, enrolling in school, or filing a police report). After the child reaches the age of seven, the father is granted custody unless he is proven unfit to care for the child.

Women sometimes received disproportionate punishment for crimes such as adultery, including death sentences. Islamic law retains provisions that equate a woman's testimony in a court of law to half that of a man's and value a woman's life as half that of a man's. According to the law, the *diyeh* paid in the death of a woman is half the amount paid in the death of a man, with the exception of car accident insurance payments.

Women have access to primary and advanced education. According to 2017 media reports, women gaining admission to universities nationwide outnumbered men by 13 percent. Quotas and other restrictions nonetheless limited women's admissions to certain fields and degree programs.

As domestic media reported during the year, women's participation in the job market remained as low as 16 percent. Women reportedly earned 41 percent less

than men for the same work. Unemployment among women in the country was twice as high as it was among men.

Women continued to face discrimination in home and property ownership, as well as access to financing. In cases of inheritance, male heirs receive twice the inheritance of their female counterparts. The government enforced gender segregation in many public spaces. Women must ride in a reserved section on public buses and enter some public buildings, universities, and airports through separate entrances.

The law provides that a woman who appears in public without appropriate attire, such as a cloth scarf veil (*hijab*) over the head and a long jacket (*manteau*), or a large full-length cloth covering (*chador*), may be sentenced to flogging and fined. Absent a clear legal definition of “appropriate attire” or of the related punishment, women were subjected to the opinions of various disciplinary and security force members, police, and judges.

Throughout the year government and security forces cracked down on peaceful nationwide protests against dress restrictions.

In January several women in Tehran and Isfahan protested the compulsory hijab law by standing on platforms, publicly removing their headscarves, and waving them like flags. They were following the example of Vida Movahed, who performed a similar act of defiance in December 2017 on Revolution Street in Tehran. Pictures of Movahed--who disappeared for a month during detention by security forces at an unknown location--performing the act went viral online. According to reports, Movahed was sentenced in March to 24 months in prison but was released on bail.

In February authorities arrested 29 women in Tehran for peacefully protesting the mandatory dress law. Prosecutor General Mohammad Jafar Montazeri was quoted downplaying the significance of the protests, calling them “childish,” “emotionally charged,” and fomented from outside the country. One of the protesters, Narges Hosseini, a sociology student, was arrested and in March sentenced to two years in prison. Maryam Shariatmadari, a computer science student, was sentenced to one year in prison for “encouraging corruption by removing her hijab.” According to media reports and Amnesty International, Shaparak Shajarizadeh fled the country after being arrested on multiple occasions, subjected to torture and beatings, and released on bail in April; she reportedly was sentenced in absentia to 20 years in



prison for peacefully protesting. According to reports, other women and some men were arrested throughout the country for similar activities.

In March, according to an HRW report, police arrested approximately 35 women who had gathered outside Azadi Stadium in Tehran seeking to watch a soccer match. In June, however, authorities allowed women and men into the same stadium to watch a live streaming of the national football team competing at the World Cup, and in October close to 100 women were allowed to attend a live match.

As noted by the former UNSR and other organizations, female athletes have been traditionally barred from participating in international tournaments, either by the country's sport agencies or by their husbands. There were, however, cases throughout the year of female athletes being permitted to travel internationally to compete.

## **Children**

The country established the National Body on the Convention on the Rights of the Child in 2012 to promote the Convention on the Rights of the Child, to which it is a signatory. The Ministry of Justice oversees the body, which reviews draft regulations and legislation relating to children's rights.

The country last underwent a periodic panel review by the UN Committee on the Rights of the Child in 2016. The review noted many concerns, including discrimination against girls; children with disabilities; unregistered, refugee, and migrant children; and LGBTI minors.

There is a separate juvenile court system. Male juvenile detainees were held in separate rehabilitation centers in most urban areas, but female juvenile detainees and male juvenile detainees in rural areas were held alongside adults in detention facilities, according to NGO reports presented to the UN Committee on the Rights of the Child. (See section 1.c. for the situation of children held in prison with their incarcerated mothers.)

**Birth Registration:** Only a child's father conveys citizenship, regardless of the child's country of birth or mother's citizenship. Birth within the country's borders does not confer citizenship, except when a child is born to unknown parents. The law requires that all births be registered within 15 days.

Education: Although primary schooling until age 11 is free and compulsory for all, media and other sources reported lower enrollment in rural areas, especially for girls.

Children without state-issued identification cards are denied the right to education. In her March report, UNSR Jahangir noted that in Sistan va Baluchistan Province, the Cabinet of Ministers requested the Ministry of Education to issue a special card for children without birth certificates so they could attend school. As a result, more than 20,000 children who had received such cards registered for school and 19,000 were allowed to attend.

Child Abuse: There was little information available on how the government dealt with child abuse. The law states, “Any form of abuse of children and juveniles that causes physical, psychological, or moral harm and threatens their physical or mental health is prohibited,” and such crimes carry a maximum sentence of three months in confinement or 10 million rials (\$235).

Early and Forced Marriage: The legal minimum age of marriage for girls is 13, but girls as young as nine years old may be married with permission from the court and their fathers. In 2017 UNICEF reported that 17 percent of girls in the country were married before reaching age 18 and that approximately 40,000 were married before 15. In her March report, UNSR Jahangir stated this number was likely higher, as thousands of underage marriages were not reported. The UNSR also previously cited statistics from the Tehran-based Association to Protect the Rights of Children, according to which 17 percent of all marriages in the country involved girls married to “old men.”

Sexual Exploitation of Children: The legal age requirements for consensual sex are the same as those for marriage, as sex outside of marriage is illegal. There are no specific laws regarding child sexual exploitation, with such crimes either falling under the category of child abuse or sexual crimes of adultery. The law does not directly address sexual molestation nor provide a punishment for it.

In July, according to media reports, a supervisor at a private boys’ school in Tehran was sentenced to 10 years in prison and 80 lashes for sexually abusing students at the school. Tehran Prosecutor Abbas Jafari Dolatabadi was reported by the press saying the parents of 15 students had complained that their children were raped or otherwise sexually abused.

According to the CHRI, the legal ambiguity between child abuse and sexual molestation could lead to child sexual molestation cases being prosecuted under adultery law. While no separate provision exists for the rape of a child, the crime of rape, regardless of the victim's age, is potentially punishable by death.

Displaced Children: There were thousands of Afghan refugee children in the country, many of whom were born in Iran but could not obtain identity documents. These children were often unable to attend schools or access basic government services and were vulnerable to labor exploitation and trafficking.

In its 2016 report, the UN Committee on the Rights of the Child noted continued “allegations of abuse and ill treatment of refugee and asylum-seeking children by police and security forces.” UNHCR stated that school enrollment among refugees was generally higher outside camps and settlements, where greater resources were available.

International Child Abductions: The country is not a party to the 1980 Hague Convention on the Civil Aspects of International Child Abduction. See the Department of State's Annual Report on International Parental Child Abduction at <https://travel.state.gov/content/travel/en/International-Parental-Child-Abduction/for-providers/legal-reports-and-data.html>.

## **Anti-Semitism**

The law recognizes Jews as a religious minority and provides for their representation in parliament. According to the 2011 census, the Jewish community numbered approximately 8,700. Government officials continued to question the history of the Holocaust, and anti-Semitism remained a pervasive problem. In November President Rouhani called Israel a “cancerous tumor” and a “fake regime.”

## **Trafficking in Persons**

See the Department of State's *Trafficking in Persons Report* at [www.state.gov/j/tip/rls/tiprpt/](http://www.state.gov/j/tip/rls/tiprpt/).

## **Persons with Disabilities**

In March parliament adopted the Law for the Protection of the Rights of Persons with Disabilities. According to HRW, the law increases pensions and extends

insurance coverage to disability-related healthcare services, but the new law does not explicitly prohibit discrimination. No information was available regarding authorities' effectiveness in enforcing the law. The law prohibits those with visual, hearing, or speech disabilities from running for seats in parliament. While the law provides for government-funded vocational education for persons with disabilities, domestic news reports noted vocational centers were located only in urban areas and unable to meet the needs of the entire population.

As HRW reported, persons with disabilities remained cut off from society. They continued to face stigma and discrimination from government social workers, health-care workers, and others. Many persons with disabilities remained trapped in their homes, unable to live independently and participate in society on an equal basis. The law provides for public accessibility to government-funded buildings, and new structures appeared to comply with these standards. There were efforts to increase access for persons with disabilities to historical sites. Government buildings that predated existing accessibility standards remained largely inaccessible, and general building accessibility for persons with disabilities remained a problem. Persons with disabilities had limited access to informational, educational, and community activities. CHRI reported that refugees with disabilities, particularly children, were often excluded or denied the ability to obtain the limited state services provided by the government. CHRI also reported that, according to the director of the State Welfare Organization, 60 percent of persons with disabilities remained unemployed.

### **National/Racial/Ethnic Minorities**

The constitution grants equal rights to all ethnic minorities, allowing minority languages to be used in the media. Article 101 of the Charter on Citizens' Rights grants the right of citizens to learn, use, and teach their own languages and dialects. In practice minorities did not enjoy equal rights, and the government consistently barred use of their languages in school as the language of instruction.

The government disproportionately targeted minority groups, including Kurds, Ahwazis, Azeris, and Baluchis, for arbitrary arrest, prolonged detention, disappearances, and physical abuse. In its 2016 panel review on the country, the UN Committee on the Rights of the Child reported "widespread discrimination against children of ethnic minorities," as well as "reported targeted arrests, detentions, imprisonments, killings, torture, and executions against such groups by the law enforcement and judicial authorities."

These ethnic minority groups reported political and socioeconomic discrimination, particularly in their access to economic aid, business licenses, university admissions, job opportunities, permission to publish books, and housing and land rights.

Another widespread complaint among ethnic minority groups during the year, particularly among Ahwazis, Azeris and Lors, was that the government diverted and mismanaged natural resources, primarily water, often for the benefit of IRGC-affiliated contractors. According to reports from international media and human rights groups, these practices had devastated the local environment on which farmers and others depended for their livelihoods and well-being, resulting in forced migration and further marginalization of these communities. Throughout the year the government forcefully cracked down on environment-related protests that were largely centered in these ethnic minority communities. According to international media reports, in July the government forcefully suppressed protests over the scarcity of clean water in Khorramshahr, Khuzestan Province. Hundreds were arrested and at least four protesters were reported killed after security forces opened fire on the crowd.

The law, which requires religious screening and allegiance to the concept of “governance by the jurist,” not found in Sunni Islam, impaired the ability of Sunni Muslims (many of whom are also Baluch, Ahwazi, or Kurdish) to integrate into civic life and to work in certain fields.

Human rights organizations observed that the government’s application of the death penalty disproportionately affected ethnic minorities. Authorities reportedly subjected members of minority ethnicities and religious groups in pretrial detention repeatedly to more severe physical punishment, including torture, than other prisoners, regardless of the type of crime for which authorities accused them.

The estimated eight million ethnic Kurds in the country frequently campaigned for greater regional autonomy. The government continued to use the law to arrest and prosecute Kurds for exercising their rights to freedom of expression and association. The government reportedly banned Kurdish-language newspapers, journals, and books and punished publishers, journalists, and writers for opposing and criticizing government policies.

Authorities suppressed legitimate activities of Kurdish NGOs by denying them registration permits or bringing security charges against persons working with such

organizations. Authorities did not prohibit the use of the Kurdish language in general.

Amnesty International reported on the forced disappearances of five Kurdish men in June 2017. According to the report, Ramin Hossein Panahi, an alleged member of the Komala armed opposition group, was arrested after taking part in an armed clash with the IRGC in Sanandaj, Kurdistan Province. IRGC guards then arrested Panahi's brother and three other relatives, none of whom were reported to be involved with the armed clashes. After Ramin Panahi was sentenced to death in January 2018, he lived under the threat of an immediate execution while imprisoned in Sanandaj Central Prison. In August CHRI reported that Panahi had sewn his lips shut and gone on a hunger strike to protest the denial of his rights by prison authorities. The UN's special rapporteur on extrajudicial, summary, or arbitrary executions, Agnes Callamard, said that Panahi was denied access to a lawyer and a fair trial and that he was mistreated and tortured in detention. According to media reports, Panahi's torture including severe beatings, having his fingernails removed, and his head and body subjected to electric shocks. On September 8, authorities executed Panahi, along with two cousins, Zaniar and Loghman Moradi. International NGOs widely condemned the executions, claiming the prisoners had been tortured and sentenced to death following unfair trials based on forced confessions.

In April, according to international media reports and Kurdish rights groups, there were widespread peaceful protests and demonstrations over the government's closure of the Baneh border crossing with Iraq, a vital conduit for trade with northern Iraq's Kurdistan region. The government had also blocked since December 2017 the passes that Kurdish porters used to carry goods back and forth across the border. Rights groups said a number of Iranian Kurds were arrested and the internet was blocked during the protests.

International human rights observers, including the IHRDC, stated that the country's estimated two million Ahwazi Arabs, representing 110 tribes, faced continued oppression and discrimination. Ahwazi rights activists reported the government continued to confiscate Ahwazi property to use for government development projects, refusing to recognize the paper deeds of the local population from the prerevolutionary era.

In March thousands of Ahwazis gathered in Ahwaz and in cities across Khuzestan Province to protest against state-sanctioned discriminatory policies. The protests were in part triggered when IRIB excluded the community's cultural identity in an

Iranian New Year television show that was supposed to highlight the country's diversity. The protesters' peaceful demands for an apology from IRIB were met by a violent crackdown from government security forces. According to reports from Ahwazi rights groups and eyewitness accounts, at least 400 Ahwazis were unjustly arrested in cities across Khuzestan Province.

Ahwazi human rights groups reported that the government rounded up hundreds of Ahwazis following the September attack on a military parade in Ahwaz (estimates reported in November ranged from 600 to more than 800 arrests), while the state-run Tasnim news agency reported the arrest of 22 in connection with the attack (see section 1.a.). Ahwazi human rights groups also reported instances of torture of detainees in the Intelligence Ministry detention center in Ahwaz.

Ethnic Azeris, who number more than 18 million, or approximately 23-25 percent of the population, were more integrated into government and society than other ethnic minority groups and included the supreme leader. Azeris reported that the government discriminated against them by harassing Azeri activists or organizers and changing Azeri geographic names.

According to international media reports and Azeri human rights groups, in July authorities arrested at least 50 Azeris days ahead of an annual gathering at Fort Babak in Eastern Azerbaijan Province and threatened others. According to reports, the government has tried to prevent thousands of Iranians, mostly Azeri speaking activists, from meeting every year at Babak Fortress to peacefully celebrate the birthday of a historic figure, Babak Khorramdin. The annual gathering has general overtones of Azeri nationalism.

Local and international human rights groups alleged discrimination during the year against the Baluchi ethnic minority, estimated at between 1.5 and two million persons. Areas with large Baluchi populations were severely underdeveloped and had limited access to education, employment, health care, and housing, and Baluchi activists reported that more than 70 percent of the population lived below the poverty line.

According to activist reports, the law limited Sunni Baluchis' employment opportunities and political participation. Activists reported that throughout the year, the government sent hundreds of Shia missionaries to areas with large Sunni Baluch populations to try to convert the local population. According to Baluchi rights activists, Baluchi journalists and human rights activists faced arbitrary arrest, physical abuse, and unfair trials. In February Baloch Activists Campaign (BAC)

told CHRI that law enforcement agents had shot and killed at least 20 ethnic Baluchis and wounded 19 while allegedly pursuing suspected traffickers in Sistan va Baluchestan Province. According to BAC, government forces acted with impunity, with little provided in terms of justification for the deaths or means of restitution provided to victims' families.

See section 2.b. for information on mass arrests of Gonabadi Sufi dervishes.

### **Acts of Violence, Discrimination, and Other Abuses Based on Sexual Orientation and Gender Identity**

The law criminalizes consensual same-sex sexual activity, which is punishable by death, flogging, or a lesser punishment. The law does not distinguish between consensual and nonconsensual same-sex intercourse, and NGOs reported this lack of clarity led to both the victim and the perpetrator being held criminally liable under the law in cases of assault. The law does not prohibit discrimination based on sexual orientation and gender identity.

Security forces harassed, arrested, and detained individuals they suspected of being LGBTI. In some cases security forces raided houses and monitored internet sites for information on LGBTI persons. Those accused of "sodomy" often faced summary trials, and evidentiary standards were not always met. The Iranian LGBTI activist group 6Rang noted that individuals arrested under such conditions were traditionally subjected to forced anal or sodomy examinations, which the United Nations and World Health Organization said can constitute torture, and other degrading treatment and sexual insults. Punishment for same-sex sexual activity between men was more severe than between women. UNSR Jahangir reported in March receiving reports of the continued discrimination, harassment, arbitrary arrest and detention, punishment, and denial of rights of LGBTI persons.

The government censored all materials related to LGBTI status or conduct. Authorities particularly blocked websites or content within sites that discussed LGBTI issues, including the censorship of Wikipedia pages defining LGBTI and other related topics. There were active, unregistered LGBTI NGOs in the country. Hate crime laws or other criminal justice mechanisms did not exist to aid in the prosecution of bias-motivated crimes.

The law requires all male citizens older than age 18 to serve in the military but exempts gay men and transgender women, who are classified as having mental disorders. New military identity cards listed the subsection of the law dictating the



exemption. According to 6Rang, this practice identified gay or transgender individuals and put them at risk of physical abuse and discrimination.

NGOs reported that authorities pressured LGBTI persons to undergo gender reassignment surgery.

According to a May report by 6Rang, the number of private and semigovernmental psychological and psychiatric clinics allegedly engaging in “corrective treatment” of LGBTI persons continued to grow during the year. 6Rang reported the increased use at such clinics of electric shock therapy to the hands and genitals of LGBTI persons, prescription of psychoactive medication, hypnosis, and coercive masturbation to pictures of the opposite sex. Many of these practices may constitute torture or other cruel, inhuman, or degrading treatment under international law. According to the report, one such institution is called “The Anonymous Sex Addicts Association of Iran,” with branches in 18 provinces.

### **HIV and AIDS Social Stigma**

Despite government programs to treat and provide financial and other assistance to persons with HIV/AIDS, international news sources and organizations reported that individuals known to be infected with HIV/AIDS faced widespread societal discrimination. Individuals with HIV/AIDS, for example, continued to be denied employment as teachers.

## **Section 7. Worker Rights**

### **a. Freedom of Association and the Right to Collective Bargaining**

The constitution provides for freedom of association, but neither the constitution nor law specifies trade union rights. The law states that workers may establish an Islamic labor council or a guild at any workplace, but the rights and responsibilities of these organizations fell significantly short of international standards for trade unions. In workplaces where workers established an Islamic labor council, authorities did not permit any other form of worker representation. The law requires prior authorization for organizing and concluding collective agreements. Strikes are prohibited in all sectors, although private sector workers may conduct “peaceful” campaigns within the workplace. The law does not apply to establishments with fewer than 10 employees.

Authorities did not respect freedom of association and the right to collective bargaining, and the government did not effectively enforce applicable laws. The government severely restricted freedom of association and interfered in worker attempts to organize. Labor activism was seen as a national security offense. The law does not prohibit antiunion discrimination and does not require reinstatement of workers fired for union activity. Antiunion discrimination occurred, and the government imprisoned, harassed, and restricted the activities of labor activists.

The Interior Ministry; the Ministry of Cooperatives, Labor, and Social Welfare; and the Islamic Information Organization determined labor councils' constitutions, operational rules, and election procedures. Administrative and judicial procedures were lengthy. The Workers' House remained the only officially authorized national labor organization, and its leadership oversaw, granted permits to, and coordinated activities with Islamic labor councils in industrial, agricultural, and service organizations with more than 35 employees.

According to CHRI, the labor councils, which consisted of representatives of workers and a representative of management, were essentially management-run unions that undermined workers' efforts to maintain independent unions. The councils, nevertheless, sometimes could block layoffs and dismissals. There was no representative workers' organization for noncitizen workers.

According to international media reports, security forces continued to respond to workers' attempts to organize or conduct strikes with arbitrary arrests and violence. As economic conditions deteriorated, strikes and worker protests were numerous and widespread across the country throughout the year, often prompting a heavy police response. Security forces routinely monitored major worksites. According to CHRI, workers were routinely fired and risked arrest for striking, and labor leaders were charged with national security crimes for trying to organize workers.

CHRI reported that following protests in previous months, in June more than 60 workers at the Iran National Steel Industrial Group in Ahwaz, Khuzestan Province, were arrested for demanding their salaries, which had not been paid in three months. The Free Workers Union of Iran characterized the actions of security forces as a "barbaric raid" in the night.

According to a CHRI report, in August security forces violently suppressed protests at the Haft Tappeh sugarcane company in the southeast. Haft Tappeh, the country's largest sugar production plant, had been the site of ongoing protests

against unpaid wages and benefits for more than two years. Haft Tappeh's employees, according to media reports in August, had not received any salary since May. According to CHRI, at least five workers were detained and charged with national security crimes but later released on bail following negotiations between labor representatives and judicial officials. In November, however, HRW reported that authorities had arrested all members of Haft Tappeh's association of labor representatives, including Esmael Bakhshi and Mohsen Armand, two of the group's prominent leaders.

According to NGO and media reports, as in previous years, a number of trade unionists were imprisoned or remained unjustly detained for their peaceful activism. Mehdi Farahi Shandiz, a member of the Committee to Pursue the Establishment of Labor Unions in Iran, continued serving a three-year sentence, having been convicted of "insulting the supreme leader" and "disrupting public order." There were reports that Shandiz was beaten and tortured in Karaj Prison and kept for prolonged periods in solitary confinement.

The government continued to arrest and harass teachers' rights activists from the Teachers Association of Iran and related unions. In November HRW reported on the government's mounting crackdown against teachers participating in peaceful protests. HRW noted that the Telegram channel of the Council for Coordination among Teachers Unions reported the arrest of at least 12 teachers and the interrogation of 30 more. CHRI reported that IRGC agents arrested and beat teacher and trade union activist Mohammad Habibi in front of his students at Andisheh Technical High School in Shahriar in March. Habibi was sentenced to 10 and one-half years in prison. According to a CHRI report, Mahmoud Beheshti-Langroudi, the former spokesman for the Iranian Teachers' Trade Association (ITTA), was incarcerated in Evin Prison in 2017 to begin serving a 14-year combined sentence for charges associated with his peaceful defense of labor rights. CHRI reported in July that Beheshti-Langroudi had commenced another hunger strike protesting his unjust sentence, the judiciary's refusal to review his case, and the mistreatment of political prisoners.

According to reports from international media and human rights organizations, truck drivers launched nationwide strikes over low and unpaid wages throughout the year. HRANA reported that the government arrested at least 261 drivers in 19 provinces following a round of protests in September and October. The drivers were threatened with heavy sentences, and Attorney General Mohammad Jaafar Montazeri issued a public statement suggesting that those who initiated the protest should be subject to the death penalty. In October the International Transport

Workers' Federation expressed concern over the government's harsh crackdown on labor action by truckers across the country, including the threat of the death penalty against organizers.

Esmail Abdi, a mathematics teacher and former secretary general of ITTA, continued serving a six-year prison sentence for labor rights activism. He was arrested in 2015 and convicted in 2016 for "propaganda against the state" and "collusion against national security." CHRI reported in April that Abdi had written a letter from Evin Prison criticizing the judiciary's "arbitrary and illegal rulings" and "widespread violations of the rights of teachers and workers in Iran." He decried the "criminalization of trade unions" and demanded a public trial that he had thus far been denied.

### **b. Prohibition of Forced or Compulsory Labor**

The law prohibits all forms of forced or compulsory labor, but the government did not effectively enforce the law and made no significant effort to address forced labor during the year. Conditions indicative of forced labor sometimes occurred in the construction, domestic labor, and agricultural sectors, primarily among adult Afghan men. Family members and others forced children to work.

Also see the Department of State's *Trafficking in Persons Report* at [www.state.gov/j/tip/rls/tiprpt/](http://www.state.gov/j/tip/rls/tiprpt/).

### **c. Prohibition of Child Labor and Minimum Age for Employment**

The law prohibits employment of minors younger than age 15 and places restrictions on employment of minors younger than 18, such as prohibiting hard labor or night work. The law does not apply to domestic labor and permits children to work in agriculture and some small businesses from the age of 12. The government did not adequately monitor or enforce laws pertaining to child labor, and child labor remained a serious problem.

In its 2016 concluding observations, the UN Committee on the Rights of the Child cited a 2003 law that exempts workshops with fewer than 10 employees from labor regulations as increasing the risks of economic exploitation of children. It also noted serious concerns with the large number of children employed under hazardous conditions, such as in garbage collection, brick kilns, and industrial workshops, without protective clothing and for very low pay.

There were reportedly significant numbers of children, especially of Afghan descent, who worked as street vendors in major urban areas. According to official estimates, there were 60,000 homeless children, although many children's rights organizations estimated up to 200,000 homeless children. The Committee on the Rights of the Child reported that street children in particular were subjected to various forms of economic exploitation, including sexual abuse and exploitation by the public and police officers. Child labor also was used in the production of carpets and bricks. Children worked as beggars, and there were reports that criminals forced some children into begging rings. Reza Ghadimi, the managing director of the Tehran Social Services Organization, was quoted by ISNA saying that, according to a survey of 400 child laborers, 90 percent were "molested."

In September HRANA reported a Hamedan city councilman saying 550 child dumpster divers were active in Hamedan. They were reportedly employed by contractors paid by the city and were expected to collect an average of 170 pounds of recyclables daily, while deprived of all labor rights.

#### **d. Discrimination with Respect to Employment and Occupation**

The constitution bars discrimination based on race, gender, disability, language, and social status "in conformity with Islamic criteria," but the government did not effectively enforce these prohibitions. According to the constitution, "everyone has the right to choose any occupation he wishes, if it is not contrary to Islam and the public interests and does not infringe on the rights of others."

Despite this constitutional provision, the government made systematic efforts to limit women's access to the workplace. An Interior Ministry directive requires all officials to hire only secretaries of their own gender. Women remained banned from working in coffee houses and from performing music alongside men, with very limited exceptions made for traditional music. Women in many fields were restricted from working after 9 p.m. Hiring practices often discriminated against women, and the Ministry of Cooperatives, Labor, and Social Welfare guidelines stated that men should be given preferential hiring status.

#### **e. Acceptable Conditions of Work**

In March the Supreme Labor Council, the government body charged with proposing labor regulations, agreed to raise the minimum wage by 19.8 percent to approximately 11 million rials (\$265) per month. There were reported complaints

that the minimum wage increase was too low in light of the plunging value of the Iranian rial against the U.S. dollar, which is used to price day-to-day goods.

The law establishes a maximum six-day, 44-hour workweek with a weekly rest day, at least 12 days of paid annual leave, and several paid public holidays. Any hours worked above that total entitles a worker to overtime. The law mandates a payment above the hourly wage to employees for any accrued overtime and provides that overtime work is not compulsory. The law does not cover workers in workplaces with fewer than 10 workers, nor does it apply to noncitizens.

Employers sometimes subjected migrant workers, most often Afghans, to abusive working conditions, including below-minimum-wage salaries, nonpayment of wages, compulsory overtime, and summary deportation without access to food, water, or sanitation facilities during the deportation process.

According to media reports, many workers continued to be employed on temporary contracts, under which they lacked protections available to full-time, noncontract workers and could be dismissed at any time without cause. Large numbers of workers employed in small workplaces or in the informal economy similarly lacked basic protections. Low wages, nonpayment of wages, and lack of job security due to contracting practices continued to be major drivers for strikes and protests, which occurred throughout the year.

According to local and international media reports, thousands of teachers, truckers, and workers from a wide variety of backgrounds and industries held largescale, countrywide rallies and protests demanding wage increases and payment of back wages throughout the year. Reports noted that these protests often drew a violent response from security forces, leading to numerous arrests.

Little information was available regarding labor inspection and related law enforcement. While the law provides for occupational health and safety standards, the government sometimes did not enforce these standards in either the formal or informal sectors. Workers reportedly lacked the power to remove themselves from situations that endangered their health or safety without jeopardizing their employment.

Labor organizations alleged that hazardous work environments resulted in the deaths of thousands of workers annually. The state-run Iran Labor News Agency quoted the head of the Construction Workers Association, saying every year there were 1,200 deaths and 1,500 spinal cord injuries among construction workers,

while local media routinely reported on workers' deaths from explosions, gas poisoning, electrocution, or similar accidents.




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**Human Rights Council**  
**Working Group on Arbitrary Detention**

**Opinions adopted by the Working Group on Arbitrary Detention at its seventy-ninth session, 21-25 August 2017**

**Opinion No. 49/2017 concerning Siamak Namazi and Mohammed Baquer Namazi (Islamic Republic of Iran)**

1. The Working Group on Arbitrary Detention was established in resolution 1991/42 of the Commission on Human Rights, which extended and clarified the Working Group's mandate in its resolution 1997/50. Pursuant to General Assembly resolution 60/251 and Human Rights Council decision 1/102, the Council assumed the mandate of the Commission. The mandate of the Working Group was most recently extended for a three-year period in Council resolution 33/30 of 30 September 2016.

2. In accordance with its methods of work (A/HRC/33/66), on 23 May 2017 the Working Group transmitted to the Government of the Islamic Republic of Iran a communication concerning Siamak Namazi and Mohammed Baquer Namazi. The Government has not replied to the communication. The State is a party to the International Covenant on Civil and Political Rights.

3. The Working Group regards deprivation of liberty as arbitrary in the following cases:

(a) When it is clearly impossible to invoke any legal basis justifying the deprivation of liberty (as when a person is kept in detention after the completion of his or her sentence or despite an amnesty law applicable to him or her) (category I);

(b) When the deprivation of liberty results from the exercise of the rights or freedoms guaranteed by articles 7, 13, 14, 18, 19, 20 and 21 of the Universal Declaration of Human Rights and, insofar as States parties are concerned, by articles 12, 18, 19, 21, 22, 25, 26 and 27 of the Covenant (category II);

(c) When the total or partial non-observance of the international norms relating to the right to a fair trial, established in the Universal Declaration of Human Rights and in the relevant international instruments accepted by the States concerned, is of such gravity as to give the deprivation of liberty an arbitrary character (category III);

(d) When asylum seekers, immigrants or refugees are subjected to prolonged administrative custody without the possibility of administrative or judicial review or remedy (category IV);

(e) When the deprivation of liberty constitutes a violation of international law on the grounds of discrimination based on birth, national, ethnic or social origin, language, religion, economic condition, political or other opinion, gender, sexual orientation, disability, or any other status, that aims towards or can result in ignoring the equality of human beings (category V).



## Submissions

### *Communication from the source*

4. Siamak Namazi, born in 1971, is an Iranian-American dual citizen. Born in the Islamic Republic of Iran, he was naturalized and became an American citizen in 1993. He usually resides in Dubai, United Arab Emirates.

5. The source reports that Siamak Namazi has lived in numerous countries, including the Islamic Republic of Iran and the United States of America, and that he moved to the United Arab Emirates in 2007. Also in 2007, he was recognized by the World Economic Forum as a Young Global Leader. He most recently worked as head of strategic planning for the Middle East and North Africa region at a petroleum company in Dubai from 2013 to 2015. He has reportedly never engaged in politics.

### Interrogations, arrest and detention of Siamak Namazi

6. According to the source, on 18 July 2015, Mr. Namazi was intercepted on his way into Tehran airport by officers of the Islamic Revolutionary Guard Corps dressed in civilian clothes. He intended to travel back to the United Arab Emirates after a weekend visit with his parents in Tehran. The Revolutionary Guard officers momentarily showed him a document that they claimed to be a search warrant and order preventing him from leaving the country. In the few seconds that he was able to read the document, he reportedly saw the phrase “collaboration with the Young Global Leaders”.

7. The officers reportedly escorted Mr. Namazi to a parked car in the airport car park and forced him into the back seat. They then questioned him for several hours. All of his electronic devices, including his laptop computer, tablet and mobile devices were immediately confiscated, and his United States and Iranian passports were seized. When the officers had finished their questioning, they told Mr. Namazi that they would “keep in touch” and instructed him not to leave Tehran. They gave him a handwritten receipt of the confiscated items.

8. The source reports that, for the following three months, Siamak Namazi was interrogated regularly by officers of the Revolutionary Guard. He would receive an anonymous telephone call instructing him of a time and place to present himself. The time and frequency of the interrogations were unpredictable. At first, interrogations happened nearly every day, then only two or three times per week. Sometimes, several days would pass without an interrogation. The interrogations reportedly took place in private meetings at an unmarked location, and the primary focus of the questioning was Mr. Namazi’s association with the West. The officers reportedly accused him of being a spy for the West and would repeatedly tell him to “prove your innocence” and “admit it”. On several occasions, the officers reportedly staged an arrest scene to scare him. While he was being questioned, they would arrange for screeching tyre sounds outside and would tell him he was going to be taken to prison.

9. According to the source, Mr. Namazi had hired an attorney to represent him, but the lawyer’s ability to defend him was severely limited. He was reportedly told that it was an official policy that anyone accused of a crime related to national security may only be represented by an “approved lawyer”. He repeatedly asked to see the list of approved lawyers, but was ultimately never shown the purported list. As a result, he did not have a lawyer who could be present with him during any of the interrogations.

10. The source reports that Mr. Namazi was arrested on 13 October 2015 by officers of the Revolutionary Guard for alleged espionage and collusion with an enemy State without presenting any formal evidence or warrant. He was reportedly arrested at an interrogation location where he had been reporting regularly for the previous three months. The source notes that, while it is possible that Mr. Namazi was briefly shown a document regarding the purported legal basis for his arrest at the time of his indictment, his lawyers have not had access to such a document. The indictment reportedly occurred in secret and no documents have been made public or provided to his lawyers.

11. According to the source, since the date of the arrest, Mr. Namazi has been held in ward 2A of Evin Prison, which is under the control of the Revolutionary Guard. The source reports that exact charges, with specific references to Iranian law, were not presented to his family or lawyers during his pretrial detention. The source notes that, while it is possible that such charges were provided to Mr. Namazi privately during his detention, this is not likely. He has been detained since his reported conviction for “collaboration with a hostile Government”, in reference to the United States. The legislation later applied to his conviction was article 508 of the Islamic Penal Code, which states that anyone who cooperates by any means with foreign States against the Islamic Republic of Iran, if not considered a *mohareb* (enemy of God), shall be sentenced to 1 to 10 years’ imprisonment.

#### Arrest and detention of Mohammed Baquer Namazi

12. Mohammed Baquer Namazi, born in 1936, is an Iranian-American dual citizen. He is married and is the father of Siamak Namazi. He usually resides in Tehran.

13. The source reports that Baquer Namazi had been Governor of the Iranian province of Khuzestan under the Shah. When the Government was overthrown in 1979, he left the Government and continued to live in the Islamic Republic of Iran for several years. Facing mounting pressure, he reportedly fled the country in 1983 and ultimately settled in the United States, where he was naturalized and took citizenship. He reportedly dedicated the rest of his career to the eradication of poverty. From 1984 to 1997, he served as a representative of the United Nations Children’s Fund (UNICEF) and worked in various countries, focusing on vulnerable people and the provision of aid for women and children affected by war. He retired from his UNICEF work in 1997, but continued to work for the eradication of poverty as a civil society volunteer.

14. The source reports that Mr. Namazi reportedly attempted to visit his son at Evin Prison two to three times each week after his arrest and imprisonment, but was never granted access, even when he had letters from prison officials granting him the right to see his son.

15. On or about 21 February 2016, while travelling to see other family members in Dubai, Baquer Namazi’s wife received a call from Evin Prison informing her that special permission had been granted for Baquer Namazi to visit his son, but that the permission was valid only for a visit on 24 February 2016. At the same time, it had been reported that Siamak Namazi had started a hunger strike. Baquer Namazi quickly changed his travel plans to return to Tehran.

16. The source reports that Baquer Namazi was arrested at the passport control office of Tehran airport on his arrival there on 22 February 2016. He was reportedly intercepted by approximately seven or eight members of the Revolutionary Guard. He was then interrogated by officers of the Revolutionary Guard and escorted to his home, which was searched extensively.

17. According to the source, the officers of the Revolutionary Guard did not show an arrest warrant issued by a judicial authority. While searching his house, they presented a document that they alleged to be a search warrant and authorization to present Mr. Namazi to a magistrate, but this could not be verified as there was no lawyer present and a copy of the document has never been provided. Regardless, the source highlights that the document was not an arrest warrant and, in fact, the officers guards reportedly assured Mr. Namazi and his wife that he was not being arrested. During the search, the guards reportedly confiscated Mr. Namazi’s personal electronic devices, his passports and various personal photographs and documents. Days later, copies of many of the photographs were reportedly broadcast by the Iranian State media in coverage connected to the case.

18. Throughout the search, Baquer Namazi asked about his son, but the guards reportedly refused to give him any information. Mr. Namazi was taken to Evin Prison the same night and brought into the same Revolutionary Guard-controlled wing as his son. A few days after his arrest, Mr. Namazi left a message on the home answering machine — the first contact since his arrest — wherein he asked that the family keep his arrest quiet and conveyed that he was facing the same broad charges as his son.

19. The source notes that, while it is possible that Baquer Namazi was verbally told that he was being arrested on charges of collaboration with the United States, no special legal basis was presented in writing to him at the time of the arrest or later during his detention.

20. According to the source, the authorities have subsequently imputed alleged espionage and collusion with an enemy State as the reasons for Mr. Namazi's arrest without presenting any formal evidence. The authorities did not present any exact charges during the pretrial detention. He has been detained since his reported conviction for "collaboration with a hostile Government", in reference to the United States, under the same article 508 of the Islamic Penal Code.

21. At the time of the submission by the source, Mr. Namazi continued to be held in Ward 2A of Evin Prison.

#### Trial and appeal

22. According to the source, the first and only hearing at the trial level occurred early in October 2016: on 1 October for Siamak Namazi and on 5 October for Baquer Namazi. Both hearings were reportedly secret and excluded members of the press and the public from attending. The hearings took place before the Head of the 15th Branch of the Islamic Revolutionary Court in Tehran, who is allegedly well known for meting out harsh sentences on political cases.

23. Before the hearings, Messrs. Namazi had extremely limited access to legal representation. They were reportedly only allowed to meet with their attorneys for 30 minutes a few days before the hearing, despite numerous attempts to meet beforehand. The attorneys were only provided with access to court files and evidence a few days in advance of the trials, making it practically impossible to prepare a meaningful defence. Furthermore, they were only allowed to view the files and were not able to make or retain their own copies. It is reportedly unknown whether such files were even complete.

24. According to the source, the trial hearings only lasted around two hours, during which time Messrs. Namazis were reportedly denied fundamental due process rights. They were not allowed to present any evidence or call witnesses and were denied the opportunity to challenge any charges or evidence meaningfully, despite the fact that the Revolutionary Guard had been conducting relentless interrogations for months in advance and without allowing access to legal representation.

25. On 17 October 2016, both individuals were reportedly sentenced to 10 years in prison on the charges of "collusion with an enemy State", in reference to the United States. This is reportedly the maximum possible penalty that can be imposed for those criminal offences under article 508 of the Islamic Penal Code. No written copy of the verdicts has been provided to the Namazis. At the same time, Revolutionary Guard-affiliated websites and media reportedly ran a continuous negative campaign against the two men, calling them United States "infiltrators" and showing copies of their passports and photographs, which had been taken from the family's house by officers of the Revolutionary Guard.

26. According to the source, Messrs. Namazis immediately appealed the convictions and sentences, but could only do so in the most general sense as they had no access to any of the evidence or the final verdict of the trial court.

27. The source reports that an appeal hearing took place on 1 March 2017 before the 36th Branch of the Appeals Court, during which both cases were considered. In total, the hearing only lasted two to three hours. Siamak Namazi was reportedly brought to the hearing late because the guards escorting him claimed they had got lost, although the sources allege this was likely to be a deliberate attempt to undermine the appeal process. The judge did not reschedule or extend the hearing to make up for lost time. As a result, Baquer Namazi's case was considered for approximately two hours, while that of Siamak Namazi was only considered for 30 to 45 minutes.

28. According to the source, the appeal was supposed to have been heard by a panel of three judges, but only one judge was actually present. Press and the public were also barred from the appeal hearing. There is reportedly no indication as to when the Appeals Court might issue a decision.

## Current conditions

29. According to the source, the Namazis are being held in Ward 2A of Evin Prison. This is a special wing of the prison that is controlled solely by the Revolutionary Guard and allegedly operates with no semblance of transparency or legality. Siamak Namazi has reportedly been intimidated and has continually undergone lengthy interrogations by officers of the Revolutionary Guard, even after his conviction. He continues to be subjected to extended periods of solitary confinement. His cell is dark, cold and damp and lacks even a bed, forcing him to sleep on the concrete floor. He was initially not provided with warm clothing, even as temperatures dropped in winter. He has allegedly been tortured by the officers and has been beaten, tazered and forced to watch government propaganda attacking him and showing his father in prison.

30. According to information received, Mr. Namazi has also been told at times that his father is gravely ill and has been taken to the hospital. Mr. Namazi reportedly started a hunger strike during his incarceration and has already lost approximately 12 kilograms during his time in detention. Despite reporting ailments to the Revolutionary Guard officers, he has not received medical treatment. The source reports that the physical and mental suffering intentionally inflicted on Mr. Namazi, combined with his extended isolation, have caused his mental and physical well-being to deteriorate. His conversations with his family members have made them seriously concerned that he may now be suicidal.

31. Baquer Namazi, who is 81 years old, has reportedly been held in similarly harsh prison conditions, including extensive periods of solitary confinement. He suffers from serious heart conditions, including arrhythmia, which require him to take special medications. He has previously undergone triple bypass surgery owing to his heart condition. He has lost at least 14 kilograms since being imprisoned and his energy is greatly diminished. The source reports that, in a highly unusual move that demonstrates the severity of his current condition, the Revolutionary Guard transferred Mr. Namazi to an external hospital for a period of several days on two separate occasions since his arrest, without providing any explanation to his family. On 8 April 2017, he had a Holter monitor attached to him. It is reportedly possible that he requires a pacemaker owing to his arrhythmia — which had been noted as a forthcoming medical issue by his personal physician prior to his arrest and detention — and now requires immediate medical attention. The family of Mr. Namazi has requested urgently that his own heart specialist be allowed to see him, but that request has not been granted, and the Office of the State Medical Examiner has informed the family that it may take “a few months” for them to conduct a medical review of his case.

32. The Namazis have reportedly been detained with extremely limited access to their family members for more than a year. They have until recently only been allowed visitors once a month, while other detainees in the same section of the prison are reportedly allowed to have weekly visits. Furthermore, they have only been allowed to receive visits from the mother of Siamak Namazi, who is the wife of Baquer Namazi. The monthly visit to Baquer Namazi has lasted roughly 45 minutes, and Siamak Namazi receives one visit per month lasting only 15 to 20 minutes. Prior to 28 February 2017, the father and son had been prohibited from seeing each other, despite the fact that they were being held in the same section of the prison.

## Categories of the Working Group

33. The source asserts that the detention of Messrs. Namazi constitutes an arbitrary deprivation of their liberty under categories II and III of the categories applicable to the cases under consideration by the Working Group.

### Category II

34. The source submits that the arrest and detention by the Government of the Islamic Republic of Iran of the Namazis was a direct reprisal for exercising their right to freedom of association. The source puts forward that their current detention is directly attributable to their exercising the right to freedom of association, as the entire case against them has been based on their association with Western organizations. Both individuals have United States

citizenship and have spent time working there. Siamak Namazi was educated in the United States and has affiliations with several institutions based there. In addition, throughout the interrogations, trial and conviction of Mr. Namazi, those affiliations were continuously cited as a primary basis for the suspicions of the Government against him. The source asserts that perhaps the clearest demonstration that the targeting of the Namazis stems from their association with the West is the propaganda video posted online by the judicial news service of the Islamic Republic of Iran roughly one year after the arrest of Siamak Namazi. In it, images of his arrest are directly juxtaposed with an image of his United States passport and “a montage of anti-American-themed images”.

### Category III

35. The source submits that, due to the fact that the Government has violated numerous procedural requirements under both international and domestic law in this case, the continued detention of the Namazis is arbitrary under category III. According to the source, the Government arrested the two men without a proper warrant; held them in harsh prison conditions for months without charge; detained them with extremely limited access to their family members; failed to provide an independent and impartial tribunal; failed to provide a public hearing; interfered with their right to prepare a defence and call and examine witnesses; and withheld all evidence from the defence. In addition, no valid or credible evidence against them has been presented.

36. Furthermore, the Government interfered with their right to the presumption of innocence; substantially limited their right to access to counsel; substantially limited their right to an adequate appellate review according to law; and has continuously denied medically appropriate detention conditions for the Namazis, constituting cruel, inhuman and degrading treatment. In that respect, the source notes that, without intervention, it is unclear how much longer the Namazis can withstand the physical and psychological distress imposed by the Revolutionary Guard. There is reportedly a great risk that the suffering inflicted on the two men may cause irreversible damage to their physical and mental health, or even death.

### *Response from the Government*

37. On 23 May 2017 the Working Group transmitted the allegations from the source to the Government under its regular communications procedure. The Working Group requested the Government to provide, by 24 July 2017, detailed information about the current situation of Mr. Siamak Namazi and Mr. Mohammed Baquer Namazi and any comments on the source’s allegations.

38. The Working Group regrets that it did not receive a response from the Government, nor did the Government request an extension of the time limit for its reply, as provided for in the Working Group’s methods of work.

### **Discussion**

39. In the absence of a response from the Government, the Working Group has decided to render the present opinion, in conformity with paragraph 15 of its methods of work.

40. The Working Group has in its jurisprudence established the ways in which it deals with evidentiary issues. If the source has established a prima facie case for breach of international requirements constituting arbitrary detention, the burden of proof should be understood to rest upon the Government if it wishes to refute the allegations (see A/HRC/19/57, para. 68). In the present case, the Government has chosen not to challenge the prima facie credible allegations made by the source.

41. The source has submitted that the detention of Messrs. Namazi falls under categories II and III. The Working Group shall consider the allegations under the two categories in turn.

42. The source has submitted that the detention of Messrs. Namazi falls under category II as their detention was a direct reprisal for having exercised their right to freedom of association in accordance with article 22 of the Covenant. The source has submitted that the

affiliations of the Namazis with Western organizations was the sole reason for their arrest and subsequent conviction as, throughout the interrogations, trial and conviction, those affiliations were continuously cited as a primary basis for the suspicions of the Government against them.

43. The Working Group notes that the present case follows a pattern that is evident to the Working Group in the way that those affiliated with different pro-democracy institutions of the West — especially those with dual nationality — are treated in the Islamic Republic of Iran. The Working Group considers that the source has established a prima facie case that the arrest and detention of the Namazis were motivated by a discriminatory factor, namely, their status as dual Iranian-United States nationals and their links with various organizations located outside of the Islamic Republic of Iran. The Working Group has considered several facts presented by the source that the Government of the Islamic Republic of Iran has not disputed. First, Messrs. Namazi are being detained on the basis of their conviction for “collaboration with a hostile Government”, in reference to the United States, and their links with the United States and “Western organizations” have been the main thrust of all interrogations and allegations. Second, throughout the investigative stage of their trial, the sole focus of the authorities has been the past and present affiliations of Messrs. Namazi with those various organizations, with specific emphasis on their links with the United States. Third, a negative campaign was made public by the Iranian media in October 2016 against the Namazis, stating them to be United States “infiltrators” and showing copies of their passports and photographs, which had been taken from the family’s house by the Revolutionary Guard.

44. The Working Group has made findings of arbitrary detention with respect to several cases involving dual nationals in the Islamic Republic of Iran.<sup>1</sup> In addition, the Special Rapporteur on the situation of human rights in the Islamic Republic of Iran has referred in a recent report to the detention of dual nationals (see A/71/418, paras. 36-38). The Working Group considers that there is an emerging pattern involving the arbitrary deprivation of liberty of dual nationals in the Islamic Republic of Iran.

45. Furthermore, there is no evidence that Siamak Namazi or Baquer Namazi had had a criminal record, including in relation to national security offences, and there is nothing to indicate that they had ever acted against the national interests of the Islamic Republic of Iran. In fact, Siamak Namazi had been in the country for the sole purpose of visiting his family, while Baquer Namazi was a retired resident of the Islamic Republic of Iran. The Working Group therefore considers that the Namazis were targeted on the basis of their “national or social origin” as dual nationals. In the present case, the Working Group is not convinced by the arguments presented by the source that the arrest of Messrs. Namazi was based on their exercise of their right under article 22 of the Covenant. The Working Group notes that, at the time of their arrests, neither of the men had been engaging in the exercise of those rights and there is thus an insufficient basis for the Working Group to conclude that the arrest and detention of Messrs. Namazi were linked to the exercise of any specific right, and therefore falling within category II. However, there is a sufficient basis to conclude that they have been arbitrarily deprived of their liberty according to category V owing to the discrimination against them as dual nationals.

46. The source also submits that the arrest and subsequent detention of the Namazis fall within category III. The source submits that the Namazis were arrested without a proper warrant, held in harsh prison conditions for months without charge, detained with extremely limited access to their family members, not provided with an independent and impartial tribunal and not provided with a public hearing. The source also submits that the Government of the Islamic Republic of Iran interfered with their right to prepare a defence and call and examine witnesses, and withheld all evidence from the defence.

47. The Working Group considers that the source’s allegations disclose violations of the right of Messrs. Namazi to a fair trial. Specifically, they have been denied their right to be informed promptly of the charges against them under article 14 (3) (a) of the Covenant, and their right to legal representation under article 14 (3) (b) and (d) of the Covenant. They

<sup>1</sup> See, for example, opinions No. 7/2017, No. 28/2016, No. 44/2015 and No. 18/2013.

have also been denied their right to examine witnesses against them and denied proper access to all the evidence against them, in violation of article 14 (3) (e) of the Covenant. Furthermore, they have both been denied their right to defend themselves during the trials as they were prevented from speaking in the court except to answer questions posed by the judge, amounting to a violation of article 14 (3) (d) of the Covenant.

48. The Working Group notes that Messrs. Namazi have not been provided with written judgements, in violation of article 14 (1) of the Covenant, and that the Government of the Islamic Republic of Iran has failed to invoke any reasons justifying this. Moreover, the Working Group notes that the failure to provide a written judgement adversely affects the right to appeal, in violation of article 14 (5) of the Covenant. As indicated by the Human Rights Committee in paragraph 49 of its general comment No. 32 (2007) on the right to equality before courts and tribunals and to a fair trial:

The right to have one's conviction reviewed can only be exercised effectively if the convicted person is entitled to have access to a duly reasoned, written judgement of the trial court, and, at least in the court of first appeal where domestic law provides for several instances of appeal,<sup>2</sup> also to other documents, such as trial transcripts, necessary to enjoy the effective exercise of the right to appeal.

49. The Working Group is also of the view that Siamak Namazi had not benefited fully from the presumption of innocence as encapsulated in article 14 (2) of the Covenant. In the present case, the source submits that a video by the judicial news service of the Islamic Republic of Iran was posted online in which images of the arrest of Mr. Namazi were directly juxtaposed with an image of his United States passport and "a montage of anti-American-themed images". The Working Group notes that this was just before or at the time of the trial of Mr. Namazi and that the Government of the Islamic Republic of Iran had the opportunity but failed to provide an explanation to those allegations.

50. In paragraph 30 of its general comment No. 32 (2007), the Working Group emphasized that the right to be presumed innocent as per article 14 (2) of the Covenant means not only that public authorities should refrain from prejudging the outcome of any trials, but also that the media should avoid news coverage undermining the presumption of innocence. In the present case, information that was clearly prejudicial to Siamak Namazi was made public by the judicial news service, an official State news service. The Working Group finds that this constituted a violation of article 14 (2) of the Covenant in relation to Mr. Namazi.

51. Taking into account all the violations enumerated above, the Working Group concludes that the violations of article 14 of the Covenant are of such gravity as to give the deprivation of liberty of the Namazis an arbitrary character, falling within category III.

52. Furthermore, the Working Group wishes to record its grave concern about the deteriorating health of Messrs. Namazi, particularly the allegations made by the source that Baquer Namazi has not been provided with adequate medical care and that this may result in irreparable harm to his health and indeed poses a real risk to his life. The Working Group considers that their treatment violates their right under article 10 (1) of the Covenant, to be treated with humanity and with respect for their inherent dignity, and falls significantly short of the requirements of the United Nations Standard Minimum Rules for the Treatment of Prisoners (the Nelson Mandela Rules), in particular rules 24-27, 30-31, 37, 43 and 45.

53. Finally, the Working Group notes with concern the silence on the part of the Government in not availing itself of the opportunity to respond to the serious allegations made in the present case and in other communications to the Working Group.<sup>3</sup> The

<sup>2</sup> See communications No. 903/1999, *Van Hulst v. The Netherlands*, para. 6.4; No. 709/1996, *Bailey v. Jamaica*, para. 7.2; No. 663/1995, *Morrison v. Jamaica*, para. 8.5.

<sup>3</sup> See, for example, the opinions of the Working Group on the Islamic Republic of Iran, Nos. 50/2016, 28/2016, 25/2016, 2/2016, 1/2016, 44/2015, 16/2015, 55/2013, 52/2013, 28/2013, 18/2013, 54/2012, 48/2012, 30/2012, 8/2010, 2/2010, 6/2009, 39/2008, 34/2008, 39/2000, 14/1996, 28/1994 and 1/1992. In the past, the Islamic Republic of Iran has provided information to the Working Group on various

Working Group also refers the present case to the Special Rapporteur on the situation of human rights in the Islamic Republic of Iran.

54. The Working Group would like to reiterate<sup>4</sup> that it would welcome an invitation to conduct a country visit to the Islamic Republic of Iran so that it can engage with the Government constructively and offer assistance in addressing concerns relating to the arbitrary deprivation of liberty. In that context, the Working Group notes that, on 24 July 2002, the Government issued a standing invitation to all thematic special procedure mandate holders.

### **Disposition**

55. In the light of the foregoing, the Working Group renders the following opinion:

The deprivation of liberty of Mr. Siamak Namazi and Mr. Mohammed Baquer Namazi, being in contravention of articles 9, 10 and 11 of the Universal Declaration of Human Rights and of articles 9, 10, 14 and 26 of the International Covenant on Civil and Political Rights, is arbitrary and falls within categories III and V.

56. Consequent upon the opinion rendered, the Working Group requests the Government to take the steps necessary to remedy the situation of Mr. Siamak Namazi and Mr. Mohammed Baquer Namazi without delay and bring it into conformity with the standards and principles set forth in the international norms on detention, including the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights.

57. The Working Group considers that, taking into account all the circumstances of the case, the appropriate remedy would be to release Mr. Siamak Namazi and Mr. Mohammed Baquer Namazi immediately and accord them an enforceable right to compensation and other reparations, in accordance with international law.

58. In accordance with paragraph 33 (a) of its methods of work, the Working Group refers the present case to the Special Rapporteur on the situation of human rights in the Islamic Republic of Iran.

### **Follow-up procedure**

59. In accordance with paragraph 20 of its methods of work, the Working Group requests the source and the Government to provide it with information on action taken in follow-up to the recommendations made in the present opinion, including:

(a) Whether Mr. Siamak Namazi and Mr. Mohammed Baquer Namazi have been released and, if so, on what date;

(b) Whether compensation or other reparations have been made to Mr. Siamak Namazi and Mr. Mohammed Baquer Namazi;

(c) Whether an investigation has been conducted into the violation of Mr. Siamak Namazi and Mr. Mohammed Baquer Namazi's rights and, if so, the outcome of the investigation;

(d) Whether any legislative amendments or changes in practice have been made to harmonize the laws and practices of the Islamic Republic of Iran with its international obligations in line with the present opinion;

(e) Whether any other action has been taken to implement the present opinion.

60. The Government is invited to inform the Working Group of any difficulties it may have encountered in implementing the recommendations made in the present opinion and whether further technical assistance is required, for example, through a visit by the Working Group.

communications; see opinions Nos. 58/2011, 21/2011, 20/2011, 4/2008, 26/2006, 19/2006, 14/2006, 8/2003 and 30/2001.

<sup>4</sup> See opinions Nos. 9/2017, 7/2017, 28/2016, 25/2016 and 50/2015.



61. The Working Group requests the source and the Government to provide the above information within six months of the date of the transmission of the present opinion. However, the Working Group reserves the right to take its own action in follow-up to the opinion if new concerns in relation to the case are brought to its attention. Such action would enable the Working Group to inform the Human Rights Council of progress made in implementing its recommendations, as well as any failure to take action.

62. The Working Group recalls that the Human Rights Council has encouraged all States to cooperate with the Working Group and requested them to take account of its views and, where necessary, to take appropriate steps to remedy the situation of persons arbitrarily deprived of their liberty, and to inform the Working Group of the steps they have taken.<sup>5</sup>

*[Adopted on 22 August 2017]*

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<sup>5</sup> See Human Rights Council resolution 33/30, paras. 3 and 7.



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**Human Rights Council**  
**Working Group on Arbitrary Detention****Opinions adopted by the Working Group on Arbitrary Detention at its eighty-second session, 20–24 August 2018****Opinion No. 52/2018 concerning Xiyue Wang (Islamic Republic of Iran)**

1. The Working Group on Arbitrary Detention was established in resolution 1991/42 of the Commission on Human Rights, which extended and clarified the Working Group's mandate in its resolution 1997/50. Pursuant to General Assembly resolution 60/251 and Human Rights Council decision 1/102, the Council assumed the mandate of the Commission. The Council most recently extended the mandate of the Working Group for a three-year period in Council resolution 33/30.

2. In accordance with its methods of work (A/HRC/36/38), on 31 January 2018 the Working Group transmitted to the Government of the Islamic Republic of Iran a communication concerning Xiyue Wang. The Government replied to the communication on 3 May 2018. The State is a party to the International Covenant on Civil and Political Rights.

3. The Working Group regards deprivation of liberty as arbitrary in the following cases:

(a) When it is clearly impossible to invoke any legal basis justifying the deprivation of liberty (as when a person is kept in detention after the completion of his or her sentence or despite an amnesty law applicable to him or her) (category I);

(b) When the deprivation of liberty results from the exercise of the rights or freedoms guaranteed by articles 7, 13, 14, 18, 19, 20 and 21 of the Universal Declaration of Human Rights and, insofar as States parties are concerned, by articles 12, 18, 19, 21, 22, 25, 26 and 27 of the Covenant (category II);

(c) When the total or partial non-observance of the international norms relating to the right to a fair trial, established in the Universal Declaration of Human Rights and in the relevant international instruments accepted by the States concerned, is of such gravity as to give the deprivation of liberty an arbitrary character (category III);

(d) When asylum seekers, immigrants or refugees are subjected to prolonged administrative custody without the possibility of administrative or judicial review or remedy (category IV);

(e) When the deprivation of liberty constitutes a violation of international law on the grounds of discrimination based on birth, national, ethnic or social origin, language, religion, economic condition, political or other opinion, gender, sexual orientation, disability, or any other status, that aims towards or can result in ignoring the equality of human beings (category V).

## Submissions

### *Communication from the source*

4. Mr. Wang is a 37-year-old naturalized citizen of the United States of America who was born in Beijing, China. He usually resides in New Jersey, United States of America.
5. According to the source, Mr. Wang is a doctoral student in the Department of History at Princeton University. His primary area of study is the history of Europe and Asia. Mr. Wang received a bachelor's degree from the University of Washington and a master's degree from Harvard University in Russian and Eurasian studies. In September 2013, he began his doctoral studies at Princeton University. At the time the Iranian authorities detained him in Tehran, Mr. Wang was preparing to begin his dissertation by researching local governance issues during the late Qajar and early Pahlavi periods of historical Persia.
6. In 2016, with the authorization of the Government of the Islamic Republic of Iran and the backing of his graduate programme at Princeton University, Mr. Wang made two trips to the country on a student visa issued by the Iranian Ministry of Foreign Affairs to pursue pre-dissertation research. The first trip, which Mr. Wang made to study Farsi at the Dekhoda Lexicon Institute and International Centre for Persian Studies, with the permission of the Ministry of Foreign Affairs, ran from 25 January to 10 March 2016 and passed without incident. However, the source reports that Mr. Wang became suspicious that someone had hacked into his computer during that trip.
7. On 1 May 2016, Mr. Wang returned to the Islamic Republic of Iran in order to continue his language studies and to collect archival materials for potential use in his dissertation. He planned to use the National Archives to conduct his research. The source states that Mr. Wang was open about the purpose of his historical research and that the Ministry of Foreign Affairs had approved his research plan. The Department of History of Princeton University gave a grant to Mr. Wang to cover his travel, language classes and living expenses while in the country. Mr. Wang also received an additional grant for the same purpose from the Sharmin and Bijan Mossavar-Rahmani Center for Iran and Persian Gulf Studies, a non-political academic programme supporting research on the region attached to Princeton University.
8. According to the source, while Mr. Wang was in the Islamic Republic of Iran, he requested permission to review two sets of historical documents pertaining to regional governance in the late imperial period of the Qajar Dynasty. The dates of the documents requested ranged from 1880 to 1921. Mr. Wang did not conduct any research on or request any documents pertaining to contemporary history. None of the documents he selected for review were classified.
9. The source reports that, in communications with his dissertation adviser and other Princeton University officials, Mr. Wang noted that a guard at the National Archives had expressed concern about his presence in the Archives building, and suggested that the authorities considered him to be a spy. However, Mr. Wang believed that he was safe because he had been authorized by the Government to pursue his studies and he was merely a scholar studying old archival documents of no relevance to national security.
10. On 17 July 2016, Mr. Wang told Princeton University officials that he would return to Princeton within 10 days. He had previously expressed concern that the Iranian authorities might be monitoring his communications. On 21 July 2016, four days after Mr. Wang notified Princeton University of his plans, the Iranian Diplomatic Police requested a meeting with Mr. Wang and questioned him for four hours, without the presence of legal counsel. The source alleges that, at that meeting, Mr. Wang's laptop and passport were confiscated and he was ordered to return to his apartment to await further instructions. The Diplomatic Police questioned him again a week later. During this period, Mr. Wang met with a local lawyer. He also attempted to communicate with Iranian diplomatic officials to explain the scholarly purposes of his stay in the country.
11. On 7 August 2016, the Diplomatic Police asked Mr. Wang to meet them at the Azadi Hotel in Tehran for further questioning. Later that day, Mr. Wang called his family

and informed them that the Diplomatic Police were with him at his apartment and had instructed him to pack his belongings because they were going to take him to the airport so that he could return to the United States. Instead, on the same day, the police detained Mr. Wang and brought him to Ward 209 of Evin Prison. The source alleges that no warrant was presented and it is therefore not known what authority ordered Mr. Wang's detention. The source also alleges that Mr. Wang was held incommunicado for seven days, and that his family and his local lawyer did not know his whereabouts and only learned of his incarceration after the local lawyer visited Evin Prison.

12. According to the source, Mr. Wang spent at least 18 days in solitary confinement at Evin Prison. Moreover, even after the local lawyer learned of Mr. Wang's whereabouts, Mr. Wang was not permitted to meet with his lawyer until 13 September 2016 — more than a month after his arrest — despite having submitted multiple requests to the court and the prison.

13. The source claims that Mr. Wang was repeatedly interrogated without access to legal counsel. The source also notes that, while both the Islamic Republic of Iran and the United States are party to the Vienna Convention on Consular Relations, the Islamic Republic of Iran did not notify either the United States or Switzerland (which represents the Government of the United States in the Islamic Republic of Iran) that Mr. Wang had been detained, in violation of article 36 of the Convention.

14. Furthermore, the source emphasizes that the Government waited more than five months before indicting Mr. Wang. Between 11 and 13 December 2016, an investigating judge held hearings during which Mr. Wang was questioned. On 22 January 2017, the judge referred Mr. Wang's case to Branch 15 of the Revolutionary Court. At that time, the Government formally charged Mr. Wang with espionage and collaboration with the "hostile State" of the United States of America against the Islamic Republic of Iran under articles 501 and 508 of the Islamic Penal Code.

15. The source states that it is difficult to know what other legal provisions might have been invoked in the indictment because it was kept secret from all but Mr. Wang's local lawyer. However, the indictment reportedly stated that Mr. Wang had been granted access to government archives against the wishes of the Ministry of Foreign Affairs and that he had gathered 3,000 pages of sensitive documents that were not relevant to his research. The indictment further stated that Mr. Wang had sent those documents to entities seeking to overthrow the Islamic Republic of Iran, allegedly including Mr. Wang's dissertation adviser at Princeton University. Finally, the indictment alleged that Mr. Wang's dissertation adviser paid \$12,000 to Mr. Wang to compensate him for his work. The source states that all of these allegations are false.

16. According to the source, Branch 15 of the Revolutionary Court tried Mr. Wang in a closed session in violation of his due process rights. On 29 April 2017, the presiding judge of the Revolutionary Court found Mr. Wang guilty of espionage and collaboration and sentenced him to 10 years' imprisonment. Mr. Wang's local lawyer filed an appeal. On 14 August 2017, Branch 54 of the Revolutionary Court, sitting as a panel of three judges, denied Mr. Wang's appeal. The one-page opinion did not explain the Court's reasons for denying the appeal, other than stating that it agreed with the trial court's sentence.

17. The source reports that Mr. Wang's detention, trial and conviction did not become public until 17 July 2017, almost a year after his detention, when Mizan News Agency, a news service with alleged ties to the Iranian judiciary, published an account of the allegations against him. Mizan News Agency alleged that American research centres had been sending their representatives and professional spies to the Islamic Republic of Iran to collect documents and materials under the cover of legitimate scholarly activities. A supposed "spider web" of connections had, according to the report, deployed Mr. Wang to sneak into the country in order to collect classified and highly classified documents.

18. The source alleges that the authorities have subjected Mr. Wang to cruel and degrading treatment that has seriously affected his health and endangered his life. Mr. Wang's communications with his family while in prison reveal that he is rapidly deteriorating mentally, emotionally and physically after over two years of detention. He has lost weight and suffers from chest pain, severe back pain, fever, rash, headaches, vomiting,

stomach aches, severe tooth pain, foot injuries, arthritis, constipation, insomnia and diarrhoea. The source refers to a telephone call between Mr. Wang and his family on 21 March 2017 in which Mr. Wang, who at that point had been detained for 227 days, reported that he was suffering from back pain from sleeping on a hard floor and from itchy rashes all over his body. Three weeks later, he reported that his knees were so swollen and painful that he could not use the small toilet in his cell.

19. The source also alleges that Mr. Wang is kept indoors for extended periods of time and does not see any natural light for up to a week at a time. Furthermore, throughout the entire time of his detention, Mr. Wang has suffered from depression and has expressed suicidal thoughts to his family. After holding Mr. Wang in solitary confinement and subjecting him to continuous questioning, the authorities allegedly placed him in a series of dirty, overcrowded and unhygienic cells on Ward 209. From March to August 2017, Mr. Wang was forced to sleep on the floor of a 20-square-metre cell with up to 25 other detainees.

20. According to the source, Mr. Wang has also been subjected to sudden and unexplained transfers between prison wards. On 14 March 2017, he was transferred to Ward 209 from Ward 4, which houses ordinary prisoners. The source notes that conditions on Ward 209 are worse than those on Ward 4, and detainees on Ward 209 have been subjected to extended interrogation and solitary confinement. Most recently, Mr. Wang was unexpectedly transferred to Ward 7.

21. In addition, the source alleges that the authorities have not separated Mr. Wang from other detainees. As a United States citizen, Mr. Wang has been forced to share a cell with extremely hostile detainees, including one belonging to the Taliban movement. On 19 July 2017, Mr. Wang reported that he had been beaten by his cellmates. On 6 December 2017, after a sudden transfer to Ward 7, Mr. Wang reported that a detainee belonging to the Taliban movement had expressed his hatred of the United States and had threatened to kill him. Although this incident was reported to the authorities, Mr. Wang remains on Ward 7.

22. The source affirms that substandard conditions in the prison, coupled with the psychological and occasionally physical abuse that guards and fellow prisoners have inflicted on him, have severely affected Mr. Wang's physical and mental health. Despite his deteriorating condition, Mr. Wang receives only occasional visits from the prison physician, who provides limited treatment. Mr. Wang has not seen a dentist since his arrest. On 11 September 2017, the court granted permission for Mr. Wang to be visited by a physician who can treat the medical issues that the prison doctor has not addressed. Nevertheless, Mr. Wang has not been granted access to specialized medical facilities outside the prison, despite multiple requests from the Swiss Embassy and his local lawyer. The source submits that this conduct violates the United Nations Standard Minimum Rules for the Treatment of Prisoners (the Nelson Mandela Rules), particularly rules 24, 25, 27 and 30.

23. The source further submits that a representative of the Swiss Embassy has been able to make only five consular visits to Mr. Wang, and was not granted permission for such a visit for over two weeks after his detention. Mr. Wang and his local lawyer have repeatedly requested that Mr. Wang be allowed access to books and clothing shipped to the Islamic Republic of Iran by his family, but have faced resistance and refusals by the prosecutor and prison guards. Mr. Wang's access to a telephone varies depending on the ward he is being detained on and the discretion of prison officials.

24. The source adds that, in November 2017, the Iranian State-run Channel 2 evening news ran a six-minute segment on the espionage accusations against Mr. Wang, alleging that the Government of the United States had assigned him the topic for his dissertation at Princeton University and that he had collected 4,500 pages of documents to send to United States intelligence agencies. The segment interspersed these accusations with portions of a recorded interrogation of Mr. Wang. The source alleges that this interrogation took place after 18 days of solitary confinement. During the interrogation, Mr. Wang was allegedly surrounded by prison guards and faced enormous pressure to confess.

25. Finally, the source observes that although one domestic avenue for legal redress technically remains available — an extraordinary appeal to the Supreme Court of the

Islamic Republic of Iran — this option is not genuinely available or an effective means of redress for a United States national such as Mr. Wang. There is no realistic possibility that Mr. Wang could prevail in that court. Under general international law, a local remedy is considered ineffective if the remedy does not provide a reasonable possibility of redress.

26. Mr. Wang has now been in detention for over two years since his arrest on 7 August 2016 and remains in Evin Prison. The source submits that Mr. Wang's detention is arbitrary according to categories I, II, III and V.

*Category I: lack of legal basis for the detention*

27. In relation to category I, the source argues that the authorities arrested and detained Mr. Wang without providing a legal basis, in violation of the international obligations of the Islamic Republic of Iran, including under the Covenant. In particular, the Government violated articles 9 (1) and (2) of the Covenant, as the authorities did not inform Mr. Wang of the reasons for his arrest or of any charges against him. The source concludes that the Iranian authorities failed to provide a legal basis for Mr. Wang's arrest, noting that formal charges were not filed against him for five and a half months after his detention on 7 August 2016.

28. In addition, the source submits that the Government violated its obligation under article 9 (3) of the Covenant by failing to bring Mr. Wang before a judge promptly after his arrest and by holding Mr. Wang incommunicado for one week. Mr. Wang did not appear before the investigating judge until 11 December 2016, more than four months after his arrest.

29. In relation to the length of Mr. Wang's pretrial detention, the source observes that Mr. Wang's case was not referred to the Revolutionary Court until 22 January 2017. His first appearance before Branch 15 of the Revolutionary Court, the court that eventually tried and convicted him, was not until 11 March 2017, more than seven months after his arrest. While international law does not set a strict limit on a "reasonable" period of pretrial detention, the circumstances of this case support the finding that this protracted period of detention was not reasonable. The source notes that the Government has never offered any reasons for the delay in issuing formal charges and adjudicating Mr. Wang's case.

30. The source submits that when the authorities finally indicted Mr. Wang, he was charged with the crime of espionage, which is a vague and overly broad charge historically used by the Government as a pretext for the detention of foreigners. This charge does not satisfy the requirement of the Covenant that the legal basis for detention be defined with sufficient precision to avoid overly broad or arbitrary interpretation or application.<sup>1</sup>

31. Furthermore, Mr. Wang was convicted of espionage and of cooperation with a hostile State without a legal basis under Iranian law. According to the source, there is no evidence that Mr. Wang committed the requisite acts that satisfy the elements of the crimes he was charged with, as defined by articles 501 and 508 of the Islamic Penal Code. Mr. Wang's research requests only covered documents produced between 1880 and 1921, and could not have contained any information relevant to national or international policies of the modern Iranian State. In addition, the documents requested by Mr. Wang did not bear classified stamps that would have indicated sensitive content. The majority of the documents were newspaper clippings, so the information they contained was originally publicly available. Similarly, Mr. Wang did not cooperate with foreign States against the Islamic Republic of Iran, as he received no funding from the United States Government for his research, and has never served in the United States military or otherwise been employed by the United States Government.

*Category II: exercise of fundamental rights*

32. In relation to category II, the source submits that Mr. Wang's detention directly resulted from conduct that is protected by article 19 of the Covenant. Mr. Wang travelled to

<sup>1</sup> See Human Rights Committee, general comment No. 35 (2014) on liberty and security of person, para. 22.

the Islamic Republic of Iran to conduct dissertation research on nineteenth- and early twentieth-century Qajar and Pahlavi governance. He was peacefully exercising his right to seek and receive information for academic purposes in the form of historical records held by a public body.

33. Furthermore, the source notes that, on the face of it, the records that Mr. Wang sought to review do not implicate the national security interests of the Islamic Republic of Iran. That is, Mr. Wang sought to review unclassified historical records from more than 100 years ago. These documents do not contain any national security information, are not pertinent to the operations of the contemporary Government, and were not classified or labelled as such. The application of Iranian espionage laws to Mr. Wang is not permissible under article 19 (3) of the Covenant because it does not serve a legitimate interest, such as the protection of national security.

*Category III: due process rights*

34. In relation to category III, the source submits that violations of the most basic standards of due process were evident throughout Mr. Wang's pretrial and post-trial detention. Specifically, the source argues that Mr. Wang's pretrial detention violated article 9 of the Universal Declaration of Human Rights and article 9 of the International Covenant on Civil and Political Rights. The authorities arrested Mr. Wang without informing him of the reasons for his arrest or the charges against him. No charges were filed for five and a half months after his initial arrest, during which time Mr. Wang was held in detention, including in solitary confinement. Mr. Wang was not immediately brought before a judge, and was held for more than seven months before his trial began.

35. The source also submits that Mr. Wang's trial violated article 10 of the Universal Declaration of Human Rights and article 14 (1) of the Covenant. Mr. Wang's hearing was neither fair nor public, and the court was not independent and impartial. Mr. Wang was tried in the Revolutionary Court before a judge who is known for conducting political show trials and suspected of ties to the intelligence community, and thus does not qualify as impartial to a reasonable observer.<sup>2</sup>

36. Mr. Wang's right to a public hearing was also violated as his hearing was closed to the public. The source argues that the exclusion of the general public and Mr. Wang's United States-based attorneys from his trial cannot be justified by the Covenant's national security and public order exception, which has historically been invoked in cases of terrorist activity, leaks of classified information and other major threats to public safety. Mr. Wang's local lawyer was even precluded from sharing information with Mr. Wang's United States-based attorneys, which hindered their efforts to assist with his trial. Furthermore, his local lawyer was prevented from calling witnesses or speaking on Mr. Wang's behalf until the end of the trial.

37. The source further submits that the Government violated article 11 of the Universal Declaration of Human Rights and article 14 (3) of the Covenant, as the limitations imposed by the judiciary, including extreme secrecy, made it impossible to present a proper defence. Only Mr. Wang's local lawyer was allowed access to the indictment and evidence against Mr. Wang. Furthermore, without any explanation, the Revolutionary Court rejected Mr. Wang's request to retain experienced local counsel to assist with his defence. The source notes that the Court may have withheld some evidence collected by the Iranian intelligence service from Mr. Wang's local lawyer, making it impossible for Mr. Wang to properly contest the charges.

38. According to the source, the Iranian authorities violated article 14 (2) and (3) (g) of the Covenant by forcing Mr. Wang to sign a self-incriminating confession. In addition, the

<sup>2</sup> See Human Rights Committee, general comment No. 32 (2007) on the right to equality before courts and tribunals and to a fair trial, para. 21. See also the Working Group's opinion No. 44/2015, para. 13, in which the source made a similar submission relating to the same judge, noting that the judge had been sanctioned by the European Union in 2011 for human rights violations.

source argues that the substandard conditions of detention negatively affected Mr. Wang's ability to prepare his defence.

*Category V: discrimination*

39. In relation to category V, the source argues that the detention of Mr. Wang was discriminatory and violated the human rights obligations of the Islamic Republic of Iran under articles 2 (1) and 26 of the Covenant. The prosecution of Mr. Wang, the public statements by the Iranian judiciary, the pattern of nationality-based discrimination by the Islamic Republic of Iran and the broader political context all indicate that Mr. Wang's detention was motivated by his status as a United States citizen.

*Response from the Government*

40. On 31 January 2018, the Working Group transmitted the allegations from the source to the Government of the Islamic Republic of Iran under its regular communication procedure. The Working Group requested the Government to provide, by 3 April 2018, detailed information about the current situation of Mr. Wang. The Working Group also requested the Government to clarify the legal provisions justifying Mr. Wang's detention, and the compatibility of his detention with the State's obligations under international human rights law. The Working Group called upon the Government to ensure the physical and mental integrity of Mr. Wang.

41. On 2 February 2018, the Government requested an extension of the deadline for its response. The extension was granted, and a new deadline of 3 May 2018 was set. The Government submitted its response on 3 May 2018.

42. In its response, the Government states that Mr. Wang had received a study visa from the Ministry of Science, Research and Technology to study Farsi at the Dehkhoda Institute. However, despite having been prohibited access to the requested documents and venues, Mr. Wang bribed some employees and illegally obtained access to archival documents in the national library, documents of the Islamic Consultative Assembly (parliament) and the archives of the Ministry of Foreign Affairs<sup>3</sup> under the pretext of conducting academic research.

43. According to the Government, further investigations revealed that Mr. Wang's study had been used as a cover for generating an ethnic crisis in the Islamic Republic of Iran. He was questioned by the police in relation to these criminal acts. On 17 August 2016, Mr. Wang was charged in the lobby of the Azadi Hotel and a court order (No. 950056) was presented to him. He was able to immediately inform his family. Mr. Wang was informed of the charges against him at the time of his arrest. The Government denies that Mr. Wang was given permission to return to the United States. Mr. Wang was taken to Evin Prison, a registered prison in Tehran, where he received a medical examination that revealed no problems with his health.

44. The Government notes that an order to hold a person in solitary confinement is issued by a judge during the investigation in a very limited number of cases in order to prevent collusion between the suspect and accomplices. According to article 175 (4) of the Executive Order of the Prisons Organization, imprisonment in single units for up to 20 days is prescribed as a disciplinary punishment. A prisoner subject to such punishment enjoys the other rights of a prisoner. The regulations define the terms of use of this punishment, which includes its use for persons charged with terrorist offences or activities compromising national security.

45. All of the relevant legal provisions were carefully observed in the case of Mr. Wang: during the few days he spent in solitary confinement he was supervised by the Prisons Organization and the confinement was ordered by a judge. Solitary confinement was

<sup>3</sup> The Government states that these records were sought by Mr. Wang for a comparative study of the governance of the Governments of the Islamic Republic of Iran and the Russian Empire with regard to the Turkmen region and ethnicity, that is, a comparative study of Turkmenia in the Russian Federation and Turkmen Sahra in the Islamic Republic of Iran.



ordered for the completion of the investigation and to prevent collusion. During the short period of his solitary confinement, Mr. Wang's rights were observed, and he had access to a television, a refrigerator, furniture and media and health facilities.

46. In addition, the Swiss Embassy in Tehran was notified by the Ministry of Foreign Affairs that a United States citizen had been arrested. The attorney at the Swiss Embassy was able to examine the progress of the case at the end of the first week of Mr. Wang's detention. Mr. Wang met with the attorney on 13 September 2016. The Swiss Ambassador also met with Mr. Wang on 14 September 2016, and the Swiss authorities have met with Mr. Wang on five occasions. All the legal requirements applicable to foreign nationals, including access to an interpreter and consular protection, have been observed.

47. According to the Government, upon receiving a report from the police, Mr. Wang was summoned by the judicial authorities. Due to the necessity of completing the investigation, the order for Mr. Wang's arrest was renewed on a monthly basis by the judicial authorities. The Government submits that the time taken to file the case was reasonable.

48. After the completion of the investigation on 7 January 2017, the bill of indictment was sent to the competent court to determine a time for the hearing. The preliminary indictment contained details of the alleged offences, including Mr. Wang's contact with organizations seeking to overthrow the Islamic Republic of Iran. It also detailed how Mr. Wang served those groups and received money for the collection of information and intelligence. The Government notes that access to the records of the libraries and archives mentioned in the source's submission requires approval that Mr. Wang did not have, and he was officially prohibited from using the archives. He was only able to gain access to the documents through bribery, and his activities indicated the purposeful pursuit of acts of espionage.

49. The court found Mr. Wang guilty and, in accordance with articles 215 and 508 of the Islamic Penal Code, sentenced him to 10 years' imprisonment. Mr. Wang was required to repay the funds that he had received for his illegal services. The Government states that the requirements of a fair trial were met. Article 352 of the Criminal Procedure Code stipulates that the court may, at its discretion, meet in camera, and if public security requires it. Given that the charges against Mr. Wang involved espionage, the court held the trial in camera.

50. The decision was subsequently appealed and was confirmed by the appellate court. On 12 August 2017, the three judges of the court of appeal stated that Mr. Wang had not provided substantiated reasons for the appeal. The court of appeal found that the initial judgment had been issued in accordance with the evidence and in a reasoned and documented manner based on the same materials submitted by the defendant at trial and on appeal. The judiciary is not required to release news of the arrest or trial of individuals, and the conviction of a person may be made public only after the issuance of the final verdict.

51. The Government states that Mr. Wang enjoys all the amenities that other prisoners do, including food, air conditioning, media facilities and telephone calls with his family. He has access to the appropriate medical and therapeutic facilities. Mr. Wang's health is normal, apart from pre-existing skin allergies. Mr. Wang has some command of Farsi and is allowed to communicate with other people in the prison. The Government provided a list of dates of Mr. Wang's contacts, visits and medical appointments.

52. The Government recalls that all prisons in the Islamic Republic of Iran are under the direct control of prosecutors, particularly units where accused persons and those convicted of national security offences are held. The Department of Justice of each province conducts periodic and impromptu inspections. Furthermore, the Prisons Organization is an independent body that operates under judicial supervision and is responsible for the treatment of prisoners. The Prisons Organization cannot accept anyone as a prisoner without a judicial order. In practice, a central supervisory board and provincial boards consider complaints and take action on allegations, and prison officers receive the requisite training in managing prisoners.

53. According to the Government, efforts are being made to improve the hygiene, treatment and nutrition of prisoners throughout the country. Free medical services are

provided to prisoners and specialized medical services can be accessed outside prisons. Medical tests are required for all prisoners at least once a month, and the Nelson Mandela Rules are observed and, in some cases, exceeded. More specifically, Evin Prison has been visited by delegations from inside and outside of the Islamic Republic of Iran, with 45 resident ambassadors and diplomatic representatives in Tehran visiting Evin Prison on 5 July 2017. Positive statements about the conditions of the prison were reflected in the media. The observance of the rights of detainees on Ward 209 of Evin Prison is closely monitored by the authorities.

54. The Government states that there has been no report of Mr. Wang suffering from any physical or psychological illness. The Government acknowledges that tensions between prisoners occur, and that movements between wards take place, but emphasizes that Mr. Wang is satisfied with his conditions in Evin Prison and has thanked the prison authorities in writing on two occasions.

55. In relation to the source's submissions on the categories applied by the Working Group, the Government argues that Mr. Wang's case involves illegal actions rather than activities protected under the Covenant that would fall within category II. In any event, the Government refers to permissible restrictions on rights under the Covenant, such as restrictions that are necessary for the protection of national security under article 19 (3).

56. In addition, the Government refers to its arguments on the legal basis of the charges and on the fair and impartial process applied to Mr. Wang, and submits that the case does not fall within category III. The Government denies the source's allegation that Mr. Wang was forced to make a confession. The verdict against Mr. Wang was not issued solely on the basis of his confession, but was based on a large volume of information placed before the courts. Furthermore, the Government submits that, since Mr. Wang's legal representatives were attorneys from the Swiss Embassy in Tehran, the source's allegation that United States lawyers were not able to participate in Mr. Wang's defence is incorrect. Mr. Wang's lawyers had sufficient access to him and the contents of the case, and were able to defend him.

57. Finally, the Government states that legal proceedings were initiated in the present case without regard to the individual's nationality and that there was no discrimination involved. Iranian law is applied equally to all defendants, including United States citizens, without exception.

*Further information from the source*

58. On 4 May 2018, the Government's response was sent to the source. The source responded on 24 July 2018.

59. The source submits that its original submission provided a comprehensive account of Mr. Wang's arrest, detention and wrongful conviction. Having established a prima facie case, the burden rests with the Government to rebut these claims. Instead, the Government has failed to explain how Mr. Wang violated the country's espionage statutes, and has made sweeping claims about the amenities in the national prisons, all without supporting documents.

60. The source emphasizes that Mr. Wang is a doctoral student who travelled to the Islamic Republic of Iran to study Farsi and to research governance issues from the nineteenth and early twentieth centuries. Mr. Wang clearly stated his intention to conduct research to the Iranian authorities before his visit. The source refers to correspondence between Princeton University and the Interests Section of the Islamic Republic of Iran stating the purpose of Mr. Wang's research and to a letter of support for this research from the Dehkhoda Institute. The source points out that, far from concealing his purpose, Mr. Wang also wrote to the British Institute for Persian Studies thanking it for putting him in contact with senior scholars at the relevant Iranian archival and library institutions.

61. In relation to the Government's assertion that Mr. Wang's academic research was "a cover for generating an ethnic crisis in the Islamic Republic of Iran", the source notes that Mr. Wang was only engaged in historical research and had no contact with ethnic groups inside or outside of the country. With reference to the Government's claims that it obtained

evidence that Mr. Wang was involved with groups using secret funds to overthrow the Islamic Republic of Iran and that he received money for collecting information, if such evidence exists, the Government could and should have submitted it, or at least a detailed description, with its response. Mr. Wang had no contacts with secret groups, no plans to take action against the Government, and received no money to collect information for any person or Government.

62. The source reiterates its allegations in relation to categories I, II, III and V. In relation to the lack of a legal basis for the arrest and detention, the source emphasizes that, contrary to the Government's claims, the Iranian authorities did not present Mr. Wang with formal charges or inform his family or the Swiss Embassy of his arrest. Mr. Wang told the Swiss Embassy that he was being taken to the airport, but he never arrived. Similarly, the authorities did not inform Mr. Wang's family, Princeton University, the Swiss Embassy, the United States Department of State, or Mr. Wang's local lawyer of his location. It was only after his local lawyer made enquiries at Evin Prison that the authorities confirmed that Mr. Wang was being held there, but they did not allow him to see or speak with Mr. Wang.

63. The source points to admissions made by the Government. First, the Government conceded that Mr. Wang had been held in solitary confinement at Evin Prison, and it did not dispute that the solitary confinement had lasted 18 days. Second, the Government confirmed that Mr. Wang had not met with his local lawyer until 13 September 2016, more than a month after his arrest. Third, the Government conceded that Mr. Wang had not received a consular visit until 14 September 2016 and that Mr. Wang had only been permitted five consular visits in two years. Fourth, the Government admitted that the indictment had been issued in January 2017, more than five months after Mr. Wang's arrest.

64. According to the source, Mr. Wang was brought to trial and convicted in April 2017, after more than eight months in prison. Although Mr. Wang and his local lawyer did not learn of his conviction until the end of April, it appears that he was convicted on 9 April 2017, a day after the conclusion of his trial. The Government's response notes that Mr. Wang was convicted of violating articles 215 and 508 of the Islamic Penal Code. However, Mr. Wang and his local lawyer were told that he had been convicted under articles 501 and 508, while the Iranian appeals court referred only to articles 215 and 508 in its judgment.<sup>4</sup> The Government has failed to provide any evidence, either during the trial or in its response, to support its claim that Mr. Wang violated any of these three provisions.

65. The Government alleged that Mr. Wang had been in contact with organizations and groups that opposed the Government and had gained access to certain documents through bribery, which indicated the purposeful pursuit of acts of espionage. However, the Government did not show at Mr. Wang's trial or in its response that he had been in contact with any foreign Government or opposition group. The Government of the Islamic Republic of Iran appears to consider that Mr. Wang's communications with his Princeton University dissertation adviser, a scholar specializing in Russian and Eurasian history, constituted cooperation with an opposition organization or foreign Government. Mr. Wang's dissertation adviser has no involvement with Iranian opposition groups or contacts with any foreign Governments relating to the Islamic Republic of Iran.

66. Finally, the source reiterates that Mr. Wang has suffered for two years in deplorable detention conditions. Rather than demonstrate that it complied with the Covenant and the Nelson Mandela Rules, the Government insists that Mr. Wang receives excellent medical treatment. The Government's claims in relation to conditions at Evin Prison are not credible given the widespread condemnation of that facility — the most infamous prison in the country. Mr. Wang has been subjected to cruel, inhuman and degrading treatment throughout his detention, which hindered his ability to mount a defence and remains a threat to his health and safety.

<sup>4</sup> The source specifically cites article 215 of the Islamic Penal Code, noting that it appears to describe what a court or prosecutor may do with confiscated property.

## Discussion

67. The Working Group thanks the source and the Government for their submissions.

68. In determining whether Mr. Wang's deprivation of liberty is arbitrary, the Working Group has regard to the principles established in its jurisprudence to deal with evidentiary issues. If the source has presented a prima facie case for breach of the international requirements constituting arbitrary detention, the burden of proof should be understood to rest upon the Government if it wishes to refute the allegations. Mere assertions by the Government that lawful procedures have been followed are not sufficient to rebut the source's allegations (see A/HRC/19/57, para. 68).

69. The source alleges that the police did not present an arrest warrant and did not inform Mr. Wang of the reasons for his arrest on 7 August 2016. The Government denies these allegations but has not provided any evidence to substantiate its assertions. According to article 9 (1) of the Covenant, no one shall be deprived of liberty except on such grounds and in accordance with such procedure as are established by law. The Working Group finds that Mr. Wang was arrested without an arrest warrant and without being informed at that time of the reasons for his arrest, in violation of article 9 (1) and (2) of the Covenant. Furthermore, as the Government confirmed, the indictment against Mr. Wang was issued in January 2017, five months after his arrest. Mr. Wang was therefore not promptly informed of the charges against him, in violation of article 9 (2) of the Covenant. Accordingly, given that no arrest warrant was presented at the time of arrest, the reasons for the arrest were not provided and Mr. Wang was not promptly notified of the charges against him, the authorities have failed to establish a legal basis for his detention.

70. In addition, the Working Group finds that the Government violated article 9 (3) of the Covenant by failing to bring Mr. Wang before a judge promptly after his arrest and by holding him incommunicado for one week. The Government stated that the detention order was renewed on a monthly basis by a judicial authority, but there is no indication that Mr. Wang was brought before a court until 11 December 2016, more than four months after his arrest. There is also no indication that Mr. Wang had any opportunity to bring proceedings to challenge his detention, in violation of article 9 (4) of the Covenant. Judicial oversight of deprivation of liberty is a fundamental safeguard of personal liberty<sup>5</sup> and is essential in ensuring that detention has a legal basis.

71. For these reasons, the Working Group finds that there was no legal basis for the arrest and detention of Mr. Wang. His deprivation of liberty is arbitrary under category I.

72. The source further alleges that Mr. Wang was deprived of his liberty for peacefully exercising his right to freedom of expression under article 19 of the Universal Declaration of Human Rights and article 19 of the Covenant. The Government denies this allegation, insisting that Mr. Wang was detained for his illegal actions.

73. While the Government provided few details as to the precise charges brought against Mr. Wang, it appears from the appeal court judgment that Mr. Wang was convicted under articles 215 and 508 of the Islamic Penal Code. Mr. Wang appears to have received the maximum penalty under article 508, having been sentenced to 10 years' imprisonment. Article 508 of the Islamic Penal Code provides that:

Anyone who cooperates by any means with foreign States against the Islamic Republic of Iran, if not considered as an enemy of God, shall be sentenced to 1 to 10 years' imprisonment.

74. The Working Group recalls that the freedom of expression protected under international human rights law includes the right to seek, receive and impart information and ideas of all kinds.<sup>6</sup> In the present case, Mr. Wang travelled to the Islamic Republic of Iran with the express purpose of conducting dissertation research on nineteenth- and early

<sup>5</sup> See the United Nations Basic Principles and Guidelines on Remedies and Procedures on the Right of Anyone Deprived of Their Liberty to Bring Proceedings Before a Court, para. 3.

<sup>6</sup> See Human Rights Committee, general comment No. 34 (2011) on the freedoms of opinion and expression, paras. 11 and 18.

twentieth-century Qajar and Pahlavi governance. The Government did not explain in its response how Mr. Wang had cooperated with a foreign State (which, from the indictment, appears to be the United States) against the Islamic Republic of Iran, nor how accessing historical archives relating to a period of governance over 100 years ago could amount to an attempt to overthrow the Government. Accordingly, the Working Group finds that Mr. Wang was peacefully exercising his right to seek and receive information for academic purposes in the form of historical records held by a public body, and that this falls within the boundaries of the freedom of expression.

75. The Government refers to permissible restrictions on the freedom of expression under article 19 (3) of the Covenant, particularly for the protection of national security. However, Mr. Wang sought to review historical records, including newspaper clippings produced between 1880 and 1921. The Government did not establish a clear connection between this activity and contemporary national security interests protected under article 19 (3). Accordingly, the Working Group finds that the application of Iranian espionage laws to Mr. Wang is not permissible under article 19 (3) of the Covenant because it does not serve a legitimate interest, such as the protection of national security. Similarly, the Government did not demonstrate why bringing charges against Mr. Wang was a necessary and proportionate response to his alleged activities.

76. In any event, the Human Rights Council has called on States to refrain from imposing restrictions under article 19 (3) that are not consistent with international human rights law.<sup>7</sup> Moreover, as the Human Rights Committee has stated, extreme care must be taken by States parties to ensure that treason laws and similar provisions relating to national security, whether described as official secrets or sedition laws or otherwise, are crafted and applied in a manner that conforms to the strict requirements of article 19 (3). It is not compatible with article 19 (3), for instance, to invoke such laws to suppress, or withhold from the public, information of legitimate public interest that does not harm national security or to prosecute researchers or others for having disseminated such information.<sup>8</sup>

77. The Working Group concludes that Mr. Wang has been deprived of his liberty as a result of the peaceful exercise of his right to freedom of expression under article 19 of the Universal Declaration of Human Rights and article 19 of the Covenant. His deprivation of liberty is arbitrary under category II. The Working Group refers this case to the Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression.

78. The Working Group considers that certain provisions of the Islamic Penal Code, and in particular article 508, are so vague and overly broad that they could, as in the present case, result in penalties being imposed on individuals who had merely exercised their rights under international law. As the Working Group has stated, the principle of legality requires that criminal laws be formulated with sufficient precision so that the individual can access and understand the law, and regulate his or her conduct accordingly.<sup>9</sup> In this case, the application of vague and overly broad provisions adds weight to the Working Group's conclusion that Mr. Wang's deprivation of liberty falls within category II. The Working Group considers that, in some circumstances, laws may be so vague and overly broad that it is impossible to invoke them as a legal basis justifying the deprivation of liberty.

79. Given its finding that the deprivation of liberty of Mr. Wang was arbitrary under category II, the Working Group emphasizes that no trial of Mr. Wang should have taken place. However, he was tried by Branch 15 of the Revolutionary Court in March 2017 and convicted on 9 April 2017. The Working Group considers that there were multiple violations of his right to a fair trial, as follows:

(a) The authorities failed to inform Mr. Wang's family and lawyer of his whereabouts following his arrest, in violation of principles 15, 16 (1), 18 and 19 of the

<sup>7</sup> See Council resolution 12/16, para. 5 (p).

<sup>8</sup> *Ibid.*, para. 30.

<sup>9</sup> See, e.g., opinion No. 41/2017, paras. 98–99.

Body of Principles for the Protection of All Persons under Any Form of Detention or Imprisonment;

(b) The authorities failed to notify the United States or Switzerland that Mr. Wang had been detained,<sup>10</sup> in violation of article 36 of the Vienna Convention on Consular Relations. The Government asserted that it had notified the Swiss Embassy of Mr. Wang's arrest but had provided no further details. A representative of the Swiss Embassy has only been permitted to make five consular visits to Mr. Wang and was not granted such a visit for over a month after his detention, in violation of rule 62 of the Nelson Mandela Rules. Although the Government argued that all requirements applicable to foreign nationals had been met, it conceded that Mr. Wang had not been accorded a consular visit until 14 September 2016 and that he had only been permitted five consular visits in two years;

(c) Mr. Wang was held in pretrial detention for more than seven months until his first appearance before the Revolutionary Court on 11 March 2017. The Government did not challenge this allegation, arguing that the time taken to file the case was reasonable due to the need to complete the investigation. According to article 9 (3) of the Covenant, pretrial detention should be the exception rather than the rule, and as short as possible. Seven months was unreasonably long, given that no alternatives to detention appear to have been considered;

(d) Mr. Wang was held in solitary confinement for at least 18 days following his arrest. The Government stated that all legal procedures were observed during the "few days" that it was necessary to hold Mr. Wang in solitary confinement in order to prevent possible collusion, but did not deny that that confinement extended to 18 days. According to rule 45 of the Nelson Mandela Rules, the imposition of solitary confinement must be accompanied by certain safeguards. That is, solitary confinement must only be used in exceptional cases as a last resort, for as short a time as possible, and be subject to independent review. These conditions do not appear to have been observed. Moreover, prolonged solitary confinement in excess of 15 consecutive days is prohibited under rules 43 (1) (b) and 44 of the Nelson Mandela Rules;

(e) Mr. Wang's trial was closed, in violation of his right to a public hearing under article 14 (1) of the Covenant. The Government confirmed that the trial had been held in camera because it involved espionage charges, noting that closed hearings were permitted if public security required. The Government did not explain how Mr. Wang's trial on espionage charges posed a threat to national security so serious that it warranted a closed hearing. Moreover, the essential findings, evidence and reasons should have been made public in accordance with article 14 (1) of the Covenant;<sup>11</sup>

(f) The revolutionary courts that tried Mr. Wang and heard his appeal do not meet the standards of an independent and impartial tribunal under article 14 (1) of the Covenant;<sup>12</sup>

(g) Mr. Wang was denied access to legal counsel, in violation of article 14 (3) (b) of the Covenant. Following his arrest, Mr. Wang was interrogated without the presence of a lawyer and, as the Government confirmed, did not meet with his lawyer for more than a month after his arrest. Persons deprived of their liberty have the right to legal assistance by counsel of their choice at any time during their detention, including immediately after their apprehension.<sup>13</sup> Mr. Wang's local lawyer was not permitted to share information with Mr. Wang's attorneys based in the United States. This restricted Mr. Wang's ability to defend the case, given that he had allegedly cooperated with institutions in the United States and

<sup>10</sup> As noted in paragraph 13 above, Switzerland represents the interests of the Government of the United States in the Islamic Republic of Iran.

<sup>11</sup> See Human Rights Committee, general comment No. 32, para. 29.

<sup>12</sup> See the report of the Working Group on its visit to the Islamic Republic of Iran (E/CN.4/2004/3/Add.2, para. 65). The Working Group considers that its finding in that report regarding the revolutionary courts remains current (see opinion No. 19/2018, para. 34).

<sup>13</sup> See United Nations Basic Principles and Guidelines on Remedies and Procedures on the Right of Anyone Deprived of Their Liberty to Bring Proceedings Before a Court, principle 9 and guideline 8.

with the Government of the United States. Mr. Wang was not permitted to hire experienced local legal counsel;

(h) Mr. Wang's local lawyer was prevented from calling witnesses or speaking on Mr. Wang's behalf until the end of the trial, in violation of article 14 (3) (d) and (e) of the Covenant. While the Government noted that Mr. Wang's lawyers had sufficient access to the contents of the case and had been able to defend him, it did not specifically deny this allegation;

(i) Mr. Wang was forced to sign a confession following his solitary confinement. The Government denies this allegation, and claims that the verdict against Mr. Wang was not issued solely on the basis of his confession but was also based on other evidence. The burden is on the Government to prove that Mr. Wang's statement was given freely,<sup>14</sup> and it has not done so. The Working Group considers that a forced confession taints the entire proceedings, regardless of whether other evidence was available to support the verdict,<sup>15</sup> as it violates the right to be presumed innocent under article 14 (2) of the Covenant and the right not to be compelled to confess guilt under article 14 (3) (g);

(j) The overcrowded, unhygienic and inhuman conditions in which Mr. Wang has been detained have hindered his ability to participate in and prepare his defence.<sup>16</sup>

80. The Working Group concludes that the violations of the right to a fair trial are of such gravity as to give Mr. Wang's deprivation of liberty an arbitrary character under category III.

81. In addition, the Working Group considers that the source has established a prima facie case that Mr. Wang was detained because of his status as a foreign national. The Government denies this allegation, claiming that Iranian law is applied equally to all defendants. However, there are several factors that lead the Working Group to conclude that Mr. Wang's detention was motivated by the fact that he is a United States citizen. First, there is no evidence that Mr. Wang was present in the Islamic Republic of Iran for any reason other than to pursue his dissertation research. Indeed, prior to his arrest, he had visited the Islamic Republic of Iran from January to March 2016 without incident, and had informed the authorities of the purpose of his research. Second, the Working Group considers that it is no coincidence that the charges against Mr. Wang are linked to his relationship with academic institutions in the United States.<sup>17</sup> Third, Mr. Wang's sentence of 10 years' imprisonment appears to be disproportionately heavy, as there was no evidence that he had a criminal record, nor that he was intending to, or did in fact, conduct espionage or cause an ethnic crisis in the Islamic Republic of Iran.

82. In its jurisprudence, the Working Group has repeatedly found a practice in the Islamic Republic of Iran of targeting foreign nationals for detention.<sup>18</sup> The Special Rapporteur on the situation of human rights in the Islamic Republic of Iran also recently recognized this pattern, specifically referring to Mr. Wang's case and noting that current estimates suggest that at least 30 foreign and dual nationals have been imprisoned since 2015.<sup>19</sup> The Working Group considers that the present case is part of that pattern. Mr. Wang

<sup>14</sup> See Human Rights Committee, general comment No. 32, para. 41.

<sup>15</sup> See opinion No. 34/2015, para. 28.

<sup>16</sup> See opinion No. 47/2017, para. 28. See also E/CN.4/2004/3/Add.3, para. 33; and opinion No. 92/2017, para. 56.

<sup>17</sup> The source refers to a Mizan News Agency report in July 2017 about "American research centres" sending spies to the Islamic Republic of Iran under the cover of scholarly activities, and a Channel 2 news segment in November 2017 that alleged that the United States had chosen the topic of Mr. Wang's dissertation.

<sup>18</sup> See, e.g., opinions Nos. 49/2017, 7/2017 and 28/2016. See also opinion No. 92/2017, regarding detention of an Iranian national with Swedish residency, and Nos. 50/2016, 44/2015, 28/2013 and 18/2013, concerning detention of United States nationals, some of whom also held Iranian nationality.

<sup>19</sup> See A/HRC/37/68, paras. 51–57. The Special Rapporteur notes that these cases are emblematic examples of due process failings, as they commonly relate to the mere suspicion of anti-State activities with no detailed charges. The Secretary-General has also expressed concern relating to the

was deprived of his liberty on discriminatory grounds, that is, on the basis of his national or social origin, in violation of articles 2 and 7 of the Universal Declaration of Human Rights and articles 2 (1) and 26 of the Covenant. His deprivation of liberty is arbitrary according to category V.

83. Given the serious violations of Mr. Wang's rights, the Working Group refers this case to the Special Rapporteur on the situation of human rights in the Islamic Republic of Iran.

84. The Working Group wishes to express its grave concern about Mr. Wang's health, which is reportedly deteriorating rapidly after two years of detention. Mr. Wang suffers from depression, and has expressed suicidal thoughts to his family. He has not received medical treatment that addresses his ongoing health issues. According to the source, Mr. Wang has also been subjected to cruel, inhuman and degrading treatment, including transfers between prison wards without explanation, threats and violence from other prisoners, intimidation and physical abuse by prison guards, detention in deplorable conditions and denial of access to books and clothing shipped by his family. The Government denies these allegations, insisting that Mr. Wang is in normal health and is satisfied with the conditions in Evin Prison. The Government provided the dates of Mr. Wang's visits and medical appointments. Having taken into account all available information, the Working Group considers that the Government did not provide convincing information or evidence in support of its claims.

85. In the view of the Working Group, Mr. Wang's treatment falls short of the standards set out, *inter alia*, in rules 1, 12, 13, 24, 25, 27, 30, 31 and 42 of the Nelson Mandela Rules. The Working Group urges the Government to immediately release Mr. Wang, and to ensure that he is urgently transferred to a hospital. The Working Group refers this case to the Special Rapporteur on torture and other cruel, inhuman or degrading treatment or punishment.

86. This case is one of several cases brought before the Working Group in the last five years concerning arbitrary deprivation of liberty in the Islamic Republic of Iran.<sup>20</sup> The Working Group notes that many of the cases involving the Islamic Republic of Iran follow a familiar pattern of arrest and detention outside legal procedures; lengthy pretrial detention with no access to judicial review; incommunicado detention and prolonged solitary confinement; denial of access to legal counsel; prosecution under vaguely worded criminal offences with inadequate evidence to support the allegations; a closed trial and appeal by courts lacking in independence; disproportionately harsh sentencing; torture and ill-treatment; and denial of medical care. The Working Group recalls that, under certain circumstances, widespread or systematic imprisonment or other severe deprivation of liberty in violation of the rules of international law may constitute crimes against humanity.<sup>21</sup>

87. The Working Group would welcome the opportunity to work constructively with the Government to address arbitrary deprivation of liberty in the Islamic Republic of Iran. Given that a significant period of time has passed since its most recent country visit to the Islamic Republic of Iran in February 2003, the Working Group considers that it is now an appropriate time to conduct another visit. The Working Group recalls that the Government issued a standing invitation to all thematic special procedure mandate holders on 24 July 2002, and awaits a positive response to its request to visit made on 10 August 2016.

88. As the human rights record of the Islamic Republic of Iran will be reviewed during the third cycle of the universal periodic review in November 2019, the Government may wish to seize the present opportunity to enhance its cooperation with the special procedures and to bring its laws into conformity with international human rights law.

prosecution of foreign and dual nationals in the Islamic Republic of Iran, including Mr. Wang (A/HRC/37/24).

<sup>20</sup> See, e.g., opinions Nos. 19/2018, 92/2017, 49/2017, 48/2017, 9/2017, 7/2017, 50/2016, 28/2016, 25/2016, 2/2016, 1/2016, 44/2015, 16/2015, 55/2013, 52/2013, 28/2013 and 18/2013.

<sup>21</sup> See, e.g., opinion No. 47/2012, para. 22.



## **Disposition**

89. In the light of the foregoing, the Working Group renders the following opinion:

The deprivation of liberty of Xiyue Wang, being in contravention of articles 2, 7, 9, 10, 11 (1) and 19 of the Universal Declaration of Human Rights and of articles 2 (1), 9, 14, 19 and 26 of the International Covenant on Civil and Political Rights, is arbitrary and falls within categories I, II, III and V.

90. The Working Group requests the Government of the Islamic Republic of Iran to take the steps necessary to remedy the situation of Xiyue Wang without delay and bring it into conformity with the relevant international norms, including those set out in the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights.

91. The Working Group considers that, taking into account all the circumstances of the case, in particular the risk of harm to Xiyue Wang's health, the appropriate remedy would be to release Mr. Wang immediately and accord him an enforceable right to compensation and other reparations, in accordance with international law.

92. The Working Group urges the Government to ensure a full and independent investigation of the circumstances surrounding the arbitrary deprivation of liberty of Xiyue Wang, including his alleged assault by other prisoners, and to take appropriate measures against those responsible for the violation of his rights.

93. The Working Group requests the Government to bring its laws, particularly article 508 of the Islamic Penal Code, into conformity with the recommendations made in the present opinion and with the commitments made by the Islamic Republic of Iran under international human rights law.

94. In accordance with paragraph 33 (a) of its methods of work, the Working Group refers the present case to the Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression, the Special Rapporteur on the situation of human rights in the Islamic Republic of Iran and the Special Rapporteur on torture and other cruel, inhuman or degrading treatment or punishment.

95. The Working Group requests the Government to disseminate the present opinion through all available means and as widely as possible.

## **Follow-up procedure**

96. In accordance with paragraph 20 of its methods of work, the Working Group requests the source and the Government to provide it with information on action taken in follow-up to the recommendations made in the present opinion, including:

- (a) Whether Mr. Wang has been released and, if so, on what date;
- (b) Whether compensation or other reparations have been made to Mr. Wang;
- (c) Whether an investigation has been conducted into the violation of Mr. Wang's rights and, if so, the outcome of the investigation;
- (d) Whether any legislative amendments or changes in practice have been made to harmonize the laws and practices of the Islamic Republic of Iran with its international obligations in line with the present opinion;
- (e) Whether any other action has been taken to implement the present opinion.

97. The Government is invited to inform the Working Group of any difficulties it may have encountered in implementing the recommendations made in the present opinion and whether further technical assistance is required, for example, through a visit by the Working Group.

98. The Working Group requests the source and the Government to provide the above information within six months of the date of the transmission of the present opinion. However, the Working Group reserves the right to take its own action in follow-up to the opinion if new concerns in relation to the case are brought to its attention. Such action

would enable the Working Group to inform the Human Rights Council of progress made in implementing its recommendations, as well as any failure to take action.

99. The Working Group recalls that the Human Rights Council has encouraged all States to cooperate with the Working Group and requested them to take account of its views and, where necessary, to take appropriate steps to remedy the situation of persons arbitrarily deprived of their liberty, and to inform the Working Group of the steps they have taken.<sup>22</sup>

*[Adopted on 23 August 2018]*

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<sup>22</sup> See Human Rights Council resolution 33/30, paras. 3 and 7.

### Statutory Sanctions of Relevance to the Case

*Note this list does not include Executive Orders that were issued as part of JCPOA Relief or imposed as part of the May 8 Measures; those are found in separate annexes. This also does not include sanctions relief provided through the issuance of licenses or licensing policy that was revoked as part of the May 8 Measures (for the licenses and licensing policy see Iran's Memorial Annexes 25-26, 27, 29).*

Attached are the sanctions statutes of relevance to this case. Although some of the statutes contain provisions that were not addressed by the JCPOA, the particular provisions of these statutes that cover the nuclear-related sanctions measures with respect to Iran that were waived through U.S. participation in the JCPOA and then re-imposed by the May 8 Measures are specified following the title of each statute:

- A. *Iran and Libya Sanctions Act of 1996*, 50 U.S.C. 1701 note (Pub. L. 104-172). Originally enacted in 1996, amended by the Comprehensive Iran Sanctions, Accountability and Energy Control Act (CISADA), 22 U.S.C. § 8501 *et seq.* (2010) and TRA (see below). The version included here is the version incorporating all such amendments.
  - o Section 5(a)
  
- B. *The National Defense Authorization Act for Fiscal Year 2012 (FY 2012 NDAA) (excerpt)*, 22 U.S.C. 8513a (2011)
  - o Section 1245(d)(1)
  
- C. *The Iran Threat Reduction and Syria Human Rights Act of 2012 (TRA)*, 22 U.S.C. 8701 *et seq.* (2012)
  - o Section 212(a)
  - o Section 213(a)
  
- D. *The Iran Freedom and Counter-Proliferation Act of 2012 (IFCA)*, 22 U.S.C. 8801 *et seq.* (2013)
  - o Section 1244(c)(1)
  - o Section 1244(d)
  - o Section 1244(h)(2)
  - o Sections 1245(a)(1)(A), 1245(a)(1)(B), 1245(a)(1)(C)
  - o Section 1245(c)
  - o Section 1246(a)
  - o Section 1247(a)

## IRAN SANCTIONS ACT OF 1996

[As Amended Through P.L. 114–277, Enacted December 15, 2016]

AN ACT To impose sanctions on persons making certain investments directly and significantly contributing to the enhancement of the ability of Iran or Libya to develop its petroleum resources, and on persons exporting certain items that enhance Libya's weapons or aviation capabilities or enhance Libya's ability to develop its petroleum resources, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE.

This Act may be cited as the “Iran Sanctions Act of 1996”.

### SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The efforts of the Government of Iran to acquire weapons of mass destruction and the means to deliver them and its support of acts of international terrorism endanger the national security and foreign policy interests of the United States and those countries with which the United States shares common strategic and foreign policy objectives.

(2) The objective of preventing the proliferation of weapons of mass destruction and acts of international terrorism through existing multilateral and bilateral initiatives requires additional efforts to deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs.

(3) The Government of Iran uses its diplomatic facilities and quasi-governmental institutions outside of Iran to promote acts of international terrorism and assist its nuclear, chemical, biological, and missile weapons programs.

(4) [Repealed—2006]

### SEC. 3. DECLARATION OF POLICY.

The Congress declares that it is the policy of the United States to deny Iran the ability to support acts of international terrorism and to fund the development and acquisition of weapons of mass destruction and the means to deliver them by limiting the development of Iran's ability to explore for, extract, refine, or transport by pipeline petroleum resources of Iran.

### SEC. 4. MULTILATERAL REGIME.

(a) MULTILATERAL NEGOTIATIONS.—In order to further the objectives of section 3, the Congress urges the President to commence immediately diplomatic efforts, both in appropriate international fora such as the United Nations, and bilaterally with allies of the United States, to establish a multilateral sanctions regime against Iran, including provisions limiting the development of petroleum

resources, that will inhibit Iran's efforts to carry out activities described in section 2.

(b) REPORTS TO CONGRESS.—The President shall report to the appropriate congressional committees, not later than 1 year after the date of the enactment of this Act, and periodically thereafter, on the extent that diplomatic efforts described in subsection (a) have been successful. Each report shall include—

(1) the countries that have agreed to undertake measures to further the objectives of section 3 with respect to Iran, and a description of those measures; and

(2) the countries that have not agreed to measures described in paragraph (1), and, with respect to those countries, other measures the President recommends that the United States take to further the objectives of section 3 with respect to Iran.

(c) WAIVER.—

(1) IN GENERAL.—

(A) GENERAL WAIVER.—The President may, on a case by case basis, waive for a period of not more than six months the application of section 5(a) with respect to a national of a country, if the President certifies to the appropriate congressional committees at least 30 days before such waiver is to take effect that such waiver is vital to the national security interests of the United States.

(B) WAIVER WITH RESPECT TO PERSONS IN COUNTRIES THAT COOPERATE IN MULTILATERAL EFFORTS WITH RESPECT TO IRAN.—The President may, on a case by case basis, waive for a period of not more than 12 months the application of section 5(a) with respect to a person if the President, at least 30 days before the waiver is to take effect—

(i) certifies to the appropriate congressional committees that—

(I) the government with primary jurisdiction over the person is closely cooperating with the United States in multilateral efforts to prevent Iran from—

(aa) acquiring or developing chemical, biological, or nuclear weapons or related technologies; or

(bb) acquiring or developing destabilizing numbers and types of advanced conventional weapons; and

(II) such a waiver is vital to the national security interests of the United States; and

(ii) submits to the appropriate congressional committees a report identifying—

(I) the person with respect to which the President waives the application of sanctions; and

(II) the actions taken by the government described in clause (i)(I) to cooperate in multilateral efforts described in that clause.

(2) SUBSEQUENT RENEWAL OF WAIVER.—At the conclusion of the period of a waiver under subparagraph (A) or (B) of paragraph (1), the President may renew the waiver—

(A) if the President determines, in accordance with subparagraph (A) or (B) of that paragraph (as the case may be), that the waiver is appropriate; and

(B)(i) in the case of a waiver under subparagraph (A) of paragraph (1), for subsequent periods of not more than six months each; and

(ii) in the case of a waiver under subparagraph (B) of paragraph (1), for subsequent periods of not more than 12 months each.

(d) **INTERIM REPORT ON MULTILATERAL SANCTIONS; MONITORING.**—The President, not later than 90 days after the date of the enactment of this Act, shall report to the appropriate congressional committees on—

(1) whether the member states of the European Union, the Republic of Korea, Australia, Israel, or Japan have legislative or administrative standards providing for the imposition of trade sanctions on persons or their affiliates doing business or having investments in Iran or Libya;

(2) the extent and duration of each instance of the application of such sanctions; and

(3) the disposition of any decision with respect to such sanctions by the World Trade Organization or its predecessor organization.

(e) **INVESTIGATIONS.**—

(1) **IN GENERAL.**—The President shall initiate an investigation into the possible imposition of sanctions under section 5(a) against a person upon receipt by the United States of credible information indicating that such person is engaged in an activity described in such section.

(2) **DETERMINATION AND NOTIFICATION.**—Not later than 180 days after an investigation is initiated in accordance with paragraph (1), the President shall (unless paragraph (3) applies) determine, pursuant to section 5(a), if a person has engaged in an activity described in such section and shall notify the appropriate congressional committees of the basis for any such determination.

(3) **SPECIAL RULE.**—The President need not initiate an investigation, and may terminate an investigation, under this subsection if the President certifies in writing to the appropriate congressional committees that—

(A) the person whose activity was the basis for the investigation is no longer engaging in the activity or has taken significant verifiable steps toward stopping the activity; and

(B) the President has received reliable assurances that the person will not knowingly engage in an activity described in section 5(a) in the future.

(f) **BRIEFINGS ON IMPLEMENTATION.**—Not later than 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, and every 120 days thereafter, the President, acting through the Secretary of State, shall provide to the appropriate congressional committees a comprehensive briefing on efforts to implement this Act.

## SEC. 5. IMPOSITION OF SANCTIONS.

## (a) SANCTIONS RELATING TO THE ENERGY SECTOR OF IRAN.—

## (1) DEVELOPMENT OF PETROLEUM RESOURCES OF IRAN.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012—

(i) makes an investment described in subparagraph (B) of \$20,000,000 or more; or

(ii) makes a combination of investments described in subparagraph (B) in a 12-month period if each such investment is of at least \$5,000,000 and such investments equal or exceed \$20,000,000 in the aggregate.

(B) INVESTMENT DESCRIBED.—An investment described in this subparagraph is an investment that directly and significantly contributes to the enhancement of Iran's ability to develop petroleum resources.

## (2) PRODUCTION OF REFINED PETROLEUM PRODUCTS.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, sells, leases, or provides to Iran goods, services, technology, information, or support described in subparagraph (B)—

(i) any of which has a fair market value of \$1,000,000 or more; or

(ii) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more.

(B) GOODS, SERVICES, TECHNOLOGY, INFORMATION, OR SUPPORT DESCRIBED.—Goods, services, technology, information, or support described in this subparagraph are goods, services, technology, information, or support that could directly and significantly facilitate the maintenance or expansion of Iran's domestic production of refined petroleum products, including any direct and significant assistance with respect to the construction, modernization, or repair of petroleum refineries or directly associated infrastructure, including construction of port facilities, railways, and roads, the primary use of which is to support the delivery of refined petroleum products.

## (3) EXPORTATION OF REFINED PETROLEUM PRODUCTS TO IRAN.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012—

(i) sells or provides to Iran refined petroleum products—

(I) that have a fair market value of \$1,000,000 or more; or

(II) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more; or

(ii) sells, leases, or provides to Iran goods, services, technology, information, or support described in subparagraph (B)—

(I) any of which has a fair market value of \$1,000,000 or more; or

(II) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more.

(B) GOODS, SERVICES, TECHNOLOGY, INFORMATION, OR SUPPORT DESCRIBED.—Goods, services, technology, information, or support described in this subparagraph are goods, services, technology, information, or support that could directly and significantly contribute to the enhancement of Iran's ability to import refined petroleum products, including—

(i) except as provided in subparagraph (C), underwriting or entering into a contract to provide insurance or reinsurance for the sale, lease, or provision of such goods, services, technology, information, or support;

(ii) financing or brokering such sale, lease, or provision;

(iii) providing ships or shipping services to deliver refined petroleum products to Iran;

(iv) bartering or contracting by which goods are exchanged for goods, including the insurance or reinsurance of such exchanges; or

(v) purchasing, subscribing to, or facilitating the issuance of sovereign debt of the Government of Iran, including governmental bonds, issued on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012.

(C) EXCEPTION FOR UNDERWRITERS AND INSURANCE PROVIDERS EXERCISING DUE DILIGENCE.—The President may not impose sanctions under this paragraph with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not underwrite or enter into a contract to provide insurance or reinsurance for the sale, lease, or provision of goods, services, technology, information, or support described in subparagraph (B).

(4) JOINT VENTURES WITH IRAN RELATING TO DEVELOPING PETROLEUM RESOURCES.—

(A) IN GENERAL.—Except as provided in subparagraph (B) or subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly participates, on or after the date of the enactment of



the Iran Threat Reduction and Syria Human Rights Act of 2012, in a joint venture with respect to the development of petroleum resources outside of Iran if—

(i) the joint venture is established on or after January 1, 2002; and

(ii)(I) the Government of Iran is a substantial partner or investor in the joint venture; or

(II) Iran could, through a direct operational role in the joint venture or by other means, receive technological knowledge or equipment not previously available to Iran that could directly and significantly contribute to the enhancement of Iran's ability to develop petroleum resources in Iran.

(B) APPLICABILITY.—Subparagraph (A) shall not apply with respect to participation in a joint venture established on or after January 1, 2002, and before the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, if the person participating in the joint venture terminates that participation not later than the date that is 180 days after such date of enactment.

(5) SUPPORT FOR THE DEVELOPMENT OF PETROLEUM RESOURCES AND REFINED PETROLEUM PRODUCTS IN IRAN.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, sells, leases, or provides to Iran goods, services, technology, or support described in subparagraph (B)—

(i) any of which has a fair market value of \$1,000,000 or more; or

(ii) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more.

(B) GOODS, SERVICES, TECHNOLOGY, OR SUPPORT DESCRIBED.—Goods, services, technology, or support described in this subparagraph are goods, services, technology, or support that could directly and significantly contribute to the maintenance or enhancement of Iran's—

(i) ability to develop petroleum resources located in Iran; or

(ii) domestic production of refined petroleum products, including any direct and significant assistance with respect to the construction, modernization, or repair of petroleum refineries or directly associated infrastructure, including construction of port facilities, railways, and roads, the primary use of which is to support the delivery of refined petroleum products.

(6) DEVELOPMENT AND PURCHASE OF PETROCHEMICAL PRODUCTS FROM IRAN.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the

date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, sells, leases, or provides to Iran goods, services, technology, or support described in subparagraph (B)—

(i) any of which has a fair market value of \$250,000 or more; or

(ii) that, during a 12-month period, have an aggregate fair market value of \$1,000,000 or more.

(B) GOODS, SERVICES, TECHNOLOGY, OR SUPPORT DESCRIBED.—Goods, services, technology, or support described in this subparagraph are goods, services, technology, or support that could directly and significantly contribute to the maintenance or expansion of Iran's domestic production of petrochemical products.

(7) TRANSPORTATION OF CRUDE OIL FROM IRAN.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that—

(i) the person is a controlling beneficial owner of, or otherwise owns, operates, or controls, or insures, a vessel that, on or after the date that is 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, was used to transport crude oil from Iran to another country; and

(ii)(I) in the case of a person that is a controlling beneficial owner of the vessel, the person had actual knowledge the vessel was so used; or

(II) in the case of a person that otherwise owns, operates, or controls, or insures, the vessel, the person knew or should have known the vessel was so used.

(B) APPLICABILITY OF SANCTIONS.—

(i) IN GENERAL.—Except as provided in clause (ii), subparagraph (A) shall apply with respect to the transportation of crude oil from Iran only if a determination of the President under section 1245(d)(4)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that there is a sufficient supply of petroleum and petroleum products produced in countries other than Iran to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran is in effect at the time of the transportation of the crude oil.

(ii) EXCEPTION FOR CERTAIN COUNTRIES.—Subparagraph (A) shall not apply with respect to the transportation of crude oil from Iran to a country to which the exception under paragraph (4)(D) of section 1245(d) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)) to the imposition of sanctions under paragraph (1) of that section applies at the time of the transportation of the crude oil.

(8) CONCEALING IRANIAN ORIGIN OF CRUDE OIL AND REFINED PETROLEUM PRODUCTS.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person is a controlling beneficial owner, or otherwise owns, operates, or controls, a vessel that, on or after the date that is 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, is used, with actual knowledge in the case of a person that is a controlling beneficial owner or knowingly in the case of a person that otherwise owns, operates, or controls the vessel, in a manner that conceals the Iranian origin of crude oil or refined petroleum products transported on the vessel, including by—

(i) permitting the operator of the vessel to suspend the operation of the vessel's satellite tracking device; or

(ii) obscuring or concealing the ownership, operation, or control of the vessel by—

(I) the Government of Iran;

(II) the National Iranian Tanker Company or the Islamic Republic of Iran Shipping Lines; or

(III) any other entity determined by the President to be owned or controlled by the Government of Iran or an entity specified in subclause (II).

(B) ADDITIONAL SANCTION.—Subject to such regulations as the President may prescribe and in addition to the sanctions imposed under subparagraph (A), the President may prohibit a vessel owned, operated, or controlled by a person, including a controlling beneficial owner, with respect to which the President has imposed sanctions under that subparagraph and that was used for the activity for which the President imposed those sanctions from landing at a port in the United States for a period of not more than 2 years after the date on which the President imposed those sanctions.

(C) VESSELS IDENTIFIED BY THE OFFICE OF FOREIGN ASSETS CONTROL.—For purposes of subparagraph (A)(ii), a person shall be deemed to have actual knowledge that a vessel is owned, operated, or controlled by the Government of Iran or an entity specified in subclause (II) or (III) of subparagraph (A)(ii) if the International Maritime Organization vessel registration identification for the vessel is—

(i) included on a list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury for activities with respect to Iran; and

(ii) identified by the Office of Foreign Assets Control as a vessel in which the Government of Iran or any entity specified in subclause (II) or (III) of subparagraph (A)(ii) has an interest.

(D) DEFINITION OF IRANIAN ORIGIN.—For purposes of subparagraph (A), the term "Iranian origin" means—

(i) with respect to crude oil, that the crude oil was extracted in Iran; and

(ii) with respect to a refined petroleum product, that the refined petroleum product was produced or refined in Iran.

(9) EXCEPTION FOR PROVISION OF UNDERWRITING SERVICES AND INSURANCE AND REINSURANCE.—The President may not impose sanctions under paragraph (7) or (8) with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not provide underwriting services or insurance or reinsurance for the transportation of crude oil or refined petroleum products from Iran in a manner for which sanctions may be imposed under either such paragraph.

(b) MANDATORY SANCTIONS WITH RESPECT TO DEVELOPMENT OF WEAPONS OF MASS DESTRUCTION OR OTHER MILITARY CAPABILITIES.—

(1) EXPORTS, TRANSFERS, AND TRANSSHIPMENTS.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person—

(A) on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, exported or transferred, or permitted or otherwise facilitated the transshipment of, any goods, services, technology, or other items to any other person; and

(B) knew or should have known that—

(i) the export, transfer, or transshipment of the goods, services, technology, or other items would likely result in another person exporting, transferring, transshipping, or otherwise providing the goods, services, technology, or other items to Iran; and

(ii) the export, transfer, transshipment, or other provision of the goods, services, technology, or other items to Iran would contribute materially to the ability of Iran to—

(I) acquire or develop chemical, biological, or nuclear weapons or related technologies; or

(II) acquire or develop destabilizing numbers and types of advanced conventional weapons.

(2) JOINT VENTURES RELATING TO THE MINING, PRODUCTION, OR TRANSPORTATION OF URANIUM.—

(A) IN GENERAL.—Except as provided in subparagraph (B) or subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly participated, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, in a joint venture that involves any activity relating to the mining, production, or transportation of uranium—

(i)(I) established on or after February 2, 2012; and

(II) with—

- (aa) the Government of Iran;
- (bb) an entity incorporated in Iran or subject to the jurisdiction of the Government of Iran; or
- (cc) a person acting on behalf of or at the direction of, or owned or controlled by, the Government of Iran or an entity described in item (bb); or
- (ii)(I) established before February 2, 2012;
- (II) with the Government of Iran, an entity described in item (bb) of clause (i)(II), or a person described in item (cc) of that clause; and
- (III) through which—
  - (aa) uranium is transferred directly to Iran or indirectly to Iran through a third country;
  - (bb) the Government of Iran receives significant revenue; or
  - (cc) Iran could, through a direct operational role or by other means, receive technological knowledge or equipment not previously available to Iran that could contribute materially to the ability of Iran to develop nuclear weapons or related technologies.

(B) APPLICABILITY OF SANCTIONS.—Subparagraph (A) shall not apply with respect to participation in a joint venture established before the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012 if the person participating in the joint venture terminates that participation not later than the date that is 180 days after such date of enactment.

(3) ADDITIONAL MANDATORY SANCTIONS RELATING TO TRANSFER OF NUCLEAR TECHNOLOGY.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), in any case in which a person is subject to sanctions under paragraph (1) or (2) because of an activity described in that paragraph that relates to the acquisition or development of nuclear weapons or related technology or of missiles or advanced conventional weapons that are designed or modified to deliver a nuclear weapon, no license may be issued for the export, and no approval may be given for the transfer or retransfer, directly or indirectly, to the country the government of which has primary jurisdiction over the person, of any nuclear material, facilities, components, or other goods, services, or technology that are or would be subject to an agreement for cooperation between the United States and that government.

(B) EXCEPTION.—The sanctions described in subparagraph (A) shall not apply with respect to a country the government of which has primary jurisdiction over a person that engages in an activity described in that subparagraph if the President determines and notifies the appropriate congressional committees that the government of the country—

(i) does not know or have reason to know about the activity; or

(ii) has taken, or is taking, all reasonable steps necessary to prevent a recurrence of the activity and to penalize the person for the activity.

(C) INDIVIDUAL APPROVAL.—Notwithstanding subparagraph (A), the President may, on a case-by-case basis, approve the issuance of a license for the export, or approve the transfer or retransfer, of any nuclear material, facilities, components, or other goods, services, or technology that are or would be subject to an agreement for cooperation, to a person in a country to which subparagraph (A) applies (other than a person that is subject to the sanctions under paragraph (1) or (2)) if the President—

(i) determines that such approval is vital to the national security interests of the United States; and

(ii) not later than 15 days before issuing such license or approving such transfer or retransfer, submits to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate the justification for approving such license, transfer, or retransfer.

(D) CONSTRUCTION.—The restrictions in subparagraph (A) shall apply in addition to all other applicable procedures, requirements, and restrictions contained in the Atomic Energy Act of 1954 and other related laws.

(E) DEFINITION.—In this paragraph, the term “agreement for cooperation” has the meaning given that term in section 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(b)).

(F) APPLICABILITY.—The sanctions under subparagraph (A) shall apply only in a case in which a person is subject to sanctions under paragraph (1) or (2) because of an activity described in paragraph (1) or (2), as the case may be in which the person engages on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012.

(c) PERSONS AGAINST WHICH THE SANCTIONS ARE TO BE IMPOSED.—The sanctions described in subsection (a) and paragraphs (1) and (2) of subsection (b) shall be imposed on—

(1) any person the President determines has carried out the activities described in subsection (a) or paragraph (1) or (2) of subsection (b); and

(2) any person that—

(A) is a successor entity to the person referred to in paragraph (1);

(B) owns or controls the person referred to in paragraph (1), if the person that owns or controls the person referred to in paragraph (1) had actual knowledge or should have known that the person referred to in paragraph (1) engaged in the activities referred to in that paragraph; or

(C) is owned or controlled by, or under common ownership or control with, the person referred to in paragraph

(1), if the person owned or controlled by, or under common ownership or control with (as the case may be), the person referred to in paragraph (1) knowingly engaged in the activities referred to in that paragraph.

For purposes of this Act, any person or entity described in this subsection shall be referred to as a "sanctioned person".

(d) PUBLICATION IN FEDERAL REGISTER.—The President shall cause to be published in the Federal Register a current list of persons and entities on whom sanctions have been imposed under this Act. The removal of persons or entities from, and the addition of persons and entities to, the list, shall also be so published.

(e)<sup>1</sup> PUBLICATION OF PROJECTS.—The President shall cause to be published in the Federal Register a list of all significant projects which have been publicly tendered in the oil and gas sector in Iran.

(f) EXCEPTIONS.—The President shall not be required to apply or maintain the sanctions under subsection (a) or paragraph (1) or (2) of subsection (b)—

(1) in the case of procurement of defense articles or defense services—

(A) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy requirements essential to the national security of the United States;

(B) if the President determines in writing that the person to which the sanctions would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

(C) if the President determines in writing that such articles or services are essential to the national security under defense coproduction agreements;

(2) in the case of procurement, to eligible products, as defined in section 308(4) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b) of that Act (19 U.S.C. 2511(b));

(3) to products, technology, or services provided under contracts entered into before the date on which the President publishes in the Federal Register the name of the person on whom the sanctions are to be imposed;

(4) to—

(A) spare parts which are essential to United States products or production;

(B) component parts, but not finished products, essential to United States products or production; or

(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(5) to information and technology essential to United States products or production; or

<sup>1</sup>The Department of State published such a list in Public Notice No. 2501, January 2, 1997 (62 F.R. 1141).

(6) to medicines, medical supplies, or other humanitarian items.

**SEC. 6. DESCRIPTION OF SANCTIONS.**

(a) **IN GENERAL.**—The sanctions to be imposed on a sanctioned person under section 5 are as follows:

(1) **EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO SANCTIONED PERSONS.**—The President may direct the Export-Import Bank of the United States not to give approval to the issuance of any guarantee, insurance, extension of credit, or participation in the extension of credit in connection with the export of any goods or services to any sanctioned person.

(2) **EXPORT SANCTION.**—The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to a sanctioned person under—

(i) the Export Administration Act of 1979;

(ii) the Arms Export Control Act;

(iii) the Atomic Energy Act of 1954; or

(iv) any other statute that requires the prior review and approval of the United States Government as a condition for the export or reexport of goods or services.

(3) **LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.**—The United States Government may prohibit any United States financial institution from making loans or providing credits to any sanctioned person totaling more than \$10,000,000 in any 12-month period unless such person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities.

(4) **PROHIBITIONS ON FINANCIAL INSTITUTIONS.**—The following prohibitions may be imposed against a sanctioned person that is a financial institution:

(A) **PROHIBITION ON DESIGNATION AS PRIMARY DEALER.**—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.

(B) **PROHIBITION ON SERVICE AS A REPOSITORY OF GOVERNMENT FUNDS.**—Such financial institution may not serve as agent of the United States Government or serve as repository for United States Government funds.

The imposition of either sanction under subparagraph (A) or (B) shall be treated as 1 sanction for purposes of section 5, and the imposition of both such sanctions shall be treated as 2 sanctions for purposes of section 5.

(5) **PROCUREMENT SANCTION.**—The United States Government may not procure, or enter into any contract for the procurement of, any goods or services from a sanctioned person.

(6) **FOREIGN EXCHANGE.**—The President may, pursuant to such regulations as the President may prescribe, prohibit any transactions in foreign exchange that are subject to the juris-



dition of the United States and in which the sanctioned person has any interest.

(7) **BANKING TRANSACTIONS.**—The President may, pursuant to such regulations as the President may prescribe, prohibit any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the sanctioned person.

(8) **PROPERTY TRANSACTIONS.**—The President may, pursuant to such regulations as the President may prescribe, prohibit any person from—

(A) acquiring, holding, withholding, using, transferring, withdrawing, transporting, importing, or exporting any property that is subject to the jurisdiction of the United States and with respect to which the sanctioned person has any interest;

(B) dealing in or exercising any right, power, or privilege with respect to such property; or

(C) conducting any transaction involving such property.

(9) **BAN ON INVESTMENT IN EQUITY OR DEBT OF SANCTIONED PERSON.**—The President may, pursuant to such regulations or guidelines as the President may prescribe, prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person.

(10) **EXCLUSION OF CORPORATE OFFICERS.**—The President may direct the Secretary of State to deny a visa to, and the Secretary of Homeland Security to exclude from the United States, any alien that the President determines is a corporate officer or principal of, or a shareholder with a controlling interest in, a sanctioned person.

(11) **SANCTIONS ON PRINCIPAL EXECUTIVE OFFICERS.**—The President may impose on the principal executive officer or officers of any sanctioned person, or on persons performing similar functions and with similar authorities as such officer or officers, any of the sanctions under this subsection.

(12) **ADDITIONAL SANCTIONS.**—The President may impose sanctions, as appropriate, to restrict imports with respect to a sanctioned person, in accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 and following).

(b) **ADDITIONAL MEASURE RELATING TO GOVERNMENT CONTRACTS.**—

(1) **MODIFICATION OF FEDERAL ACQUISITION REGULATION.**—

(A) **CERTIFICATIONS RELATING TO ACTIVITIES DESCRIBED IN SECTION 5.**—Not later than 90 days after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, the Federal Acquisition Regulation shall be revised to require a certification from each person that is a prospective contractor that the person, and any person owned or controlled by the person, does not engage in any activity for which sanctions may be imposed under section 5.

(B) CERTIFICATIONS RELATING TO TRANSACTIONS WITH IRAN'S REVOLUTIONARY GUARD CORPS.—Not later than 120 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, the Federal Acquisition Regulation shall be revised to require a certification from each person that is a prospective contractor that the person, and any person owned or controlled by the person, does not knowingly engage in a significant transaction or transactions with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(2) REMEDIES.—

(A) IN GENERAL.—If the head of an executive agency determines that a person has submitted a false certification under paragraph (1) on or after the date on which the applicable revision of the Federal Acquisition Regulation required by this subsection becomes effective, the head of that executive agency shall terminate a contract with such person or debar or suspend such person from eligibility for Federal contracts for a period of not less than 2 years. Any such debarment or suspension shall be subject to the procedures that apply to debarment and suspension under the Federal Acquisition Regulation under subpart 9.4 of part 9 of title 48, Code of Federal Regulations.

(B) INCLUSION ON LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT AND NONPROCUREMENT PROGRAMS.—The Administrator of General Services shall include on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs maintained by the Administrator under part 9 of the Federal Acquisition Regulation each person that is debarred, suspended, or proposed for debarment or suspension by the head of an executive agency on the basis of a determination of a false certification under subparagraph (A).

(3) CLARIFICATION REGARDING CERTAIN PRODUCTS.—The remedies set forth in paragraph (2) shall not apply with respect to the procurement of eligible products, as defined in section 308(4) of the Trade Agreements Act of 1974 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b) of that Act (19 U.S.C. 2511(b)).

(4) RULE OF CONSTRUCTION.—This subsection shall not be construed to limit the use of other remedies available to the head of an executive agency or any other official of the Federal Government on the basis of a determination of a false certification under paragraph (1).

(5) WAIVERS.—The President may on a case-by-case basis waive the requirement that a person make a certification under paragraph (1) if the President determines and certifies in writing to the appropriate congressional committees, the Committee on Armed Services of the Senate, and the Committee on Armed Services of the House of Representatives, that

it is essential to the national security interests of the United States to do so.

(6) DEFINITIONS.—In this subsection:

(A) EXECUTIVE AGENCY.—The term “executive agency” has the meaning given that term in section 133 of title 41, United States Code.

(B) FEDERAL ACQUISITION REGULATION.—The term “Federal Acquisition Regulation” means the regulation issued pursuant to section 1303(a)(1) of title 41, United States Code.

(7) APPLICABILITY.—

(A) CERTIFICATIONS RELATING TO ACTIVITIES DESCRIBED IN SECTION 5.—The revisions to the Federal Acquisition Regulation required under paragraph (1)(A) shall apply with respect to contracts for which solicitations are issued on or after the date that is 90 days after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010.

(B) CERTIFICATIONS RELATING TO TRANSACTIONS WITH IRAN’S REVOLUTIONARY GUARD CORPS.—The revisions to the Federal Acquisition Regulation required under paragraph (1)(B) shall apply with respect to contracts for which solicitations are issued on or after the date that is 120 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012.

#### SEC. 7. ADVISORY OPINIONS.

The Secretary of State may, upon the request of any person, issue an advisory opinion to that person as to whether a proposed activity by that person would subject that person to sanctions under this Act. Any person who relies in good faith on such an advisory opinion which states that the proposed activity would not subject a person to such sanctions, and any person who thereafter engages in such activity, will not be made subject to such sanctions on account of such activity.

#### SEC. 8. TERMINATION OF SANCTIONS.

The requirement under section 5(a) to impose sanctions shall no longer have force or effect with respect to Iran if the President determines and certifies to the appropriate congressional committees that Iran—

(1) has ceased its efforts to design, develop, manufacture, or acquire—

(A) a nuclear explosive device or related materials and technology;

(B) chemical and biological weapons; and

(C) ballistic missiles and ballistic missile launch technology;

(2) has been removed from the list of countries the governments of which have been determined, for purposes of section 6(j) of the Export Administration Act of 1979, to have repeatedly provided support for acts of international terrorism; and

(3) poses no significant threat to United States national security, interests, or allies.

**SEC. 9. DURATION OF SANCTIONS; PRESIDENTIAL WAIVER.****(a) DELAY OF SANCTIONS.—**

(1) **CONSULTATIONS.**—If the President makes a determination described in subsection (a) or paragraph (1) or (2) of subsection (b) of section 5 with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of sanctions under this Act.

(2) **ACTIONS BY GOVERNMENT OF JURISDICTION.**—In order to pursue consultations under paragraph (1) with the government concerned, the President may delay imposition of sanctions under this Act for up to 90 days. Following such consultations, the President shall immediately impose sanctions unless the President determines and certifies to the Congress that the government has taken specific and effective actions, including, as appropriate, the imposition of appropriate penalties, to terminate the involvement of the foreign person in the activities that resulted in the determination by the President under subsection (a) or paragraph (1) or (2) of subsection (b) of section 5 concerning such person.

(3) **ADDITIONAL DELAY IN IMPOSITION OF SANCTIONS.**—The President may delay the imposition of sanctions for up to an additional 90 days if the President determines and certifies to the Congress that the government with primary jurisdiction over the person concerned is in the process of taking the actions described in paragraph (2).

(4) **REPORT TO CONGRESS.**—Not later than 90 days after making a determination under subsection (a) or paragraph (1) or (2) of subsection (b) of section 5, the President shall submit to the appropriate congressional committees a report on the status of consultations with the appropriate foreign government under this subsection, and the basis for any determination under paragraph (3).

**(b) DURATION OF SANCTIONS.**—A sanction imposed under section 5 shall remain in effect—

(1) for a period of not less than 2 years from the date on which it is imposed; or

(2) until such time as the President determines and certifies to the Congress that the person whose activities were the basis for imposing the sanction is no longer engaging in such activities and that the President has received reliable assurances that such person will not knowingly engage in such activities in the future, except that such sanction shall remain in effect for a period of at least 1 year.

**(c) PRESIDENTIAL WAIVER.—****(1) AUTHORITY.—**

(A) **SANCTIONS RELATING TO THE ENERGY SECTOR OF IRAN.**—The President may waive, on a case-by-case basis and for a period of not more than one year, the requirement in section 5(a) to impose a sanction or sanctions on a person described in section 5(c), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 30 days or more after the Presi-

dent determines and so reports to the appropriate congressional committees that it is essential to the national security interests of the United States to exercise such waiver authority.

(B) **SANCTIONS RELATING TO DEVELOPMENT OF WEAPONS OF MASS DESTRUCTION OR OTHER MILITARY CAPABILITIES.**—The President may waive, on a case-by-case basis and for a period of not more than one year, the requirement in paragraph (1) or (2) of section 5(b) to impose a sanction or sanctions on a person described in section 5(c), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 30 days or more after the President determines and so reports to the appropriate congressional committees that it is vital to the national security interests of the United States to exercise such waiver authority.

(C) **RENEWAL OF WAIVERS.**—The President may renew, on a case-by-case basis, a waiver with respect to a person under subparagraph (A) or (B) for additional one-year periods if, not later than 30 days before the waiver expires, the President makes the determination and submits to the appropriate congressional committees the report described in subparagraph (A) or (B), as applicable.

(2) **CONTENTS OF REPORT.**—Any report under paragraph (1) shall provide a specific and detailed rationale for the determination under paragraph (1), including—

(A) a description of the conduct that resulted in the determination under subsection (a) or paragraph (1) or (2) of subsection (b) of section 5, as the case may be;

(B) in the case of a foreign person, an explanation of the efforts to secure the cooperation of the government with primary jurisdiction over the sanctioned person to terminate or, as appropriate, penalize the activities that resulted in the determination under subsection (a) or paragraph (1) or (2) of subsection (b) of section 5, as the case may be;

(C) an estimate of the significance of the conduct of the person in contributing to the ability of Iran to, as the case may be—

(i) develop petroleum resources, produce refined petroleum products, or import refined petroleum products; or

(ii) acquire or develop—

(I) chemical, biological, or nuclear weapons or related technologies; or

(II) destabilizing numbers and types of advanced conventional weapons; and

(D) a statement as to the response of the United States in the event that the person concerned engages in other activities that would be subject to subsection (a) or paragraph (1) or (2) of subsection (b) of section 5.

(3) **EFFECT OF REPORT ON WAIVER.**—If the President makes a report under paragraph (1) with respect to a waiver of sanctions on a person described in section 5(c), sanctions need not

be imposed under subsection (a) or paragraph (1) or (2) of subsection (b) of section 5 on that person during the 30-day period referred to in paragraph (1).

**SEC. 10. REPORTS REQUIRED.**

(a) **REPORT ON CERTAIN INTERNATIONAL INITIATIVES.**—Not later than 6 months after the date of the enactment of this Act, and every 6 months thereafter, the President shall transmit a report to the appropriate congressional committees describing—

(1) the efforts of the President to mount a multilateral campaign to persuade all countries to pressure Iran to cease its nuclear, chemical, biological, and missile weapons programs and its support of acts of international terrorism;

(2) the efforts of the President to persuade other governments to ask Iran to reduce the presence of Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran and to withdraw any such diplomats or representatives who participated in the takeover of the United States embassy in Tehran on November 4, 1979, or the subsequent holding of United States hostages for 444 days;

(3) the extent to which the International Atomic Energy Agency has established regular inspections of all nuclear facilities in Iran, including those presently under construction; and

(4) Iran's use of Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran to promote acts of international terrorism or to develop or sustain Iran's nuclear, chemical, biological, and missile weapons programs.

(b) **REPORT ON EFFECTIVENESS OF ACTIONS UNDER THIS ACT.**—Not earlier than 24 months, and not later than 30 months, after the date of the enactment of the ILSA Extension Act of 2001, the President shall transmit to Congress a report that describes—

(1) the extent to which actions relating to trade taken pursuant to this Act—

(A) have been effective in achieving the objectives of section 3 and any other foreign policy or national security objectives of the United States with respect to Iran; and

(B) have affected humanitarian interests in Iran, the country in which the sanctioned person is located, or in other countries; and

(2) the impact of actions relating to trade taken pursuant to this Act on other national security, economic, and foreign policy interests of the United States, including relations with countries friendly to the United States, and on the United States economy.

The President may include in the report the President's recommendation on whether or not this Act should be terminated or modified.

(c) **OTHER REPORTS.**—The President shall ensure the continued transmittal to the Congress of reports describing—

(1) the nuclear and other military capabilities of Iran, as required by section 601(a) of the Nuclear Non-Proliferation Act

of 1978 and section 1607 of the National Defense Authorization Act for Fiscal Year 1993; and

(2) the support provided by Iran for acts of international terrorism, as part of the Department of State's annual report on international terrorism.

(d) **REPORTS ON GLOBAL TRADE RELATING TO IRAN.**—Not later than 90 days after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, and annually thereafter, the President shall submit to the appropriate congressional committees a report, with respect to the most recent 12-month period for which data are available, on the dollar value amount of trade, including in the energy sector, between Iran and each country maintaining membership in the Group of 20 Finance Ministers and Central Bank Governors.

**SEC. 11. DETERMINATIONS NOT REVIEWABLE.**

A determination to impose sanctions under this Act shall not be reviewable in any court.

**SEC. 12. EXCLUSION OF CERTAIN ACTIVITIES.**

Nothing in this Act shall apply to any activities subject to the reporting requirements of title V of the National Security Act of 1947.

**SEC. 13. EFFECTIVE DATE; SUNSET.**

(a) **EFFECTIVE DATE.**—This Act shall take effect on the date of the enactment of this Act.

(b) **SUNSET.**—This Act shall cease to be effective on December 31, 2026.

**SEC. 14. DEFINITIONS.**

As used in this Act:

(1) **ACT OF INTERNATIONAL TERRORISM.**—The term “act of international terrorism” means an act—

(A) which is violent or dangerous to human life and that is a violation of the criminal laws of the United States or of any State or that would be a criminal violation if committed within the jurisdiction of the United States or any State; and

(B) which appears to be intended—

(i) to intimidate or coerce a civilian population;

(ii) to influence the policy of a government by intimidation or coercion; or

(iii) to affect the conduct of a government by assassination or kidnapping.

(2) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Foreign Relations of the Senate and the Committee on Ways and Means, the Committee on Financial Services, and the Committee on Foreign Affairs of the House of Representatives.

(3) **COMPONENT PART.**—The term “component part” has the meaning given that term in section 11A(e)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(1)).

(4) CREDIBLE INFORMATION.—The term “credible information”, with respect to a person—

(A) includes—

(i) a public announcement by the person that the person has engaged in an activity described in subsection (a) or (b) of section 5; and

(ii) information set forth in a report to stockholders of the person indicating that the person has engaged in such an activity; and

(B) may include, in the discretion of the President—

(i) an announcement by the Government of Iran that the person has engaged in such an activity; or

(ii) information indicating that the person has engaged in such an activity that is set forth in—

(I) a report of the Government Accountability Office, the Energy Information Administration, or the Congressional Research Service; or

(II) a report or publication of a similarly reputable governmental organization or trade or industry organization.

(5) DEVELOP AND DEVELOPMENT.—To “develop”, or the “development” of, petroleum resources means the exploration for, or the extraction, refining, or transportation by pipeline of, petroleum resources.

(6) FINANCIAL INSTITUTION.—The term “financial institution” includes—

(A) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

(B) a credit union;

(C) a securities firm, including a broker or dealer;

(D) an insurance company, including an agency or underwriter; and

(E) any other company that provides financial services.

(7) FINISHED PRODUCT.—The term “finished product” has the meaning given that term in section 11A(e)(2) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(2)).

(8) FOREIGN PERSON.—The term “foreign person” means—

(A) an individual who is not a United States person or an alien lawfully admitted for permanent residence into the United States; or

(B) a corporation, partnership, or other nongovernmental entity which is not a United States person.

(9) GOODS AND TECHNOLOGY.—The terms “goods” and “technology” have the meanings given those terms in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415).

(10) INVESTMENT.—The term “investment” means any of the following activities if such activity is undertaken pursuant to an agreement, or pursuant to the exercise of rights under such an agreement, that is entered into with the Government



of Iran or a nongovernmental entity in Iran on or after the date of the enactment of this Act:

(A) The entry into a contract that includes responsibility for the development of petroleum resources located in Iran, or the entry into a contract providing for the general supervision and guarantee of another person's performance of such a contract.

(B) The purchase of a share of ownership, including an equity interest, in that development.

(C) The entry into a contract providing for the participation in royalties, earnings, or profits in that development, without regard to the form of the participation.

For purposes of this paragraph, an amendment or other modification that is made, on or after June 13, 2001, to an agreement or contract shall be treated as the entry of an agreement or contract.

(11) IRAN.—The term "Iran" includes any agency or instrumentality of Iran.

(12) IRANIAN DIPLOMATS AND REPRESENTATIVES OF OTHER GOVERNMENT AND MILITARY OR QUASI-GOVERNMENTAL INSTITUTIONS OF IRAN.—The term "Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran" includes employees, representatives, or affiliates of Iran's—

- (A) Foreign Ministry;
- (B) Ministry of Intelligence and Security;
- (C) Revolutionary Guard Corps;
- (D) Crusade for Reconstruction;
- (E) Qods (Jerusalem) Forces;
- (F) Interior Ministry;
- (G) Foundation for the Oppressed and Disabled;
- (H) Prophet's Foundation;
- (I) June 5th Foundation;
- (J) Martyr's Foundation;
- (K) Islamic Propagation Organization; and
- (L) Ministry of Islamic Guidance.

(13) KNOWINGLY.—The term "knowingly", with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

(14) NUCLEAR EXPLOSIVE DEVICE.—The term "nuclear explosive device" means any device, whether assembled or disassembled, that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material (as defined in section 11(aa) of the Atomic Energy Act of 1954) that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT).

(15) PERSON.—

(A) IN GENERAL.—The term "person" means—

- (i) a natural person;
- (ii) a corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, and any other business organiza-

tion, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and

(iii) any successor to any entity described in clause (ii).

(B) APPLICATION TO GOVERNMENTAL ENTITIES.—The term “person” does not include a government or governmental entity that is not operating as a business enterprise.

(16) PETROCHEMICAL PRODUCT.—The term “petrochemical product” includes any aromatic, olefin, or synthesis gas, and any derivative of such a gas, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea.

(17) PETROLEUM RESOURCES.—The term “petroleum resources” includes petroleum, refined petroleum products, oil or liquefied natural gas, natural gas resources, oil or liquefied natural gas tankers, and products used to construct or maintain pipelines used to transport oil or liquefied natural gas.

(18) REFINED PETROLEUM PRODUCTS.—The term “refined petroleum products” means diesel, gasoline, jet fuel (including naphtha-type and kerosene-type jet fuel), and aviation gasoline.

(19) SERVICES.—The term “services” includes software, hardware, financial, professional consulting, engineering, and specialized energy information services, energy-related technical assistance, and maintenance and repairs.

(20) UNITED STATES OR STATE.—The term “United States” or “State” means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

(21) UNITED STATES PERSON.—The term “United States person” means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; and

(B) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons described in subparagraph (A) own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity.

sult of any such finding, or a penalty imposed under subsection (d), is based on classified information (as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App.)) and a court reviews the finding or the imposition of the prohibition, condition, or penalty, the Secretary of the Treasury may submit such information to the court *ex parte* and *in camera*.

**(2) Rule of construction**

Nothing in this subsection shall be construed to confer or imply any right to judicial review of any finding under subsection (c)(1), any prohibition, condition, or penalty imposed as a result of any such finding, or any penalty imposed under subsection (d).

**(h) Consultations in implementation of regulations**

In implementing this section and the regulations prescribed under this section, the Secretary of the Treasury—

(1) shall consult with the Secretary of State; and

(2) may, in the sole discretion of the Secretary of the Treasury, consult with such other agencies and departments and such other interested parties as the Secretary considers appropriate.

**(i) Definitions**

**(1) In general**

In this section:

**(A) Account; correspondent account; payable-through account**

The terms “account”, “correspondent account”, and “payable-through account” have the meanings given those terms in section 5318A of title 31.

**(B) Agent**

The term “agent” includes an entity established by a person for purposes of conducting transactions on behalf of the person in order to conceal the identity of the person.

**(C) Financial institution**

The term “financial institution” means a financial institution specified in subparagraph (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (M), or (Y) of section 5312(a)(2) of title 31.

**(D) Foreign financial institution; domestic financial institution**

The terms “foreign financial institution” and “domestic financial institution” shall have the meanings of those terms as determined by the Secretary of the Treasury.

**(E) Money laundering**

The term “money laundering” means the movement of illicit cash or cash equivalent proceeds into, out of, or through a country, or into, out of, or through a financial institution.

**(2) Other definitions**

The Secretary of the Treasury may further define the terms used in this section in the regulations prescribed under this section.

(Pub. L. 111-195, title I, §104, July 1, 2010, 124 Stat. 1331.)

**TERMINATION OF SECTION**

*For termination of section, see section 8551(a) of this title.*

**REFERENCES IN TEXT**

The International Emergency Economic Powers Act, referred to in subsecs. (c)(2)(E) and (d)(1), is title II of Pub. L. 95-223, Dec. 28, 1977, 91 Stat. 1626, which is classified generally to chapter 35 (§1701 et seq.) of Title 50, War and National Defense. For complete classification of this Act to the Code, see Short Title note set out under section 1701 of Title 50 and Tables.

The Classified Information Procedures Act, referred to in subsec. (g)(1), is Pub. L. 96-456, Oct. 15, 1980, 94 Stat. 2025, which is set out in the Appendix to Title 18, Crimes and Criminal Procedure.

**§ 8513a. Imposition of sanctions with respect to the financial sector of Iran**

**(a) Findings**

Congress makes the following findings:

(1) On November 21, 2011, the Secretary of the Treasury issued a finding under section 5318A of title 31 that identified Iran as a jurisdiction of primary money laundering concern.

(2) In that finding, the Financial Crimes Enforcement Network of the Department of the Treasury wrote, “The Central Bank of Iran, which regulates Iranian banks, has assisted designated Iranian banks by transferring billions of dollars to these banks in 2011. In mid-2011, the CBI transferred several billion dollars to designated banks, including Saderat, Mellat, EDBI and Melli, through a variety of payment schemes. In making these transfers, the CBI attempted to evade sanctions by minimizing the direct involvement of large international banks with both CBI and designated Iranian banks.”

(3) On November 22, 2011, the Under Secretary of the Treasury for Terrorism and Financial Intelligence, David Cohen, wrote, “Treasury is calling out the entire Iranian banking sector, including the Central Bank of Iran, as posing terrorist financing, proliferation financing, and money laundering risks for the global financial system.”

**(b) Designation of financial sector of Iran as of primary money laundering concern**

The financial sector of Iran, including the Central Bank of Iran, is designated as a primary money laundering concern for purposes of section 5318A of title 31 because of the threat to government and financial institutions resulting from the illicit activities of the Government of Iran, including its pursuit of nuclear weapons, support for international terrorism, and efforts to deceive responsible financial institutions and evade sanctions.

**(c) Freezing of assets of Iranian financial institutions**

The President shall, pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), block and prohibit all transactions in all property and interests in property of an Iranian financial institution if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

**(d) Imposition of sanctions with respect to the Central Bank of Iran and other Iranian financial institutions**

**(1) In general**

Except as specifically provided in this subsection, beginning on the date that is 60 days after December 31, 2011, the President—

(A) shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines has knowingly conducted or facilitated any significant financial transaction with the Central Bank of Iran or another Iranian financial institution designated by the Secretary of the Treasury for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.); and

(B) may impose sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to the Central Bank of Iran.

**(2) Exception for sales of food, medicine, and medical devices**

The President may not impose sanctions under paragraph (1) with respect to any person for conducting or facilitating a transaction for the sale of food, medicine, or medical devices to Iran.

**(3) Applicability of sanctions with respect to foreign central banks**

Except as provided in paragraph (4), sanctions imposed under paragraph (1)(A) shall apply with respect to a foreign financial institution owned or controlled by the government of a foreign country, including a central bank of a foreign country, only insofar as it engages in a financial transaction for the sale or purchase of petroleum or petroleum products to or from Iran conducted or facilitated on or after that date that is 180 days after December 31, 2011.

**(4) Applicability of sanctions with respect to petroleum transactions**

**(A) Report required**

Not later than 60 days after December 31, 2011, and every 60 days thereafter, the Administrator of the Energy Information Administration, in consultation with the Secretary of the Treasury, the Secretary of State, and the Director of National Intelligence, shall submit to Congress a report on the availability and price of petroleum and petroleum products produced in countries other than Iran in the 60-day period preceding the submission of the report.

**(B) Determination required**

Not later than 90 days after December 31, 2011, and every 180 days thereafter, the President shall make a determination, based on the reports required by subparagraph (A), of whether the price and supply of petroleum and petroleum products produced in countries other than Iran is sufficient to permit

purchasers of petroleum and petroleum products from Iran to reduce significantly in volume their purchases from Iran.

**(C) Application of sanctions**

Except as provided in subparagraph (D), sanctions imposed under paragraph (1)(A) shall apply with respect to a financial transaction conducted or facilitated by a foreign financial institution on or after the date that is 180 days after December 31, 2011, for the purchase of petroleum or petroleum products from Iran if the President determines pursuant to subparagraph (B) that there is a sufficient supply of petroleum and petroleum products from countries other than Iran to permit a significant reduction in the volume of petroleum and petroleum products purchased from Iran by or through foreign financial institutions.

**(D) Exception**

Sanctions imposed pursuant to paragraph (1) shall not apply with respect to a foreign financial institution if the President determines and reports to Congress, not later than 90 days after the date on which the President makes the determination required by subparagraph (B), and every 180 days thereafter, that the country with primary jurisdiction over the foreign financial institution has significantly reduced its volume of crude oil purchases from Iran during the period beginning on the date on which the President submitted the last report with respect to the country under this subparagraph.

**(5) Waiver**

The President may waive the imposition of sanctions under paragraph (1) for a period of not more than 120 days, and may renew that waiver for additional periods of not more than 120 days, if the President—

(A) determines that such a waiver is in the national security interest of the United States; and

(B) submits to Congress a report—

(i) providing a justification for the waiver; and

(ii) that includes any concrete cooperation the President has received or expects to receive as a result of the waiver.

**(e) Multilateral diplomacy initiative**

**(1) In general**

The President shall—

(A) carry out an initiative of multilateral diplomacy to persuade countries purchasing oil from Iran—

(i) to limit the use by Iran of revenue from purchases of oil to purchases of non-luxury consumers goods from the country purchasing the oil; and

(ii) to prohibit purchases by Iran of—

(I) military or dual-use technology, including items—

(aa) in the Annex to the Missile Technology Control Regime Guidelines;

(bb) in the Annex on Chemicals to the Convention on the Prohibition of

the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction, done at Paris January 13, 1993, and entered into force April 29, 1997 (commonly known as the "Chemical Weapons Convention");

(cc) in Part 1 or 2 of the Nuclear Suppliers Group Guidelines; or

(dd) on a control list of the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, or

(II) any other item that could contribute to Iran's conventional, nuclear, chemical, or biological weapons program; and

(B) conduct outreach to petroleum-producing countries to encourage those countries to increase their output of crude oil to ensure there is a sufficient supply of crude oil from countries other than Iran and to minimize any impact on the price of oil resulting from the imposition of sanctions under this section.

**(2) Report required**

Not later than 180 days after December 31, 2011, and every 180 days thereafter, the President shall submit to Congress a report on the efforts of the President to carry out the initiative described in paragraph (1)(A) and conduct the outreach described in paragraph (1)(B) and the results of those efforts.

**(f) Form of reports**

Each report submitted under this section shall be submitted in unclassified form, but may contain a classified annex.

**(g) Implementation; penalties**

**(1) Implementation**

The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this section.

**(2) Penalties**

The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of this section or regulations prescribed under this section to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

**(h) Definitions**

In this section:

**(1) Account; correspondent account; payable-through account**

The terms "account", "correspondent account", and "payable-through account" have the meanings given those terms in section 5318A of title 31.

**(2) Foreign financial institution**

The term "foreign financial institution" has the meaning of that term as determined by

the Secretary of the Treasury pursuant to section 8513(i) of this title.

**(3) United States person**

The term "United States person" means—

(A) a natural person who is a citizen or resident of the United States or a national of the United States (as defined in section 1101(a) of title 8); and

(B) an entity that is organized under the laws of the United States or a jurisdiction within the United States.

(Pub. L. 112–81, div. A, title XII, § 1245, Dec. 31, 2011, 125 Stat. 1647.)

**REFERENCES IN TEXT**

The International Emergency Economic Powers Act, referred to in subsections (c) and (d)(1), is title II of Pub. L. 95–223, Dec. 28, 1977, 91 Stat. 1626, which is classified generally to chapter 35 (§ 1701 et seq.) of Title 50, War and National Defense. For complete classification of this Act to the Code, see Short Title note set out under section 1701 of Title 50 and Tables.

**CODIFICATION**

Section was enacted as part of the National Defense Authorization Act for Fiscal Year 2012, and not as part of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 which comprises this chapter.

**§ 8514. Imposition of sanctions on certain persons who are responsible for or complicit in human rights abuses committed against citizens of Iran or their family members after the June 12, 2009, elections in Iran**

**(a) In general**

The President shall impose sanctions described in subsection (c) with respect to each person on the list required by subsection (b).

**(b) List of persons who are responsible for or complicit in certain human rights abuses**

**(1) In general**

Not later than 90 days after July 1, 2010, the President shall submit to the appropriate congressional committees a list of persons who are officials of the Government of Iran or persons acting on behalf of that Government (including members of paramilitary organizations such as Ansar-e-Hezbollah and Basij-e Mostaz'afin), that the President determines, based on credible evidence, are responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, the commission of serious human rights abuses against citizens of Iran or their family members on or after June 12, 2009, regardless of whether such abuses occurred in Iran.

**(2) Updates of list**

The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—

(A) not later than 270 days after July 1, 2010, and every 180 days thereafter; and

(B) as new information becomes available.

**(3) Form of report; public availability**

**(A) Form**

The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

One Hundred Twelfth Congress  
of the  
United States of America

AT THE SECOND SESSION

*Began and held at the City of Washington on Tuesday,  
the third day of January, two thousand and twelve*

An Act

To strengthen Iran sanctions laws for the purpose of compelling Iran to abandon its pursuit of nuclear weapons and other threatening activities, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Iran Threat Reduction and Syria Human Rights Act of 2012”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title, table of contents.  
Sec. 2. Definitions.

TITLE I—EXPANSION OF MULTILATERAL SANCTIONS REGIME WITH RESPECT TO IRAN

Sec. 101. Sense of Congress on enforcement of multilateral sanctions regime and expansion and implementation of sanctions laws.  
Sec. 102. Diplomatic efforts to expand multilateral sanctions regime.

TITLE II—EXPANSION OF SANCTIONS RELATING TO THE ENERGY SECTOR OF IRAN AND PROLIFERATION OF WEAPONS OF MASS DESTRUCTION BY IRAN

Subtitle A—Expansion of the Iran Sanctions Act of 1996

Sec. 201. Expansion of sanctions with respect to the energy sector of Iran.  
Sec. 202. Imposition of sanctions with respect to transportation of crude oil from Iran and evasion of sanctions by shipping companies.  
Sec. 203. Expansion of sanctions with respect to development by Iran of weapons of mass destruction.  
Sec. 204. Expansion of sanctions available under the Iran Sanctions Act of 1996.  
Sec. 205. Modification of waiver standard under the Iran Sanctions Act of 1996.  
Sec. 206. Briefings on implementation of the Iran Sanctions Act of 1996.  
Sec. 207. Expansion of definitions under the Iran Sanctions Act of 1996.  
Sec. 208. Sense of Congress on energy sector of Iran.

Subtitle B—Additional Measures Relating to Sanctions Against Iran

Sec. 211. Imposition of sanctions with respect to the provision of vessels or shipping services to transport certain goods related to proliferation or terrorism activities to Iran.  
Sec. 212. Imposition of sanctions with respect to provision of underwriting services or insurance or reinsurance for the National Iranian Oil Company or the National Iranian Tanker Company.  
Sec. 213. Imposition of sanctions with respect to purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt.  
Sec. 214. Imposition of sanctions with respect to subsidiaries and agents of persons sanctioned by United Nations Security Council resolutions.  
Sec. 215. Imposition of sanctions with respect to transactions with persons sanctioned for certain activities relating to terrorism or proliferation of weapons of mass destruction.

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- Sec. 216 Expansion of, and reports on, mandatory sanctions with respect to financial institutions that engage in certain activities relating to Iran.
- Sec. 217 Continuation in effect of sanctions with respect to the Government of Iran, the Central Bank of Iran, and sanctions evaders.
- Sec. 218 Liability of parent companies for violations of sanctions by foreign subsidiaries.
- Sec. 219 Disclosures to the Securities and Exchange Commission relating to sanctionable activities.
- Sec. 220 Reports on, and authorization of imposition of sanctions with respect to, the provision of specialized financial messaging services to the Central Bank of Iran and other sanctioned Iranian financial institutions.
- Sec. 221 Identification of, and immigration restrictions on, senior officials of the Government of Iran and their family members.
- Sec. 222 Sense of Congress and rule of construction relating to certain authorities of State and local governments.
- Sec. 223 Government Accountability Office report on foreign entities that invest in the energy sector of Iran or export refined petroleum products to Iran.
- Sec. 224 Reporting on the importation to and exportation from Iran of crude oil and refined petroleum products.

TITLE III—SANCTIONS WITH RESPECT TO IRAN'S REVOLUTIONARY GUARD CORPS

Subtitle A—Identification of, and Sanctions With Respect to, Officials, Agents, Affiliates, and Supporters of Iran's Revolutionary Guard Corps and Other Sanctioned Persons

- Sec. 301 Identification of, and imposition of sanctions with respect to, officials, agents, and affiliates of Iran's Revolutionary Guard Corps.
- Sec. 302 Identification of, and imposition of sanctions with respect to, persons that support or conduct certain transactions with Iran's Revolutionary Guard Corps or other sanctioned persons.
- Sec. 303 Identification of, and imposition of measures with respect to, foreign government agencies carrying out activities or transactions with certain Iran-affiliated persons.
- Sec. 304 Rule of construction.

Subtitle B—Additional Measures Relating to Iran's Revolutionary Guard Corps

- Sec. 311 Expansion of procurement prohibition to foreign persons that engage in certain transactions with Iran's Revolutionary Guard Corps.
- Sec. 312 Determinations of whether the National Iranian Oil Company and the National Iranian Tanker Company are agents or affiliates of Iran's Revolutionary Guard Corps.

TITLE IV—MEASURES RELATING TO HUMAN RIGHTS ABUSES IN IRAN

Subtitle A—Expansion of Sanctions Relating to Human Rights Abuses in Iran

- Sec. 401 Imposition of sanctions on certain persons responsible for or complicit in human rights abuses committed against citizens of Iran or their family members after the June 12, 2009, elections in Iran.
- Sec. 402 Imposition of sanctions with respect to the transfer of goods or technologies to Iran that are likely to be used to commit human rights abuses.
- Sec. 403 Imposition of sanctions with respect to persons who engage in censorship or other related activities against citizens of Iran.

Subtitle B—Additional Measures to Promote Human Rights

- Sec. 411 Codification of sanctions with respect to grave human rights abuses by the governments of Iran and Syria using information technology.
- Sec. 412 Clarification of sensitive technologies for purposes of procurement ban under Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010.
- Sec. 413 Expedited consideration of requests for authorization of certain human rights-, humanitarian-, and democracy-related activities with respect to Iran.
- Sec. 414 Comprehensive strategy to promote Internet freedom and access to information in Iran.
- Sec. 415 Statement of policy on political prisoners.

TITLE V—MISCELLANEOUS

- Sec. 501 Exclusion of citizens of Iran seeking education relating to the nuclear and energy sectors of Iran.

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- Sec. 502. Interests in certain financial assets of Iran.
- Sec. 503. Technical correction to section 1245 of the National Defense Authorization Act for Fiscal Year 2012.
- Sec. 504. Expansion of sanctions under section 1245 of the National Defense Authorization Act for Fiscal Year 2012.
- Sec. 505. Reports on natural gas exports from Iran.
- Sec. 506. Report on membership of Iran in international organizations.
- Sec. 507. Sense of Congress on exportation of goods, services, and technologies for aircraft produced in the United States.

TITLE VI—GENERAL PROVISIONS

- Sec. 601. Implementation, penalties.
- Sec. 602. Applicability to certain intelligence activities.
- Sec. 603. Applicability to certain natural gas projects.
- Sec. 604. Rule of construction with respect to use of force against Iran and Syria.
- Sec. 605. Termination.

TITLE VII—SANCTIONS WITH RESPECT TO HUMAN RIGHTS ABUSES IN SYRIA

- Sec. 701. Short title.
- Sec. 702. Imposition of sanctions with respect to certain persons who are responsible for or complicit in human rights abuses committed against citizens of Syria or their family members.
- Sec. 703. Imposition of sanctions with respect to the transfer of goods or technologies to Syria that are likely to be used to commit human rights abuses.
- Sec. 704. Imposition of sanctions with respect to persons who engage in censorship or other forms of repression in Syria.
- Sec. 705. Waiver.
- Sec. 706. Termination.

SEC. 2. DEFINITIONS.

Except as otherwise specifically provided, in this Act.

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note).

(2) FINANCIAL TRANSACTION.—The term “financial transaction” means any transfer of value involving a financial institution, including the transfer of forwards, futures, options, swaps, or precious metals, including gold, silver, platinum, and palladium.

(3) KNOWINGLY.—The term “knowingly” has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note).

(4) UNITED STATES PERSON.—The term “United States person” has the meaning given that term in section 101 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8511).

**TITLE I—EXPANSION OF MULTILATERAL SANCTIONS REGIME WITH RESPECT TO IRAN**

**SEC. 101. SENSE OF CONGRESS ON ENFORCEMENT OF MULTILATERAL SANCTIONS REGIME AND EXPANSION AND IMPLEMENTATION OF SANCTIONS LAWS.**

It is the sense of Congress that the goal of compelling Iran to abandon efforts to acquire a nuclear weapons capability and other threatening activities can be effectively achieved through a comprehensive policy that includes economic sanctions, diplomacy,



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and military planning, capabilities and options, and that this objective is consistent with the one stated by President Barack Obama in the 2012 State of the Union Address. "Let there be no doubt. America is determined to prevent Iran from getting a nuclear weapon, and I will take no options off the table to achieve that goal". Among the economic measures to be taken are—

(1) prompt enforcement of the current multilateral sanctions regime with respect to Iran;

(2) full, timely, and vigorous implementation of all sanctions enacted into law, including sanctions imposed or expanded by this Act or amendments made by this Act, through—

(A) intensified monitoring by the President and the designees of the President, including the Secretary of the Treasury, the Secretary of State, and senior officials in the intelligence community (as defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)), as appropriate,

(B) more extensive use of extraordinary authorities provided for under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) and other sanctions laws,

(C) reallocation of resources to provide the personnel necessary, within the Department of the Treasury, the Department of State, and the Department of Commerce, and, where appropriate, the intelligence community, to apply and enforce sanctions; and

(D) expanded cooperation with international sanctions enforcement efforts;

(3) urgent consideration of the expansion of existing sanctions with respect to such areas as—

(A) the provision of energy-related services to Iran;

(B) the provision of insurance and reinsurance services to Iran;

(C) the provision of shipping services to Iran; and

(D) those Iranian financial institutions not yet designated for the imposition of sanctions that may be acting as intermediaries for Iranian financial institutions that are designated for the imposition of sanctions; and

(4) a focus on countering Iran's efforts to evade sanctions, including—

(A) the activities of telecommunications, Internet, and satellite service providers, in and outside of Iran, to ensure that such providers are not participating in or facilitating, directly or indirectly, the evasion of the sanctions regime with respect to Iran or violations of the human rights of the people of Iran;

(B) the activities of financial institutions or other businesses or government agencies, in or outside of Iran, not yet designated for the imposition of sanctions; and

(C) urgent and ongoing evaluation of Iran's energy, national security, financial, and telecommunications sectors, to gauge the effects of, and possible defects in, particular sanctions, with prompt efforts to correct any gaps in the existing sanctions regime with respect to Iran.

SEC. 102. DIPLOMATIC EFFORTS TO EXPAND MULTILATERAL SANCTIONS REGIME.

(a) MULTILATERAL NEGOTIATIONS.—Congress urges the President to intensify diplomatic efforts, both in appropriate international fora such as the United Nations and bilaterally with allies of the United States, for the purpose of—

(1) expanding the United Nations Security Council sanctions regime to include—

(A) a prohibition on the issuance of visas to any official of the Government of Iran who is involved in—

(i) human rights violations in or outside of Iran;

(ii) the development of a nuclear weapons program and a ballistic missile capability in Iran; or

(iii) support by the Government of Iran for terrorist organizations, including Hamas and Hezbollah; and

(B) a requirement that each member country of the United Nations—

(i) prohibit the Islamic Republic of Iran Shipping Lines from landing at seaports, and cargo flights of Iran Air from landing at airports, in that country because of the role of those organizations in proliferation and illegal arms sales; and

(ii) apply the prohibitions described in clause (i) to other Iranian entities designated for the imposition of sanctions on or after the date of the enactment of this Act;

(2) expanding the range of sanctions imposed with respect to Iran by allies of the United States;

(3) expanding efforts to limit the development of petroleum resources and the importation of refined petroleum products by Iran;

(4) developing additional initiatives to—

(A) increase the production of crude oil in countries other than Iran; and

(B) assist countries that purchase or otherwise obtain crude oil or petroleum products from Iran to eliminate their dependence on crude oil and petroleum products from Iran; and

(5) eliminating the revenue generated by the Government of Iran from the sale of petrochemical products produced in Iran to other countries.

(b) REPORTS TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees a report on the extent to which diplomatic efforts described in subsection (a) have been successful that includes—

(1) an identification of the countries that have agreed to impose sanctions or take other measures to further the policy set forth in subsection (a);

(2) the extent of the implementation and enforcement of those sanctions or other measures by those countries;

(3) the criteria the President uses to determine whether a country has significantly reduced its crude oil purchases from Iran pursuant to section 1245(d)(4)(D) of the National Defense Authorization Act for Fiscal Year 2012, as amended by section 504, including considerations of reductions both in terms of volume and price;

(4) an identification of the countries that have not agreed to impose such sanctions or measures, including such countries granted exceptions for significant reductions in crude oil purchases pursuant to such section 1245(d)(4)(D);

(5) recommendations for additional measures that the United States could take to further diplomatic efforts described in subsection (a); and

(6) the disposition of any decision with respect to sanctions imposed with respect to Iran by the World Trade Organization or its predecessor organization.

## TITLE II—EXPANSION OF SANCTIONS RELATING TO THE ENERGY SECTOR OF IRAN AND PROLIFERATION OF WEAPONS OF MASS DESTRUCTION BY IRAN

### Subtitle A—Expansion of the Iran Sanctions Act of 1996

#### SEC. 201. EXPANSION OF SANCTIONS WITH RESPECT TO THE ENERGY SECTOR OF IRAN.

Section 5(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended—

(1) in the subsection heading, by striking “WITH RESPECT TO” and all that follows through “TO IRAN” and inserting “RELATING TO THE ENERGY SECTOR OF IRAN”;

(2) in paragraph (1)(A)—

(A) by striking “3 or more” and inserting “5 or more”; and

(B) by striking “the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010” and inserting “the Iran Threat Reduction and Syria Human Rights Act of 2012”;

(3) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking “3 or more” and inserting “5 or more”; and

(ii) by striking “the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010” and inserting “the Iran Threat Reduction and Syria Human Rights Act of 2012”; and

(B) in subparagraph (B), by inserting before the period at the end the following: “or directly associated infrastructure, including construction of port facilities, railways, and roads, the primary use of which is to support the delivery of refined petroleum products”;

(4) in paragraph (3)—

(A) in subparagraph (A)—

(i) by striking “3 or more” and inserting “5 or more”; and

(ii) by striking “the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010” and

inserting "the Iran Threat Reduction and Syria Human Rights Act of 2012"; and  
(B) in subparagraph (B)—

(i) in clause (ii), by striking "; or" and inserting a semicolon;

(ii) in clause (iii), by striking the period at the end and inserting a semicolon; and

(iii) by adding at the end the following:

"(iv) bartering or contracting by which goods are exchanged for goods, including the insurance or reinsurance of such exchanges; or

"(v) purchasing, subscribing to, or facilitating the issuance of sovereign debt of the Government of Iran, including governmental bonds, issued on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012.", and

(5) by adding at the end the following:

"(4) JOINT VENTURES WITH IRAN RELATING TO DEVELOPING PETROLEUM RESOURCES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B) or subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly participates, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, in a joint venture with respect to the development of petroleum resources outside of Iran if—

"(i) the joint venture is established on or after January 1, 2002; and

"(ii)(I) the Government of Iran is a substantial partner or investor in the joint venture, or

"(II) Iran could, through a direct operational role in the joint venture or by other means, receive technological knowledge or equipment not previously available to Iran that could directly and significantly contribute to the enhancement of Iran's ability to develop petroleum resources in Iran.

"(B) APPLICABILITY.—Subparagraph (A) shall not apply with respect to participation in a joint venture established on or after January 1, 2002, and before the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, if the person participating in the joint venture terminates that participation not later than the date that is 180 days after such date of enactment.

"(5) SUPPORT FOR THE DEVELOPMENT OF PETROLEUM RESOURCES AND REFINED PETROLEUM PRODUCTS IN IRAN.—

"(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, sells, leases, or provides to Iran goods, services, technology, or support described in subparagraph (B)—

"(i) any of which has a fair market value of \$1,000,000 or more; or

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“(ii) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more

“(B) GOODS, SERVICES, TECHNOLOGY, OR SUPPORT DESCRIBED.—Goods, services, technology, or support described in this subparagraph are goods, services, technology, or support that could directly and significantly contribute to the maintenance or enhancement of Iran’s—

“(i) ability to develop petroleum resources located in Iran; or

“(ii) domestic production of refined petroleum products, including any direct and significant assistance with respect to the construction, modernization, or repair of petroleum refineries or directly associated infrastructure, including construction of port facilities, railways, and roads, the primary use of which is to support the delivery of refined petroleum products.

“(6) DEVELOPMENT AND PURCHASE OF PETROCHEMICAL PRODUCTS FROM IRAN.—

“(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, sells, leases, or provides to Iran goods, services, technology, or support described in subparagraph (B)—

“(i) any of which has a fair market value of \$250,000 or more; or

“(ii) that, during a 12-month period, have an aggregate fair market value of \$1,000,000 or more.

“(B) GOODS, SERVICES, TECHNOLOGY, OR SUPPORT DESCRIBED.—Goods, services, technology, or support described in this subparagraph are goods, services, technology, or support that could directly and significantly contribute to the maintenance or expansion of Iran’s domestic production of petrochemical products.”

SEC. 202. IMPOSITION OF SANCTIONS WITH RESPECT TO TRANSPORTATION OF CRUDE OIL FROM IRAN AND EVASION OF SANCTIONS BY SHIPPING COMPANIES.

(a) IN GENERAL.—Section 5(a) of the Iran Sanctions Act of 1996, as amended by section 201, is further amended by adding at the end the following:

“(7) TRANSPORTATION OF CRUDE OIL FROM IRAN.—

“(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that—

“(i) the person is a controlling beneficial owner of, or otherwise owns, operates, or controls, or insures, a vessel that, on or after the date that is 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, was used to transport crude oil from Iran to another country, and

“(ii)(I) in the case of a person that is a controlling beneficial owner of the vessel, the person had actual knowledge the vessel was so used; or

“(II) in the case of a person that otherwise owns, operates, or controls, or insures, the vessel, the person knew or should have known the vessel was so used.

“(B) APPLICABILITY OF SANCTIONS.—

“(i) IN GENERAL.—Except as provided in clause (ii), subparagraph (A) shall apply with respect to the transportation of crude oil from Iran only if a determination of the President under section 1245(d)(4)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that there is a sufficient supply of petroleum and petroleum products produced in countries other than Iran to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran is in effect at the time of the transportation of the crude oil.

“(ii) EXCEPTION FOR CERTAIN COUNTRIES.—Subparagraph (A) shall not apply with respect to the transportation of crude oil from Iran to a country to which the exception under paragraph (4)(D) of section 1245(d) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)) to the imposition of sanctions under paragraph (1) of that section applies at the time of the transportation of the crude oil.

“(8) CONCEALING IRANIAN ORIGIN OF CRUDE OIL AND REFINED PETROLEUM PRODUCTS.—

“(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person is a controlling beneficial owner, or otherwise owns, operates, or controls, a vessel that, on or after the date that is 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, is used, with actual knowledge in the case of a person that is a controlling beneficial owner or knowingly in the case of a person that otherwise owns, operates, or controls the vessel, in a manner that conceals the Iranian origin of crude oil or refined petroleum products transported on the vessel, including by—

“(i) permitting the operator of the vessel to suspend the operation of the vessel’s satellite tracking device; or

“(ii) obscuring or concealing the ownership, operation, or control of the vessel by—

“(I) the Government of Iran;

“(II) the National Iranian Tanker Company or the Islamic Republic of Iran Shipping Lines;

or

“(III) any other entity determined by the President to be owned or controlled by the Government of Iran or an entity specified in subclause (II)

“(B) ADDITIONAL SANCTION.—Subject to such regulations as the President may prescribe and in addition to

the sanctions imposed under subparagraph (A), the President may prohibit a vessel owned, operated, or controlled by a person, including a controlling beneficial owner, with respect to which the President has imposed sanctions under that subparagraph and that was used for the activity for which the President imposed those sanctions from landing at a port in the United States for a period of not more than 2 years after the date on which the President imposed those sanctions

“(C) VESSELS IDENTIFIED BY THE OFFICE OF FOREIGN ASSETS CONTROL.—For purposes of subparagraph (A)(ii), a person shall be deemed to have actual knowledge that a vessel is owned, operated, or controlled by the Government of Iran or an entity specified in subclause (II) or (III) of subparagraph (A)(ii) if the International Maritime Organization vessel registration identification for the vessel is—

“(i) included on a list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury for activities with respect to Iran; and

“(ii) identified by the Office of Foreign Assets Control as a vessel in which the Government of Iran or any entity specified in subclause (II) or (III) of subparagraph (A)(ii) has an interest.

“(D) DEFINITION OF IRANIAN ORIGIN.—For purposes of subparagraph (A), the term ‘Iranian origin’ means—

“(i) with respect to crude oil, that the crude oil was extracted in Iran; and

“(ii) with respect to a refined petroleum product, that the refined petroleum product was produced or refined in Iran

“(9) EXCEPTION FOR PROVISION OF UNDERWRITING SERVICES AND INSURANCE AND REINSURANCE.—The President may not impose sanctions under paragraph (7) or (8) with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not provide underwriting services or insurance or reinsurance for the transportation of crude oil or refined petroleum products from Iran in a manner for which sanctions may be imposed under either such paragraph.”

(b) REGULATIONS AND GUIDELINES.—Not later than 90 days after the date of the enactment of this Act, the President shall prescribe such regulations or guidelines as are necessary to implement paragraphs (7), (8), and (9) of section 5(a) of the Iran Sanctions Act of 1996, as added by this section, including such regulations or guidelines as are necessary to implement subparagraph (B) of such paragraph (8).

**SEC. 203. EXPANSION OF SANCTIONS WITH RESPECT TO DEVELOPMENT BY IRAN OF WEAPONS OF MASS DESTRUCTION.**

(a) IN GENERAL.—Section 5(b) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended—

- (1) by redesignating paragraph (2) as paragraph (3); and
- (2) by striking paragraph (1) and inserting the following:

“(1) EXPORTS, TRANSFERS, AND TRANSSHIPMENTS.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person—

“(A) on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, exported or transferred, or permitted or otherwise facilitated the transshipment of, any goods, services, technology, or other items to any other person; and

“(B) knew or should have known that—

“(i) the export, transfer, or transshipment of the goods, services, technology, or other items would likely result in another person exporting, transferring, transshipping, or otherwise providing the goods, services, technology, or other items to Iran; and

“(ii) the export, transfer, transshipment, or other provision of the goods, services, technology, or other items to Iran would contribute materially to the ability of Iran to—

“(I) acquire or develop chemical, biological, or nuclear weapons or related technologies; or

“(II) acquire or develop destabilizing numbers and types of advanced conventional weapons

“(2) JOINT VENTURES RELATING TO THE MINING, PRODUCTION, OR TRANSPORTATION OF URANIUM.—

“(A) IN GENERAL.—Except as provided in subparagraph (B) or subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly participated, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, in a joint venture that involves any activity relating to the mining, production, or transportation of uranium—

“(i)(I) established on or after February 2, 2012; and

“(II) with—

“(aa) the Government of Iran;

“(bb) an entity incorporated in Iran or subject to the jurisdiction of the Government of Iran; or

“(cc) a person acting on behalf of or at the direction of, or owned or controlled by, the Government of Iran or an entity described in item (bb);

or

“(ii)(I) established before February 2, 2012;

“(II) with the Government of Iran, an entity described in item (bb) of clause (i)(II), or a person described in item (cc) of that clause; and

“(III) through which—

“(aa) uranium is transferred directly to Iran or indirectly to Iran through a third country;

“(bb) the Government of Iran receives significant revenue; or

“(cc) Iran could, through a direct operational role or by other means, receive technological knowledge or equipment not previously available to Iran that could contribute materially to the



ability of Iran to develop nuclear weapons or related technologies.

“(B) APPLICABILITY OF SANCTIONS.—Subparagraph (A) shall not apply with respect to participation in a joint venture established before the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012 if the person participating in the joint venture terminates that participation not later than the date that is 180 days after such date of enactment.”

(b) CONFORMING AMENDMENTS.—The Iran Sanctions Act of 1996, as amended by this section and sections 201 and 202, is further amended—

(1) in section 5—

(A) in paragraph (3) of subsection (b), as redesignated by subsection (a)(1) of this section—

(i) by striking “paragraph (1)” each place it appears and inserting “paragraph (1) or (2)”; and

(ii) in subparagraph (F)—

(I) by striking “that paragraph” and inserting “paragraph (1) or (2), as the case may be”; and

(II) by striking “the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010” and inserting “the Iran Threat Reduction and Syria Human Rights Act of 2012”;

(B) in subsection (c)—

(i) in the matter preceding paragraph (1), by striking “subsections (a) and (b)(1)” and inserting “subsection (a) and paragraphs (1) and (2) of subsection (b)”; and

(ii) in paragraph (1), by striking “subsection (a) or (b)(1)” and inserting “subsection (a) or paragraph (1) or (2) of subsection (b)”; and

(C) in subsection (f)—

(i) in the matter preceding paragraph (1), by striking “subsection (a) or (b)(1)” and inserting “subsection (a) or paragraph (1) or (2) of subsection (b)”; and

(ii) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(2) in section 9, by striking “section 5(a) or 5(b)(1)” each place it appears and inserting “subsection (a) or paragraph (1) or (2) of subsection (b) of section 5”.

**SEC. 204. EXPANSION OF SANCTIONS AVAILABLE UNDER THE IRAN SANCTIONS ACT OF 1996.**

(a) IN GENERAL.—Section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended—

(1) by redesignating paragraph (9) as paragraph (12); and

(2) by inserting after paragraph (8) the following:

“(9) BAN ON INVESTMENT IN EQUITY OR DEBT OF SANCTIONED PERSON.—The President may, pursuant to such regulations or guidelines as the President may prescribe, prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person.

“(10) EXCLUSION OF CORPORATE OFFICERS.—The President may direct the Secretary of State to deny a visa to, and the Secretary of Homeland Security to exclude from the United

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States, any alien that the President determines is a corporate officer or principal of, or a shareholder with a controlling interest in, a sanctioned person.

"(11) SANCTIONS ON PRINCIPAL EXECUTIVE OFFICERS.—The President may impose on the principal executive officer or officers of any sanctioned person, or on persons performing similar functions and with similar authorities as such officer or officers, any of the sanctions under this subsection."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and apply with respect to activities described in subsections (a) and (b) of section 5 of the Iran Sanctions Act of 1996, as amended by this title, commenced on or after such date of enactment.

**SEC. 205. MODIFICATION OF WAIVER STANDARD UNDER THE IRAN SANCTIONS ACT OF 1996.**

Section 9(c) of the Iran Sanctions Act of 1996, as amended by section 203, is further amended by striking paragraph (1) and inserting the following:

"(1) AUTHORITY —

"(A) SANCTIONS RELATING TO THE ENERGY SECTOR OF IRAN.—The President may waive, on a case-by-case basis and for a period of not more than one year, the requirement in section 5(a) to impose a sanction or sanctions on a person described in section 5(c), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 30 days or more after the President determines and so reports to the appropriate congressional committees that it is essential to the national security interests of the United States to exercise such waiver authority.

"(B) SANCTIONS RELATING TO DEVELOPMENT OF WEAPONS OF MASS DESTRUCTION OR OTHER MILITARY CAPABILITIES.—The President may waive, on a case-by-case basis and for a period of not more than one year, the requirement in paragraph (1) or (2) of section 5(b) to impose a sanction or sanctions on a person described in section 5(c), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 30 days or more after the President determines and so reports to the appropriate congressional committees that it is vital to the national security interests of the United States to exercise such waiver authority.

"(C) RENEWAL OF WAIVERS.—The President may renew, on a case-by-case basis, a waiver with respect to a person under subparagraph (A) or (B) for additional one-year periods if, not later than 30 days before the waiver expires, the President makes the determination and submits to the appropriate congressional committees the report described in subparagraph (A) or (B), as applicable."

**SEC. 206. BRIEFINGS ON IMPLEMENTATION OF THE IRAN SANCTIONS ACT OF 1996.**

Section 4 of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) is amended by adding at the end the following:

"(f) BRIEFINGS ON IMPLEMENTATION.—Not later than 90 days after the date of the enactment of the Iran Threat Reduction and

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Syria Human Rights Act of 2012, and every 120 days thereafter, the President, acting through the Secretary of State, shall provide to the appropriate congressional committees a comprehensive briefing on efforts to implement this Act.”

**SEC. 207. EXPANSION OF DEFINITIONS UNDER THE IRAN SANCTIONS ACT OF 1996.**

(a) **IN GENERAL.**—Section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended—

(1) by redesignating paragraphs (17) and (18) as paragraphs (20) and (21), respectively;

(2) by redesignating paragraphs (15) and (16) as paragraphs (17) and (18), respectively;

(3) by redesignating paragraphs (4) through (14) as paragraphs (5) through (15), respectively;

(4) by inserting after paragraph (3) the following:

“(4) **CREDIBLE INFORMATION.**—The term ‘credible information’, with respect to a person—

“(A) includes—

“(i) a public announcement by the person that the person has engaged in an activity described in subsection (a) or (b) of section 5; and

“(ii) information set forth in a report to stockholders of the person indicating that the person has engaged in such an activity; and

“(B) may include, in the discretion of the President—

“(i) an announcement by the Government of Iran that the person has engaged in such an activity; or

“(ii) information indicating that the person has engaged in such an activity that is set forth in—

“(I) a report of the Government Accountability Office, the Energy Information Administration, or the Congressional Research Service; or

“(II) a report or publication of a similarly reputable governmental organization or trade or industry organization”.

(5) by inserting after paragraph (15), as redesignated by paragraph (3), the following:

“(16) **PETROCHEMICAL PRODUCT.**—The term ‘petrochemical product’ includes any aromatic, olefin, or synthesis gas, and any derivative of such a gas, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea.”; and

(6) by inserting after paragraph (18), as redesignated by paragraph (2), the following:

“(19) **SERVICES.**—The term ‘services’ includes software, hardware, financial, professional consulting, engineering, and specialized energy information services, energy-related technical assistance, and maintenance and repairs”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and apply with respect to activities described in subsections (a) and (b) of section 5 of the Iran Sanctions Act of 1996, as amended by this title, commenced on or after such date of enactment.

**SEC. 208. SENSE OF CONGRESS ON ENERGY SECTOR OF IRAN.**

It is the sense of Congress that—

(1) the energy sector of Iran remains a zone of proliferation concern since the Government of Iran continues to divert substantial revenues derived from sales of petroleum resources to finance its illicit nuclear and missile activities; and

(2) the President should apply the full range of sanctions under the Iran Sanctions Act of 1996, as amended by this Act, to address the threat posed by the Government of Iran.

### **Subtitle B—Additional Measures Relating to Sanctions Against Iran**

#### **SEC. 211. IMPOSITION OF SANCTIONS WITH RESPECT TO THE PROVISION OF VESSELS OR SHIPPING SERVICES TO TRANSPORT CERTAIN GOODS RELATED TO PROLIFERATION OR TERRORISM ACTIVITIES TO IRAN.**

(a) **IN GENERAL.**—Except as provided in subsection (c), if the President determines that a person, on or after the date of the enactment of this Act, knowingly sells, leases, or provides a vessel or provides insurance or reinsurance or any other shipping service for the transportation to or from Iran of goods that could materially contribute to the activities of the Government of Iran with respect to the proliferation of weapons of mass destruction or support for acts of international terrorism, the President shall, pursuant to Executive Order No. 13382 (70 Fed. Reg. 38567; relating to blocking of property of weapons of mass destruction proliferators and their supporters) or Executive Order No. 13224 (66 Fed. Reg. 49079; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism), or otherwise pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), block and prohibit all transactions in all property and interests in property of the persons specified in subsection (b) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(b) **PERSONS SPECIFIED.**—The persons specified in this subsection are—

(1) the person that sold, leased, or provided a vessel or provided insurance or reinsurance or another shipping service described in subsection (a); and

(2) any person that—

(A) is a successor entity to the person referred to in paragraph (1);

(B) owns or controls the person referred to in paragraph (1), if the person that owns or controls the person referred to in paragraph (1) had actual knowledge or should have known that the person referred to in paragraph (1) sold, leased, or provided the vessel or provided the insurance or reinsurance or other shipping service; or

(C) is owned or controlled by, or under common ownership or control with, the person referred to in paragraph (1), if the person owned or controlled by, or under common ownership or control with (as the case may be), the person referred to in paragraph (1) knowingly engaged in the sale, lease, or provision of the vessel or the provision of the insurance or reinsurance or other shipping service.

(c) **WAIVER.**—The President may waive the requirement to impose sanctions with respect to a person under subsection (a) on or after the date that is 30 days after the President—

(1) determines that such a waiver is vital to the national security interests of the United States, and

(2) submits to the appropriate congressional committees a report that contains the reasons for that determination.

(d) **REPORT REQUIRED.**—

(1) **IN GENERAL.**—Not later than 90 days after the date of the enactment of this Act, and every 90 days thereafter, the Secretary of the Treasury, in coordination with the Secretary of State, shall submit to the appropriate congressional committees a report identifying operators of vessels and other persons that conduct or facilitate significant financial transactions with persons that manage ports in Iran that have been designated for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(2) **FORM OF REPORT.**—A report submitted under paragraph

(1) shall be submitted in unclassified form but may contain a classified annex.

(e) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to limit the authority of the President to designate persons for the imposition of sanctions pursuant to Executive Order No. 13382 (70 Fed. Reg. 38567; relating to the blocking of property of weapons of mass destruction proliferators and their supporters) or Executive Order No. 13224 (66 Fed. Reg. 49079; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism), or otherwise pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

**SEC. 212. IMPOSITION OF SANCTIONS WITH RESPECT TO PROVISION OF UNDERWRITING SERVICES OR INSURANCE OR REINSURANCE FOR THE NATIONAL IRANIAN OIL COMPANY OR THE NATIONAL IRANIAN TANKER COMPANY.**

(a) **IN GENERAL.**—Except as provided in subsection (b), not later than 60 days after the date of the enactment of this Act, the President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996, as amended by section 204, with respect to a person if the President determines that the person knowingly, on or after such date of enactment, provides underwriting services or insurance or reinsurance for the National Iranian Oil Company, the National Iranian Tanker Company, or a successor entity to either such company.

(b) **EXCEPTIONS.**—

(1) **UNDERWRITERS AND INSURANCE PROVIDERS EXERCISING DUE DILIGENCE.**—The President is authorized not to impose sanctions under subsection (a) with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not provide underwriting services or insurance or reinsurance for the National Iranian Oil Company, the National Iranian Tanker Company, or a successor entity to either such company.

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(2) **FOOD; MEDICINE; HUMANITARIAN ASSISTANCE.**—The President may not impose sanctions under subsection (a) for the provision of underwriting services or insurance or reinsurance for any activity relating solely to—

(A) the provision of agricultural commodities, food, medicine, or medical devices to Iran; or

(B) the provision of humanitarian assistance to the people of Iran.

(3) **TERMINATION PERIOD.**—The President is authorized not to impose sanctions under subsection (a) with respect to a person if the President receives reliable assurances that the person will terminate the provision of underwriting services or insurance or reinsurance for the National Iranian Oil Company, the National Iranian Tanker Company, and any successor entity to either such company, not later than the date that is 120 days after the date of the enactment of this Act.

(c) **DEFINITIONS.**—In this section:

(1) **AGRICULTURAL COMMODITY.**—The term “agricultural commodity” has the meaning given that term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

(2) **MEDICAL DEVICE.**—The term “medical device” has the meaning given the term “device” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(3) **MEDICINE.**—The term “medicine” has the meaning given the term “drug” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(d) **APPLICATION OF PROVISIONS OF IRAN SANCTIONS ACT OF 1996.**—The following provisions of the Iran Sanctions Act of 1996, as amended by this Act, apply with respect to the imposition of sanctions under subsection (a) to the same extent that such provisions apply with respect to the imposition of sanctions under section 5(a) of the Iran Sanctions Act of 1996:

- (1) Subsection (c) of section 4.
- (2) Subsections (c), (d), and (f) of section 5.
- (3) Section 8.
- (4) Section 9.
- (5) Section 11.
- (6) Section 12.
- (7) Subsection (b) of section 13.
- (8) Section 14.

(e) **RULE OF CONSTRUCTION AND IMPLEMENTATION.**—Nothing in this section shall be construed to limit the authority of the President to impose sanctions pursuant to the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note), the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.), the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), section 1245 of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a), or any other provision of this Act.

**SEC. 213. IMPOSITION OF SANCTIONS WITH RESPECT TO PURCHASE, SUBSCRIPTION TO, OR FACILITATION OF THE ISSUANCE OF IRANIAN SOVEREIGN DEBT.**

(a) **IN GENERAL.**—The President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996, as amended by section 204, with respect to a person if the President determines that the person knowingly, on or after

the date of the enactment of this Act, purchases, subscribes to, or facilitates the issuance of—

(1) sovereign debt of the Government of Iran issued on or after such date of enactment, including governmental bonds; or

(2) debt of any entity owned or controlled by the Government of Iran issued on or after such date of enactment, including bonds.

(b) APPLICATION OF PROVISIONS OF IRAN SANCTIONS ACT OF 1996.—The following provisions of the Iran Sanctions Act of 1996, as amended by this Act, apply with respect to the imposition of sanctions under subsection (a) to the same extent that such provisions apply with respect to the imposition of sanctions under section 5(a) of the Iran Sanctions Act of 1996:

- (1) Subsection (c) of section 4.
- (2) Subsections (c), (d), and (f) of section 5.
- (3) Section 8
- (4) Section 9.
- (5) Section 11.
- (6) Section 12.
- (7) Subsection (b) of section 13.
- (8) Section 14.

**SEC. 214. IMPOSITION OF SANCTIONS WITH RESPECT TO SUBSIDIARIES AND AGENTS OF PERSONS SANCTIONED BY UNITED NATIONS SECURITY COUNCIL RESOLUTIONS.**

(a) IN GENERAL.—Section 104(c)(2)(B) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(B)) is amended—

(1) by striking “of a person subject” and inserting the following: “of—

“(i) a person subject”;

(2) in clause (i), as designated by paragraph (1), by striking the semicolon and inserting “; or”; and

(3) by adding at the end the following:

“(ii) a person acting on behalf of or at the direction of, or owned or controlled by, a person described in clause (i);”

(b) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall make such revisions to the regulations prescribed under section 104 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513) as are necessary to carry out the amendments made by subsection (a).

**SEC. 215. IMPOSITION OF SANCTIONS WITH RESPECT TO TRANSACTIONS WITH PERSONS SANCTIONED FOR CERTAIN ACTIVITIES RELATING TO TERRORISM OR PROLIFERATION OF WEAPONS OF MASS DESTRUCTION.**

(a) IN GENERAL.—Section 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)(ii)) is amended in the matter preceding subclause (I) by striking “financial institution” and inserting “person”.

(b) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall make such revisions to the regulations prescribed under section 104 of the Comprehensive Iran Sanctions, Accountability, and

Divestment Act of 2010 (22 U.S.C. 8513) as are necessary to carry out the amendment made by subsection (a).

**SEC. 216. EXPANSION OF, AND REPORTS ON, MANDATORY SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN ACTIVITIES RELATING TO IRAN.**

(a) **IN GENERAL.**—The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.) is amended by inserting after section 104 the following:

**“SEC. 104A. EXPANSION OF, AND REPORTS ON, MANDATORY SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN ACTIVITIES.**

“(a) **IN GENERAL.**—Not later than 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, the Secretary of the Treasury shall revise the regulations prescribed under section 104(c)(1) to apply to a foreign financial institution described in subsection (b) to the same extent and in the same manner as those regulations apply to a foreign financial institution that the Secretary of the Treasury finds knowingly engages in an activity described in section 104(c)(2).

“(b) **FOREIGN FINANCIAL INSTITUTIONS DESCRIBED.**—A foreign financial institution described in this subsection is a foreign financial institution, including an Iranian financial institution, that the Secretary of the Treasury finds—

“(1) knowingly facilitates, or participates or assists in, an activity described in section 104(c)(2), including by acting on behalf of, at the direction of, or as an intermediary for, or otherwise assisting, another person with respect to the activity;

“(2) attempts or conspires to facilitate or participate in such an activity; or

“(3) is owned or controlled by a foreign financial institution that the Secretary finds knowingly engages in such an activity.

“(c) **REPORTS REQUIRED.**—

“(1) **IN GENERAL.**—Not later than 180 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, and every 180 days thereafter, the Secretary of the Treasury shall submit to the appropriate congressional committees a report that contains a detailed description of—

“(A) the effect of the regulations prescribed under section 104(c)(1) on the financial system and economy of Iran and capital flows to and from Iran; and

“(B) the ways in which funds move into and out of financial institutions described in section 104(c)(2)(E)(ii), with specific attention to the use of other Iranian financial institutions and other foreign financial institutions to receive and transfer funds for financial institutions described in that section.

“(2) **FORM OF REPORT.**—Each report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

“(d) **DEFINITIONS.**—In this section:

“(1) **FINANCIAL INSTITUTION.**—The term ‘financial institution’ means a financial institution specified in subparagraph (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (M), (N), (R), or (Y) of section 5312(a)(2) of title 31, United States Code



"(2) FOREIGN FINANCIAL INSTITUTION.—The term 'foreign financial institution' has the meaning of that term as determined by the Secretary of the Treasury pursuant to section 104(i)

"(3) IRANIAN FINANCIAL INSTITUTION.—The term 'Iranian financial institution' means—

"(A) a financial institution organized under the laws of Iran or any jurisdiction within Iran, including a foreign branch of such an institution;

"(B) a financial institution located in Iran;

"(C) a financial institution, wherever located, owned or controlled by the Government of Iran; and

"(D) a financial institution, wherever located, owned or controlled by a financial institution described in subparagraph (A), (B), or (C)".

(b) CLERICAL AMENDMENT.—The table of contents for the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 is amended by inserting after the item relating to section 104 the following:

"Sec. 104A. Expansion of, and reports on, mandatory sanctions with respect to financial institutions that engage in certain activities."

**SEC. 217. CONTINUATION IN EFFECT OF SANCTIONS WITH RESPECT TO THE GOVERNMENT OF IRAN, THE CENTRAL BANK OF IRAN, AND SANCTIONS EVADERS.**

(a) SANCTIONS RELATING TO BLOCKING OF PROPERTY OF THE GOVERNMENT OF IRAN AND IRANIAN FINANCIAL INSTITUTIONS.—United States sanctions with respect to Iran provided for in Executive Order No. 13599 (77 Fed. Reg. 6659), as in effect on the day before the date of the enactment of this Act, shall remain in effect until the date that is 90 days after the date on which the President submits to the appropriate congressional committees the certification described in subsection (d).

(b) SANCTIONS RELATING TO FOREIGN SANCTIONS EVADERS.—United States sanctions with respect to Iran provided for in Executive Order No. 13608 (77 Fed. Reg. 26409), as in effect on the day before the date of the enactment of this Act, shall remain in effect until the date that is 30 days after the date on which the President submits to the appropriate congressional committees the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)).

(c) CONTINUATION OF SANCTIONS WITH RESPECT TO THE CENTRAL BANK OF IRAN.—In addition to the sanctions referred to in subsection (a), the President shall continue to apply to the Central Bank of Iran sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), including blocking of property and restrictions or prohibitions on financial transactions and the exportation of property, until the date that is 90 days after the date on which the President submits to Congress the certification described in subsection (d).

(d) CERTIFICATION DESCRIBED.—

(1) IN GENERAL.—The certification described in this subsection is the certification of the President to Congress that the Central Bank of Iran is not—

(A) providing financial services in support of, or otherwise facilitating, the ability of Iran to—

- (i) acquire or develop chemical, biological, or nuclear weapons, or related technologies;
  - (ii) construct, equip, operate, or maintain nuclear facilities that could aid Iran's effort to acquire a nuclear capability; or
  - (iii) acquire or develop ballistic missiles, cruise missiles, or destabilizing types and amounts of conventional weapons; or
- (B) facilitating transactions or providing financial services for—
- (i) Iran's Revolutionary Guard Corps; or
  - (ii) financial institutions the property or interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) in connection with—
    - (I) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction; or
    - (II) Iran's support for international terrorism.
- (2) SUBMISSION TO CONGRESS.—
- (A) IN GENERAL.—The President shall submit the certification described in paragraph (1) to the appropriate congressional committees in writing and shall include a justification for the certification.
- (B) FORM OF CERTIFICATION.—The certification described in paragraph (1) shall be submitted in unclassified form but may contain a classified annex.
- (e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the authority of the President pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) or the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.).

**SEC. 218. LIABILITY OF PARENT COMPANIES FOR VIOLATIONS OF SANCTIONS BY FOREIGN SUBSIDIARIES.**

- (a) DEFINITIONS.—In this section:
- (1) ENTITY.—The term "entity" means a partnership, association, trust, joint venture, corporation, or other organization.
- (2) OWN OR CONTROL.—The term "own or control" means, with respect to an entity—
- (A) to hold more than 50 percent of the equity interest by vote or value in the entity;
  - (B) to hold a majority of seats on the board of directors of the entity; or
  - (C) to otherwise control the actions, policies, or personnel decisions of the entity.
- (b) PROHIBITION.—Not later than 60 days after the date of the enactment of this Act, the President shall prohibit an entity owned or controlled by a United States person and established or maintained outside the United States from knowingly engaging in any transaction directly or indirectly with the Government of Iran or any person subject to the jurisdiction of the Government of Iran that would be prohibited by an order or regulation issued pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) if the transaction were engaged in by a United States person or in the United States.

(c) CIVIL PENALTY.—The civil penalties provided for in section 206(b) of the International Emergency Economic Powers Act (50 U.S.C. 1705(b)) shall apply to a United States person to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act if an entity owned or controlled by the United States person and established or maintained outside the United States violates, attempts to violate, conspires to violate, or causes a violation of any order or regulation issued to implement subsection (b)

(d) APPLICABILITY.—Subsection (c) shall not apply with respect to a transaction described in subsection (b) by an entity owned or controlled by a United States person and established or maintained outside the United States if the United States person divests or terminates its business with the entity not later than the date that is 180 days after the date of the enactment of this Act.

**SEC. 219. DISCLOSURES TO THE SECURITIES AND EXCHANGE COMMISSION RELATING TO SANCTIONABLE ACTIVITIES.**

(a) IN GENERAL.—Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end the following new subsection:

“(r) DISCLOSURE OF CERTAIN ACTIVITIES RELATING TO IRAN—

“(1) IN GENERAL.—Each issuer required to file an annual or quarterly report under subsection (a) shall disclose in that report the information required by paragraph (2) if, during the period covered by the report, the issuer or any affiliate of the issuer—

“(A) knowingly engaged in an activity described in subsection (a) or (b) of section 5 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note);

“(B) knowingly engaged in an activity described in subsection (c)(2) of section 104 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513) or a transaction described in subsection (d)(1) of that section.

“(C) knowingly engaged in an activity described in section 105A(b)(2) of that Act; or

“(D) knowingly conducted any transaction or dealing with—

“(i) any person the property and interests in property of which are blocked pursuant to Executive Order No. 13224 (66 Fed. Reg. 49079; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism);

“(ii) any person the property and interests in property of which are blocked pursuant to Executive Order No. 13382 (70 Fed. Reg. 38567; relating to blocking of property of weapons of mass destruction proliferators and their supporters); or

“(iii) any person or entity identified under section 560.304 of title 31, Code of Federal Regulations (relating to the definition of the Government of Iran) without the specific authorization of a Federal department or agency.

“(2) INFORMATION REQUIRED.—If an issuer or an affiliate of the issuer has engaged in any activity described in paragraph

(1), the issuer shall disclose a detailed description of each such activity, including—

“(A) the nature and extent of the activity;

“(B) the gross revenues and net profits, if any, attributable to the activity; and

“(C) whether the issuer or the affiliate of the issuer (as the case may be) intends to continue the activity.

“(3) NOTICE OF DISCLOSURES.—If an issuer reports under paragraph (1) that the issuer or an affiliate of the issuer has knowingly engaged in any activity described in that paragraph, the issuer shall separately file with the Commission, concurrently with the annual or quarterly report under subsection (a), a notice that the disclosure of that activity has been included in that annual or quarterly report that identifies the issuer and contains the information required by paragraph (2).

“(4) PUBLIC DISCLOSURE OF INFORMATION.—Upon receiving a notice under paragraph (3) that an annual or quarterly report includes a disclosure of an activity described in paragraph (1), the Commission shall promptly—

“(A) transmit the report to—

“(i) the President;

“(ii) the Committee on Foreign Affairs and the Committee on Financial Services of the House of Representatives; and

“(iii) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate; and

“(B) make the information provided in the disclosure and the notice available to the public by posting the information on the Internet website of the Commission.

“(5) INVESTIGATIONS.—Upon receiving a report under paragraph (4) that includes a disclosure of an activity described in paragraph (1) (other than an activity described in subparagraph (D)(iii) of that paragraph), the President shall—

“(A) initiate an investigation into the possible imposition of sanctions under the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note), section 104 or 105A of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, an Executive order specified in clause (i) or (ii) of paragraph (1)(D), or any other provision of law relating to the imposition of sanctions with respect to Iran, as applicable; and

“(B) not later than 180 days after initiating such an investigation, make a determination with respect to whether sanctions should be imposed with respect to the issuer or the affiliate of the issuer (as the case may be).

“(6) SUNSET.—The provisions of this subsection shall terminate on the date that is 30 days after the date on which the President makes the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)).”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to reports required to be filed with the Securities and Exchange Commission after the date that is 180 days after the date of the enactment of this Act.

**SEC. 220. REPORTS ON, AND AUTHORIZATION OF IMPOSITION OF SANCTIONS WITH RESPECT TO, THE PROVISION OF SPECIALIZED FINANCIAL MESSAGING SERVICES TO THE CENTRAL BANK OF IRAN AND OTHER SANCTIONED IRANIAN FINANCIAL INSTITUTIONS.**

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) providers of specialized financial messaging services are a critical link to the international financial system;

(2) the European Union is to be commended for strengthening the multilateral sanctions regime against Iran by deciding that specialized financial messaging services may not be provided to the Central Bank of Iran and other sanctioned Iranian financial institutions by persons subject to the jurisdiction of the European Union; and

(3) the loss of access by sanctioned Iranian financial institutions to specialized financial messaging services must be maintained.

(b) REPORTS REQUIRED.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, and every 90 days thereafter, the Secretary of the Treasury shall submit to the appropriate congressional committees a report that contains—

(A) a list of all persons that the Secretary has identified that directly provide specialized financial messaging services to, or enable or facilitate direct or indirect access to such messaging services for, the Central Bank of Iran or a financial institution described in section 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)(ii)); and

(B) a detailed assessment of the status of efforts by the Secretary to end the direct provision of such messaging services to, and the enabling or facilitation of direct or indirect access to such messaging services for, the Central Bank of Iran or a financial institution described in that section.

(2) ENABLING OR FACILITATION OF ACCESS TO SPECIALIZED FINANCIAL MESSAGING SERVICES THROUGH INTERMEDIARY FINANCIAL INSTITUTIONS.—For purposes of paragraph (1) and subsection (c), enabling or facilitating direct or indirect access to specialized financial messaging services for the Central Bank of Iran or a financial institution described in section 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)(ii)) includes doing so by serving as an intermediary financial institution with access to such messaging services.

(3) FORM OF REPORT.—A report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(c) AUTHORIZATION OF IMPOSITION OF SANCTIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), if, on or after the date that is 90 days after the date of the enactment of this Act, a person continues to knowingly and directly provide specialized financial messaging services to, or knowingly enable or facilitate direct or indirect access to such messaging services for, the Central Bank of Iran or a financial institution described in paragraph (2)(E)(ii) of section 104(c) of the Comprehensive Iran Sanctions, Accountability, and

Divestment Act of 2010 (22 U.S.C. 8513(c)), the President may impose sanctions pursuant to that section or the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to the person.

(2) EXCEPTION.—The President may not impose sanctions pursuant to paragraph (1) with respect to a person for directly providing specialized financial messaging services to, or enabling or facilitating direct or indirect access to such messaging services for, the Central Bank of Iran or a financial institution described in section 104(c)(2)(E)(u) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)(ii)) if—

(A) the person is subject to a sanctions regime under its governing foreign law that requires it to eliminate the knowing provision of such messaging services to, and the knowing enabling and facilitation of direct or indirect access to such messaging services for—

(i) the Central Bank of Iran; and  
(ii) a group of Iranian financial institutions identified under such governing foreign law for purposes of that sanctions regime if the President determines that—

(I) the group is substantially similar to the group of financial institutions described in section 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)(ii)); and

(II) the differences between those groups of financial institutions do not adversely affect the national interest of the United States; and

(B) the person has, pursuant to that sanctions regime, terminated the knowing provision of such messaging services to, and the knowing enabling and facilitation of direct or indirect access to such messaging services for, the Central Bank of Iran and each Iranian financial institution identified under such governing foreign law for purposes of that sanctions regime.

(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the authority of the President pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) or the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.).

**SEC. 221. IDENTIFICATION OF, AND IMMIGRATION RESTRICTIONS ON, SENIOR OFFICIALS OF THE GOVERNMENT OF IRAN AND THEIR FAMILY MEMBERS.**

(a) IDENTIFICATION.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter, the President shall publish a list of each individual the President determines is—

(1) a senior official of the Government of Iran described in subsection (b) that is involved in Iran's—

(A) illicit nuclear activities or proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(B) support for international terrorism, or

(C) commission of serious human rights abuses against citizens of Iran or their family members, or  
(2) a family member of such an official.

(b) SENIOR OFFICIALS OF THE GOVERNMENT OF IRAN DESCRIBED—A senior official of the Government of Iran described in this subsection is any senior official of that Government, including—

- (1) the Supreme Leader of Iran;
- (2) the President of Iran;
- (3) a member of the Cabinet of the Government of Iran;
- (4) a member of the Assembly of Experts;
- (5) a senior member of the Intelligence Ministry of Iran;

or

(6) a senior member of Iran's Revolutionary Guard Corps, including a senior member of a paramilitary organization such as Ansar-e-Hezbollah or Basij-e Motaz'afin

(c) EXCLUSION FROM UNITED STATES.—Except as provided in subsection (d), the Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any alien who is on the list required by subsection (a).

(d) EXCEPTION TO COMPLY WITH UNITED NATIONS HEAD-QUARTERS AGREEMENT.—Subsection (c) shall not apply to an individual if admitting the individual to the United States is necessary to permit the United States to comply with the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations, signed June 26, 1947, and entered into force November 21, 1947, and other applicable international obligations.

(e) WAIVER.—The President may waive the application of subsection (a) or (c) with respect to an individual if the President—

- (1) determines that such a waiver is essential to the national interests of the United States, and
- (2) not less than 7 days before the waiver takes effect, notifies Congress of the waiver and the reason for the waiver

**SEC. 222. SENSE OF CONGRESS AND RULE OF CONSTRUCTION RELATING TO CERTAIN AUTHORITIES OF STATE AND LOCAL GOVERNMENTS.**

(a) SENSE OF CONGRESS.—It is the sense of Congress that the United States should support actions by States or local governments that are within their authority, including determining how investment assets are valued for purposes of safety and soundness of financial institutions and insurers, that are consistent with and in furtherance of the purposes of this Act and other Acts that are amended by this Act.

(b) RULE OF CONSTRUCTION.—Section 202 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8532) is amended by adding at the end the following:

“(j) RULE OF CONSTRUCTION.—Nothing in this Act or any other provision of law authorizing sanctions with respect to Iran shall be construed to abridge the authority of a State to issue and enforce rules governing the safety, soundness, and solvency of a financial institution subject to its jurisdiction or the business of insurance pursuant to the Act of March 9, 1945 (15 U.S.C. 1011 et seq.) (commonly known as the ‘McCarran-Ferguson Act’).”

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**SEC. 223. GOVERNMENT ACCOUNTABILITY OFFICE REPORT ON FOREIGN ENTITIES THAT INVEST IN THE ENERGY SECTOR OF IRAN OR EXPORT REFINED PETROLEUM PRODUCTS TO IRAN.**

(a) INITIAL REPORT.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the appropriate congressional committees a report—

(A) listing all foreign investors in the energy sector of Iran during the period specified in paragraph (2), including—

(i) entities that exported gasoline and other refined petroleum products to Iran;

(ii) entities involved in providing refined petroleum products to Iran, including—

(I) entities that provided ships to transport refined petroleum products to Iran; and

(II) entities that provided insurance or reinsurance for shipments of refined petroleum products to Iran; and

(iii) entities involved in commercial transactions of any kind, including joint ventures anywhere in the world, with Iranian energy companies; and

(B) identifying the countries in which gasoline and other refined petroleum products exported to Iran during the period specified in paragraph (2) were produced or refined.

(2) PERIOD SPECIFIED.—The period specified in this paragraph is the period beginning on January 1, 2009, and ending on the date that is 150 days after the date of the enactment of this Act.

(b) UPDATED REPORT.—Not later than one year after submitting the report required by subsection (a), the Comptroller General of the United States shall submit to the appropriate congressional committees a report containing the matters required in the report under subsection (a)(1) for the one-year period beginning on the date that is 30 days before the date on which the preceding report was required to be submitted by this section.

**SEC. 224. REPORTING ON THE IMPORTATION TO AND EXPORTATION FROM IRAN OF CRUDE OIL AND REFINED PETROLEUM PRODUCTS.**

Section 110(b) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8518(b)) is amended by striking “a report containing the matters” and all that follows through the period at the end and inserting the following: “a report, covering the 180-day period beginning on the date that is 30 days before the date on which the preceding report was required to be submitted by this section, that—

“(1) contains the matters required in the report under subsection (a)(1), and

“(2) identifies—

“(A) the volume of crude oil and refined petroleum products imported to and exported from Iran (including through swaps and similar arrangements);



“(B) the persons selling and transporting crude oil and refined petroleum products described in subparagraph (A), the countries with primary jurisdiction over those persons, and the countries in which those products were refined,

“(C) the sources of financing for imports to Iran of crude oil and refined petroleum products described in subparagraph (A); and

“(D) the involvement of foreign persons in efforts to assist Iran in—

“(i) developing upstream oil and gas production capacity;

“(ii) importing advanced technology to upgrade existing Iranian refineries;

“(iii) converting existing chemical plants to petroleum refineries; or

“(iv) maintaining, upgrading, or expanding existing refineries or constructing new refineries.”

### **TITLE III—SANCTIONS WITH RESPECT TO IRAN'S REVOLUTIONARY GUARD CORPS**

#### **Subtitle A—Identification of, and Sanctions With Respect to, Officials, Agents, Affiliates, and Supporters of Iran's Revolutionary Guard Corps and Other Sanctioned Persons**

##### **SEC. 301. IDENTIFICATION OF, AND IMPOSITION OF SANCTIONS WITH RESPECT TO, OFFICIALS, AGENTS, AND AFFILIATES OF IRAN'S REVOLUTIONARY GUARD CORPS.**

(a) **IN GENERAL.**—Not later than 90 days after the date of the enactment of this Act, and as appropriate thereafter, the President shall—

(1) identify foreign persons that are officials, agents, or affiliates of Iran's Revolutionary Guard Corps; and

(2) for each foreign person identified under paragraph (1) that is not already designated for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)—

(A) designate that foreign person for the imposition of sanctions pursuant to that Act; and

(B) block and prohibit all transactions in all property and interests in property of that foreign person if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(b) **PRIORITY FOR INVESTIGATION.**—In identifying foreign persons pursuant to subsection (a)(1) as officials, agents, or affiliates of Iran's Revolutionary Guard Corps, the President shall give priority to investigating—

(1) foreign persons or entities identified under section 560.304 of title 31, Code of Federal Regulations (relating to the definition of the Government of Iran); and

(2) foreign persons for which there is a reasonable basis to find that the person has conducted or attempted to conduct one or more sensitive transactions or activities described in subsection (c).

(c) SENSITIVE TRANSACTIONS AND ACTIVITIES DESCRIBED.—A sensitive transaction or activity described in this subsection is—

(1) a financial transaction or series of transactions valued at more than \$1,000,000 in the aggregate in any 12-month period involving a non-Iranian financial institution,

(2) a transaction to facilitate the manufacture, importation, exportation, or transfer of items needed for the development by Iran of nuclear, chemical, biological, or advanced conventional weapons, including ballistic missiles;

(3) a transaction relating to the manufacture, procurement, or sale of goods, services, and technology relating to Iran's energy sector, including a transaction relating to the development of the energy resources of Iran, the exportation of petroleum products from Iran, the importation of refined petroleum to Iran, or the development of refining capacity available to Iran,

(4) a transaction relating to the manufacture, procurement, or sale of goods, services, and technology relating to Iran's petrochemical sector; or

(5) a transaction relating to the procurement of sensitive technologies (as defined in section 106(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8515(c)))

(d) EXCLUSION FROM UNITED STATES.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any alien who, on or after the date of the enactment of this Act, is a foreign person designated pursuant to subsection (a) for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(2) REGULATORY EXCEPTIONS TO COMPLY WITH INTERNATIONAL OBLIGATIONS.—The requirement to deny visas to and exclude aliens from the United States pursuant to paragraph (1) shall be subject to such regulations as the President may prescribe, including regulatory exceptions to permit the United States to comply with the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations, signed June 26, 1947, and entered into force November 21, 1947, and other applicable international obligations.

(e) WAIVER OF IMPOSITION OF SANCTIONS.—

(1) IN GENERAL.—The President may waive the application of subsection (a) or (d) with respect to a foreign person if the President—

(A) determines that it is vital to the national security interests of the United States to do so; and

(B) submits to the appropriate congressional committees a report that—

(i) identifies the foreign person with respect to which the waiver applies; and

(ii) sets forth the reasons for the determination.

(2) FORM OF REPORT.—A report submitted under paragraph (1)(B) shall be submitted in unclassified form but may contain a classified annex.

(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to remove any sanction of the United States in force with respect to Iran's Revolutionary Guard Corps as of the date of the enactment of this Act.

**SEC. 302. IDENTIFICATION OF, AND IMPOSITION OF SANCTIONS WITH RESPECT TO, PERSONS THAT SUPPORT OR CONDUCT CERTAIN TRANSACTIONS WITH IRAN'S REVOLUTIONARY GUARD CORPS OR OTHER SANCTIONED PERSONS.**

(a) IDENTIFICATION.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees a report identifying foreign persons that the President determines, on or after the date of the enactment of this Act, knowingly—

(A) materially assist, sponsor, or provide financial, material, or technological support for, or goods or services in support of, Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.);

(B) engage in a significant transaction or transactions with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates—

(i) the property and interests in property of which are blocked pursuant to that Act; or

(ii) that are identified under section 301(a)(1) or pursuant to paragraph (4)(A) of section 104(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by section 312; or

(C) engage in a significant transaction or transactions with—

(i) a person subject to financial sanctions pursuant to United Nations Security Council Resolution 1737 (2006), 1747 (2007), 1803 (2008), or 1929 (2010), or any other resolution that is adopted by the Security Council and imposes sanctions with respect to Iran or modifies such sanctions; or

(ii) a person acting on behalf of or at the direction of, or owned or controlled by, a person described in clause (i).

(2) FORM OF REPORT.—A report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(3) BARTER TRANSACTIONS.—For purposes of paragraph (1), the term "transaction" includes a barter transaction.

(b) IMPOSITION OF SANCTIONS.—If the President determines under subsection (a)(1) that a foreign person has knowingly engaged in an activity described in that subsection, the President—

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(1) shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996, as amended by section 204; and

(2) may impose additional sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to the person

(c) **TERMINATION.**—The President may terminate a sanction imposed with respect to a foreign person pursuant to subsection (b) if the President determines that the person—

(1) no longer engages in the activity for which the sanction was imposed, and

(2) has provided assurances to the President that the person will not engage in any activity described in subsection (a)(1) in the future.

(d) **WAIVER OF IMPOSITION OF SANCTIONS.**—

(1) **IN GENERAL.**—The President may waive the imposition of sanctions under subsection (b) with respect to a foreign person if the President—

(A)(i) determines that the person has ceased the activity for which sanctions would otherwise be imposed and has taken measures to prevent a recurrence of the activity; or

(ii) determines that it is essential to the national security interests of the United States to do so, and

(B) submits to the appropriate congressional committees a report that—

(i) identifies the foreign person with respect to which the waiver applies;

(ii) describes the activity that would otherwise subject the foreign person to the imposition of sanctions under subsection (b); and

(iii) sets forth the reasons for the determination.

(2) **FORM OF REPORT.**—A report submitted under paragraph (1)(B) shall be submitted in unclassified form but may contain a classified annex.

(e) **WAIVER OF IDENTIFICATIONS AND DESIGNATIONS.**—Notwithstanding any other provision of this subtitle and subject to paragraph (2), the President shall not be required to make any identification of a foreign person under subsection (a) or any identification or designation of a foreign person under section 301(a) if the President—

(1) determines that doing so would cause damage to the national security of the United States; and

(2) notifies the appropriate congressional committees of the exercise of the authority provided under this subsection.

(f) **APPLICATION OF PROVISIONS OF IRAN SANCTIONS ACT OF 1996.**—The following provisions of the Iran Sanctions Act of 1996, as amended by this Act, apply with respect to the imposition under subsection (b)(1) of sanctions relating to activities described in subsection (a)(1) to the same extent that such provisions apply with respect to the imposition of sanctions under section 5(a) of the Iran Sanctions Act of 1996:

(1) Subsections (c) and (e) of section 4

(2) Subsections (c), (d), and (f) of section 5.

(3) Section 8.

(4) Section 9

(5) Section 11

- (6) Section 12
- (7) Subsection (b) of section 13.
- (8) Section 14.

**SEC. 303. IDENTIFICATION OF, AND IMPOSITION OF MEASURES WITH RESPECT TO, FOREIGN GOVERNMENT AGENCIES CARRYING OUT ACTIVITIES OR TRANSACTIONS WITH CERTAIN IRAN-AFFILIATED PERSONS.**

(a) IDENTIFICATION.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees a report that identifies each agency of the government of a foreign country (other than Iran) that the President determines knowingly and materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, or knowingly and materially engaged in a significant transaction with, any person described in paragraph (2).

(2) PERSON DESCRIBED.—A person described in this paragraph is—

(A) a foreign person that is an official, agent, or affiliate of Iran's Revolutionary Guard Corps that is designated for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.);

(B) a foreign person that is designated and subject to financial sanctions pursuant to—

(i) the Annex of United Nations Security Council Resolution 1737 (2006);

(ii) Annex I of United Nations Security Council Resolution 1747 (2007);

(iii) Annex I, II, or III of United Nations Security Council Resolution 1803 (2008);

(iv) Annex I, II, or III of United Nations Security Council Resolution 1929 (2010); or

(v) any subsequent and related United Nations Security Council resolution, or any annex thereto, that imposes new sanctions with respect to Iran or modifies existing sanctions with respect to Iran; or

(C) a foreign person that the agency knows is acting on behalf of or at the direction of, or owned or controlled by, a person described in subparagraph (A) or (B).

(3) FORM OF REPORT.—Each report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(b) IMPOSITION OF MEASURES.—

(1) IN GENERAL.—The President may impose any of the following measures with respect to an agency identified pursuant to subsection (a) if the President determines that the assistance, exports, or other support to be prohibited by reason of the imposition of the measures have contributed and would otherwise directly or indirectly contribute to the agency's capability to continue the activities or transactions for which the agency has been identified pursuant to subsection (a):

(A) No assistance may be provided to the agency under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et

seq.) or the Arms Export Control Act (22 U.S.C. 2751 et seq.) other than humanitarian assistance or the provision of food or other agricultural commodities.

(B) No sales of any defense articles, defense services, or design and construction services under the Arms Export Control Act (22 U.S.C. 2751 et seq.) may be made to the agency.

(C) No licenses for export of any item on the United States Munitions List that include the agency as a party to the license may be granted.

(D) No exports may be permitted to the agency of any goods or technologies controlled for national security reasons under the Export Administration Regulations, except that such prohibition shall not apply to any transaction subject to the reporting requirements of title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.; relating to congressional oversight of intelligence activities).

(E) The United States shall oppose any loan or financial or technical assistance to the agency by international financial institutions in accordance with section 701 of the International Financial Institutions Act (22 U.S.C. 262d).

(F) The United States shall deny to the agency any credit or financial assistance by any department, agency, or instrumentality of the United States Government, except that this paragraph shall not apply—

(i) to any transaction subject to the reporting requirements of title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.; relating to congressional oversight of intelligence activities);

(ii) to the provision of medicines, medical equipment, and humanitarian assistance; or

(iii) to any credit, credit guarantee, or financial assistance provided by the Department of Agriculture to support the purchase of food or other agricultural commodities.

(G) Additional restrictions as may be imposed pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(2) **RULE OF CONSTRUCTION.**—Nothing in this subsection shall be construed to impose measures with respect to programs under section 1501 of the National Defense Authorization Act for Fiscal Year 1997 (50 U.S.C. 2632 note) and programs under the Atomic Energy Defense Act (50 U.S.C. 2501 et seq.).

(c) **TERMINATION.**—The President may terminate any measures imposed with respect to an agency pursuant to subsection (b) if the President determines and notifies the appropriate congressional committees that—

(1)(A) a person described in subparagraph (A) or (B) of subsection (a)(2) with respect to which the agency is carrying out activities or transactions is no longer designated pursuant to subparagraph (A) or (B) of subsection (a)(2); or

(B) any person described in subparagraph (C) of subsection (a)(2) with respect to which the agency is carrying out activities or transactions is no longer acting on behalf of or at the direction of, or owned or controlled by, any person described in subparagraph (A) or (B) of subsection (a)(2);

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(2) the agency is no longer carrying out activities or transactions for which the measures were imposed and has provided assurances to the United States Government that the agency will not carry out the activities or transactions in the future, or

(3) it is essential to the national security interest of the United States to terminate such measures

(d) WAIVER.—If the President does not impose one or more measures described in subsection (b) with respect to an agency identified in the report required by subsection (a), the President shall include in the subsequent report an explanation as to why the President did not impose such measures.

(e) DEFINITION.—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Foreign Relations, the Committee on Appropriations, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, and the Select Committee on Intelligence of the Senate; and

(2) the Committee on Foreign Affairs, the Committee on Appropriations, the Committee on Armed Services, the Committee on Financial Services, the Committee on Ways and Means, and the Permanent Select Committee on Intelligence of the House of Representatives.

(f) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act and apply with respect to activities and transactions described in subsection (a) that are carried out on or after the later of—

(1) the date that is 45 days after such date of enactment;

or

(2) the date that is 45 days after a person is designated as described in subparagraph (A) or (B) of subsection (a)(2).

**SEC. 304. RULE OF CONSTRUCTION.**

Nothing in this subtitle shall be construed to limit the authority of the President to designate foreign persons for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

**Subtitle B—Additional Measures Relating to Iran’s Revolutionary Guard Corps**

**SEC. 311. EXPANSION OF PROCUREMENT PROHIBITION TO FOREIGN PERSONS THAT ENGAGE IN CERTAIN TRANSACTIONS WITH IRAN’S REVOLUTIONARY GUARD CORPS.**

(a) IN GENERAL.—Section 6(b)(1) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended—

(1) by striking “Not later than 90 days” and inserting the following:

“(A) CERTIFICATIONS RELATING TO ACTIVITIES DESCRIBED IN SECTION 5.—Not later than 90 days”; and

(2) by adding at the end the following:

“(B) CERTIFICATIONS RELATING TO TRANSACTIONS WITH IRAN’S REVOLUTIONARY GUARD CORPS.—Not later than 120 days after the date of the enactment of the Iran Threat

Reduction and Syria Human Rights Act of 2012, the Federal Acquisition Regulation shall be revised to require a certification from each person that is a prospective contractor that the person, and any person owned or controlled by the person, does not knowingly engage in a significant transaction or transactions with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 6(b) of the Iran Sanctions Act of 1996, as amended by subsection (a), is further amended—

(A) in subparagraph (A) of paragraph (1), as designated by subsection (a)(1), by striking "issued pursuant to section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421)";

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by striking "the revision" and inserting "the applicable revision"; and

(II) by striking "not more than 3 years" and inserting "not less than 2 years"; and

(ii) in subparagraph (B), by striking "issued pursuant to section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421)";

(C) in paragraph (5), by striking "in the national interest" and inserting "essential to the national security interests";

(D) by striking paragraph (6) and inserting the following:

"(6) DEFINITIONS.—In this subsection:

"(A) EXECUTIVE AGENCY.—The term 'executive agency' has the meaning given that term in section 133 of title 41, United States Code

"(B) FEDERAL ACQUISITION REGULATION.—The term 'Federal Acquisition Regulation' means the regulation issued pursuant to section 1303(a)(1) of title 41, United States Code."; and

(E) in paragraph (7)—

(i) by striking "The revisions to the Federal Acquisition Regulation required under paragraph (1)" and inserting the following:

"(A) CERTIFICATIONS RELATING TO ACTIVITIES DESCRIBED IN SECTION 5.—The revisions to the Federal Acquisition Regulation required under paragraph (1)(A)"; and

(ii) by adding at the end the following:

"(B) CERTIFICATIONS RELATING TO TRANSACTIONS WITH IRAN'S REVOLUTIONARY GUARD CORPS.—The revisions to the Federal Acquisition Regulation required under paragraph (1)(B) shall apply with respect to contracts for which solicitations are issued on or after the date that is 120 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012."

(2) Section 101(3) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8511(3))



is amended by striking "section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)" and inserting "section 133 of title 41, United States Code".

**SEC. 312. DETERMINATIONS OF WHETHER THE NATIONAL IRANIAN OIL COMPANY AND THE NATIONAL IRANIAN TANKER COMPANY ARE AGENTS OR AFFILIATES OF IRAN'S REVOLUTIONARY GUARD CORPS.**

(a) **SENSE OF CONGRESS.**—It is the sense of Congress that the National Iranian Oil Company and the National Iranian Tanker Company are not only owned and controlled by the Government of Iran but that those companies provide significant support to Iran's Revolutionary Guard Corps and its affiliates.

(b) **DETERMINATIONS.**—Section 104(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)) is amended by adding at the end the following:

"(4) **DETERMINATIONS REGARDING NIOC AND NITC.**—

"(A) **DETERMINATIONS.**—For purposes of paragraph (2)(E), the Secretary of the Treasury shall, not later than 45 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012—

"(i) determine whether the NIOC or the NITC is an agent or affiliate of Iran's Revolutionary Guard Corps; and

"(ii) submit to the appropriate congressional committees a report on the determinations made under clause (i), together with the reasons for those determinations.

"(B) **FORM OF REPORT.**—A report submitted under subparagraph (A)(ii) shall be submitted in unclassified form but may contain a classified annex.

"(C) **APPLICABILITY WITH RESPECT TO PETROLEUM TRANSACTIONS.**—

"(i) **APPLICATION OF SANCTIONS.**—Except as provided in clause (ii), if the Secretary of the Treasury determines that the NIOC or the NITC is a person described in clause (i) or (ii) of paragraph (2)(E), the regulations prescribed under paragraph (1) shall apply with respect to a significant transaction or transactions or significant financial services knowingly facilitated or provided by a foreign financial institution for the NIOC or the NITC, as applicable, for the purchase of petroleum or petroleum products from Iran, only if a determination of the President under section 1245(d)(4)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that there is a sufficient supply of petroleum and petroleum products produced in countries other than Iran to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran is in effect at the time of the transaction or the provision of the service.

"(ii) **EXCEPTION FOR CERTAIN COUNTRIES.**—If the Secretary of the Treasury determines that the NIOC or the NITC is a person described in clause (i) or (ii) of paragraph (2)(E), the regulations prescribed under paragraph (1) shall not apply to a significant

transaction or transactions or significant financial services knowingly facilitated or provided by a foreign financial institution for the NIOC or the NITC, as applicable, for the purchase of petroleum or petroleum products from Iran if an exception under paragraph (4)(D) of section 1245(d) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)) applies to the country with primary jurisdiction over the foreign financial institution at the time of the transaction or the provision of the service

“(in) RULE OF CONSTRUCTION.—The exceptions in clauses (i) and (ii) shall not be construed to limit the authority of the Secretary of the Treasury to impose sanctions pursuant to the regulations prescribed under paragraph (1) for an activity described in paragraph (2) to the extent the activity would meet the criteria described in that paragraph in the absence of the involvement of the NIOC or the NITC

“(D) DEFINITIONS.—In this paragraph.

“(i) NIOC.—The term ‘NIOC’ means the National Iranian Oil Company.

“(ii) NITC.—The term ‘NITC’ means the National Iranian Tanker Company.”.

(c) CONFORMING AMENDMENTS.—

(1) WAIVER.—Section 104(f) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(f)) is amended by inserting “or section 104A” after “subsection (c)”.

(2) CLASSIFIED INFORMATION.—Section 104(g) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(g)) is amended by striking “subsection (c)(1)” and inserting “paragraph (1) or (4) of subsection (c) or section 104A” both places it appears.

(d) APPLICABILITY.—

(1) IN GENERAL.—If an exception to sanctions described in clause (i) or (ii) of paragraph (4)(C) of section 104(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by subsection (b), applies to a person that engages in a transaction described in paragraph (2) at the time of the transaction, the President is authorized not to impose sanctions with respect to the transaction under—

(A) section 302(b)(1);

(B) section 104A of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by section 216, or

(C) any other applicable provision of law authorizing the imposition of sanctions with respect to Iran.

(2) TRANSACTION DESCRIBED.—A transaction described in this paragraph is a transaction—

(A) solely for the purchase of petroleum or petroleum products from Iran; and

(B) for which sanctions may be imposed solely as a result of the involvement of the National Iranian Oil Company or the National Iranian Tanker Company in the transaction under—

(i) section 302(b)(1);

(ii) section 104A of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by section 216; or

(iii) any other applicable provision of law authorizing the imposition of sanctions with respect to Iran.

## TITLE IV—MEASURES RELATING TO HUMAN RIGHTS ABUSES IN IRAN

### Subtitle A—Expansion of Sanctions Relating to Human Rights Abuses in Iran

#### SEC. 401. IMPOSITION OF SANCTIONS ON CERTAIN PERSONS RESPONSIBLE FOR OR COMPLICIT IN HUMAN RIGHTS ABUSES COMMITTED AGAINST CITIZENS OF IRAN OR THEIR FAMILY MEMBERS AFTER THE JUNE 12, 2009, ELECTIONS IN IRAN.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the Supreme Leader of Iran, the President of Iran, senior members of the Intelligence Ministry of Iran, senior members of Iran's Revolutionary Guard Corps, Ansar-e-Hezbollah and Basij-e-Mostaz'afin, and the Ministers of Defense, Interior, Justice, and Telecommunications are ultimately responsible for ordering, controlling, or otherwise directing a pattern and practice of serious human rights abuses against the Iranian people, and thus the President should include such persons on the list of persons who are responsible for or complicit in committing serious human rights abuses and subject to sanctions pursuant to section 105 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514).

#### (b) REPORT —

(1) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a detailed report with respect to whether each person described in subsection (a) is responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing the commission of serious human rights abuses against citizens of Iran or their family members on or after June 12, 2009, regardless of whether such abuses occurred in Iran. For any such person who is not included in such report, the Secretary of State should describe in the report the reasons why the person was not included, including information on whether sufficient credible evidence of responsibility for such abuses was found.

(2) FORM.—The report required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(3) DEFINITION.—In this subsection, the term "appropriate congressional committees" means—

(A) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(B) the Committee on Foreign Affairs and the Committee on Financial Services of the House of Representatives.

SEC. 402. IMPOSITION OF SANCTIONS WITH RESPECT TO THE TRANSFER OF GOODS OR TECHNOLOGIES TO IRAN THAT ARE LIKELY TO BE USED TO COMMIT HUMAN RIGHTS ABUSES.

(a) IN GENERAL.—The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.) is amended by inserting after section 105 the following:

“SEC. 105A. IMPOSITION OF SANCTIONS WITH RESPECT TO THE TRANSFER OF GOODS OR TECHNOLOGIES TO IRAN THAT ARE LIKELY TO BE USED TO COMMIT HUMAN RIGHTS ABUSES.

“(a) IN GENERAL.—The President shall impose sanctions in accordance with subsection (c) with respect to each person on the list required by subsection (b).

“(b) LIST.—

“(1) IN GENERAL.—Not later than 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, the President shall submit to the appropriate congressional committees a list of persons that the President determines have knowingly engaged in an activity described in paragraph (2) on or after such date of enactment.

“(2) ACTIVITY DESCRIBED.—

“(A) IN GENERAL.—A person engages in an activity described in this paragraph if the person—

“(i) transfers, or facilitates the transfer of, goods or technologies described in subparagraph (C) to Iran, any entity organized under the laws of Iran or otherwise subject to the jurisdiction of the Government of Iran, or any national of Iran, for use in or with respect to Iran; or

“(ii) provides services (including services relating to hardware, software, and specialized information, and professional consulting, engineering, and support services) with respect to goods or technologies described in subparagraph (C) after such goods or technologies are transferred to Iran.

“(B) APPLICABILITY TO CONTRACTS AND OTHER AGREEMENTS.—A person engages in an activity described in subparagraph (A) without regard to whether the activity is carried out pursuant to a contract or other agreement entered into before, on, or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012.

“(C) GOODS OR TECHNOLOGIES DESCRIBED.—Goods or technologies described in this subparagraph are goods or technologies that the President determines are likely to be used by the Government of Iran or any of its agencies or instrumentalities (or by any other person on behalf of the Government of Iran or any of such agencies or instrumentalities) to commit serious human rights abuses against the people of Iran, including—

“(i) firearms or ammunition (as those terms are defined in section 921 of title 18, United States Code), rubber bullets, police batons, pepper or chemical sprays, stun grenades, electroshock weapons, tear gas, water cannons, or surveillance technology; or

“(ii) sensitive technology (as defined in section 106(c)).

“(3) SPECIAL RULE TO ALLOW FOR TERMINATION OF SANCTIONABLE ACTIVITY.—The President shall not be required to include a person on the list required by paragraph (1) if the President certifies in writing to the appropriate congressional committees that—

“(A) the person is no longer engaging in, or has taken significant verifiable steps toward stopping, the activity described in paragraph (2) for which the President would otherwise have included the person on the list; and

“(B) the President has received reliable assurances that the person will not knowingly engage in any activity described in paragraph (2) in the future

“(4) UPDATES OF LIST.—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—

“(A) each time the President is required to submit an updated list to those committees under section 105(b)(2)(A); and

“(B) as new information becomes available

“(5) FORM OF REPORT; PUBLIC AVAILABILITY.—

“(A) FORM.—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex

“(B) PUBLIC AVAILABILITY.—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.

“(c) APPLICATION OF SANCTIONS.—

“(1) IN GENERAL.—Subject to paragraph (2), the President shall impose sanctions described in section 105(c) with respect to a person on the list required by subsection (b)

“(2) TRANSFERS TO IRAN’S REVOLUTIONARY GUARD CORPS.—In the case of a person on the list required by subsection (b) for transferring, or facilitating the transfer of, goods or technologies described in subsection (b)(2)(C) to Iran’s Revolutionary Guard Corps, or providing services with respect to such goods or technologies after such goods or technologies are transferred to Iran’s Revolutionary Guard Corps, the President shall—

“(A) impose sanctions described in section 105(c) with respect to the person; and

“(B) impose such other sanctions from among the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) as the President determines appropriate.”

(b) CLERICAL AMENDMENT.—The table of contents for the Comprehensive Iran Sanctions, Accountability, and Divestment Act of

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2010 is amended by inserting after the item relating to section 105 the following:

"Sec. 105A. Imposition of sanctions with respect to the transfer of goods or technologies to Iran that are likely to be used to commit human rights abuses."

**SEC. 403. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS WHO ENGAGE IN CENSORSHIP OR OTHER RELATED ACTIVITIES AGAINST CITIZENS OF IRAN.**

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) satellite service providers and other entities that have direct contractual arrangements to provide satellite services to the Government of Iran or entities owned or controlled by that Government should cease providing broadcast services to that Government and those entities unless that Government ceases activities intended to jam or restrict satellite signals; and

(2) the United States should address the illegal jamming of satellite signals by the Government of Iran through the voice and vote of the United States in the United Nations International Telecommunications Union.

(b) IMPOSITION OF SANCTIONS.—The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.), as amended by section 402, is further amended by inserting after section 105A the following:

**"SEC. 105B. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS WHO ENGAGE IN CENSORSHIP OR OTHER RELATED ACTIVITIES AGAINST CITIZENS OF IRAN.**

"(a) IN GENERAL.—The President shall impose sanctions described in section 105(c) with respect to each person on the list required by subsection (b).

"(b) LIST OF PERSONS WHO ENGAGE IN CENSORSHIP.—

"(1) IN GENERAL.—Not later than 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, the President shall submit to the appropriate congressional committees a list of persons that the President determines have, on or after June 12, 2009, engaged in censorship or other activities with respect to Iran that—

"(A) prohibit, limit, or penalize the exercise of freedom of expression or assembly by citizens of Iran; or

"(B) limit access to print or broadcast media, including the facilitation or support of intentional frequency manipulation by the Government of Iran or an entity owned or controlled by that Government that would jam or restrict an international signal

"(2) UPDATES OF LIST.—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—

"(A) each time the President is required to submit an updated list to those committees under section 105(b)(2)(A); and

"(B) as new information becomes available.

"(3) FORM OF REPORT; PUBLIC AVAILABILITY.—

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“(A) FORM.—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

“(B) PUBLIC AVAILABILITY.—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.”

(c) CLERICAL AMENDMENT.—The table of contents for the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as amended by section 402, is further amended by inserting after the item relating to section 105A the following:

“Sec. 105B. Imposition of sanctions with respect to persons who engage in censorship or other related activities against citizens of Iran.”

(d) CONFORMING AMENDMENTS.—Section 401(b)(1) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(b)(1)) is amended—

- (1) by inserting “, 105A(a), or 105B(a)” after “105(a)”; and
- (2) by inserting “, 105A(b), or 105B(b)” after “105(b)”

### **Subtitle B—Additional Measures to Promote Human Rights**

#### **SEC. 411. CODIFICATION OF SANCTIONS WITH RESPECT TO GRAVE HUMAN RIGHTS ABUSES BY THE GOVERNMENTS OF IRAN AND SYRIA USING INFORMATION TECHNOLOGY.**

United States sanctions with respect to Iran and Syria provided for in Executive Order No. 13606 (77 Fed. Reg. 24571), as in effect on the day before the date of the enactment of this Act, shall remain in effect—

(1) with respect to Iran, until the date that is 30 days after the date on which the President submits to Congress the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)); and

(2) with respect to Syria, until the date on which the provisions of and sanctions imposed pursuant to title VII terminate pursuant to section 706.

#### **SEC. 412. CLARIFICATION OF SENSITIVE TECHNOLOGIES FOR PURPOSES OF PROCUREMENT BAN UNDER COMPREHENSIVE IRAN SANCTIONS, ACCOUNTABILITY, AND DIVESTMENT ACT OF 2010.**

The Secretary of State shall—

(1) not later than 90 days after the date of the enactment of this Act, issue guidelines to further describe the technologies that may be considered “sensitive technology” for purposes of section 106 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8515), with special attention to new forms of sophisticated jamming, monitoring, and surveillance technology relating to mobile telecommunications and the Internet, and publish those guidelines in the Federal Register;

(2) determine the types of technologies that enable any indigenous capabilities that Iran has to disrupt and monitor

information and communications in that country, and consider adding descriptions of those items to the guidelines; and

(3) periodically review, but in no case less than once each year, the guidelines and, if necessary, amend the guidelines on the basis of technological developments and new information regarding transfers of technologies to Iran and the development of Iran's indigenous capabilities to disrupt and monitor information and communications in Iran.

**SEC. 413. EXPEDITED CONSIDERATION OF REQUESTS FOR AUTHORIZATION OF CERTAIN HUMAN RIGHTS-, HUMANITARIAN-, AND DEMOCRACY-RELATED ACTIVITIES WITH RESPECT TO IRAN.**

(a) **REQUIREMENT.**—The Office of Foreign Assets Control, in consultation with the Department of State, shall establish an expedited process for the consideration of complete requests for authorization to engage in human rights-, humanitarian-, or democracy-related activities relating to Iran that are submitted by—

- (1) entities receiving funds from the Department of State to engage in the proposed activity;
- (2) the Broadcasting Board of Governors; and
- (3) other appropriate agencies of the United States Government.

(b) **PROCEDURES.**—Requests for authorization under subsection (a) shall be submitted to the Office of Foreign Assets Control in conformance with the Office's regulations, including section 501.801 of title 31, Code of Federal Regulations (commonly known as the Reporting, Procedures and Penalties Regulations). Applicants shall fully disclose the parties to the transactions as well as describe the activities to be undertaken. License applications involving the exportation or reexportation of goods, technology, or software to Iran shall include a copy of an official Commodity Classification issued by the Department of Commerce, Bureau of Industry and Security, as part of the license application.

(c) **FOREIGN POLICY REVIEW.**—The Department of State shall complete a foreign policy review of a request for authorization under subsection (a) not later than 30 days after the request is referred to the Department by the Office of Foreign Assets Control.

(d) **LICENSE DETERMINATIONS.**—License determinations for complete requests for authorization under subsection (a) shall be made not later than 90 days after receipt by the Office of Foreign Assets Control, with the following exceptions:

(1) Any requests involving the exportation or reexportation to Iran of goods, technology, or software listed on the Commerce Control List maintained pursuant to part 774 of title 15, Code of Federal Regulations, shall be processed in a manner consistent with the Iran-Iraq Arms Non-Proliferation Act of 1992 (title XVI of Public Law 102-484) and other applicable provisions of law

(2) Any other requests presenting unusual or extraordinary circumstances.

(e) **REGULATIONS.**—The Secretary of the Treasury may prescribe such regulations as are appropriate to carry out this section.

**SEC. 414. COMPREHENSIVE STRATEGY TO PROMOTE INTERNET FREEDOM AND ACCESS TO INFORMATION IN IRAN.**

Not later than 90 days after the date of the enactment of this Act, the Secretary of State, in consultation with the Secretary



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of the Treasury and the heads of other Federal agencies, as appropriate, shall submit to the appropriate congressional committees a comprehensive strategy to—

(1) assist the people of Iran to produce, access, and share information freely and safely via the Internet, including in Farsi and regional languages;

(2) support the development of counter-censorship technologies that enable the citizens of Iran to undertake Internet activities without interference from the Government of Iran;

(3) increase the capabilities and availability of secure mobile and other communications through connective technology among human rights and democracy activists in Iran;

(4) provide resources for digital safety training for media and academic and civil society organizations in Iran;

(5) provide accurate and substantive Internet content in local languages in Iran;

(6) increase emergency resources for the most vulnerable human rights advocates seeking to organize, share information, and support human rights in Iran;

(7) expand surrogate radio, television, live stream, and social network communications inside Iran, including—

(A) by expanding Voice of America's Persian News Network and Radio Free Europe/Radio Liberty's Radio Farda to provide hourly live news update programming and breaking news coverage capability 24 hours a day and 7 days a week; and

(B) by assisting telecommunications and software companies that are United States persons to comply with the export licensing requirements of the United States for the purpose of expanding such communications inside Iran;

(8) expand activities to safely assist and train human rights, civil society, and democracy activists in Iran to operate effectively and securely;

(9) identify and utilize all available resources to overcome attempts by the Government of Iran to jam or otherwise deny international satellite broadcasting signals;

(10) expand worldwide United States embassy and consulate programming for and outreach to Iranian dissident communities;

(11) expand access to proxy servers for democracy activists in Iran; and

(12) discourage telecommunications and software companies from facilitating Internet censorship by the Government of Iran.

**SEC. 415. STATEMENT OF POLICY ON POLITICAL PRISONERS.**

It shall be the policy of the United States—

(1) to support efforts to research and identify prisoners of conscience and cases of human rights abuses in Iran;

(2) to offer refugee status or political asylum in the United States to political dissidents in Iran if requested and consistent with the laws and national security interests of the United States;

(3) to offer to assist, through the United Nations High Commissioner for Refugees, with the relocation of such political prisoners to other countries if requested, as appropriate and

with appropriate consideration for the national security interests of the United States; and

(4) to publicly call for the release of Iranian dissidents by name and raise awareness with respect to individual cases of Iranian dissidents and prisoners of conscience, as appropriate and if requested by the dissidents or prisoners themselves or their families

## TITLE V—MISCELLANEOUS

### SEC. 501. EXCLUSION OF CITIZENS OF IRAN SEEKING EDUCATION RELATING TO THE NUCLEAR AND ENERGY SECTORS OF IRAN.

(a) IN GENERAL.—The Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any alien who is a citizen of Iran that the Secretary of State determines seeks to enter the United States to participate in coursework at an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a))) to prepare the alien for a career in the energy sector of Iran or in nuclear science or nuclear engineering or a related field in Iran.

(b) APPLICABILITY.—Subsection (a) applies with respect to visa applications filed on or after the date of the enactment of this Act.

### SEC. 502. INTERESTS IN CERTAIN FINANCIAL ASSETS OF IRAN.

#### (a) INTERESTS IN BLOCKED ASSETS.—

(1) IN GENERAL.—Subject to paragraph (2), notwithstanding any other provision of law, including any provision of law relating to sovereign immunity, and preempting any inconsistent provision of State law, a financial asset that is—

(A) held in the United States for a foreign securities intermediary doing business in the United States;

(B) a blocked asset (whether or not subsequently unblocked) that is property described in subsection (b); and

(C) equal in value to a financial asset of Iran, including an asset of the central bank or monetary authority of the Government of Iran or any agency or instrumentality of that Government, that such foreign securities intermediary or a related intermediary holds abroad, shall be subject to execution or attachment in aid of execution in order to satisfy any judgment to the extent of any compensatory damages awarded against Iran for damages for personal injury or death caused by an act of torture, extrajudicial killing, aircraft sabotage, or hostage-taking, or the provision of material support or resources for such an act.

(2) COURT DETERMINATION REQUIRED.—In order to ensure that Iran is held accountable for paying the judgments described in paragraph (1) and in furtherance of the broader goals of this Act to sanction Iran, prior to an award turning over any asset pursuant to execution or attachment in aid of execution with respect to any judgments against Iran described in paragraph (1), the court shall determine whether Iran holds equitable title to, or the beneficial interest in, the

assets described in subsection (b) and that no other person possesses a constitutionally protected interest in the assets described in subsection (b) under the Fifth Amendment to the Constitution of the United States. To the extent the court determines that a person other than Iran holds—

(A) equitable title to, or a beneficial interest in, the assets described in subsection (b) (excluding a custodial interest of a foreign securities intermediary or a related intermediary that holds the assets abroad for the benefit of Iran); or

(B) a constitutionally protected interest in the assets described in subsection (b),

such assets shall be available only for execution or attachment in aid of execution to the extent of Iran's equitable title or beneficial interest therein and to the extent such execution or attachment does not infringe upon such constitutionally protected interest

(b) **FINANCIAL ASSETS DESCRIBED.**—The financial assets described in this section are the financial assets that are identified in and the subject of proceedings in the United States District Court for the Southern District of New York in *Peterson et al. v Islamic Republic of Iran et al.*, Case No 10 Civ. 4518 (BSJ) (GWG), that were restrained by restraining notices and levies secured by the plaintiffs in those proceedings, as modified by court order dated June 27, 2008, and extended by court orders dated June 23, 2009, May 10, 2010, and June 11, 2010, so long as such assets remain restrained by court order

(c) **RULES OF CONSTRUCTION.**—Nothing in this section shall be construed—

(1) to affect the availability, or lack thereof, of a right to satisfy a judgment in any other action against a terrorist party in any proceedings other than proceedings referred to in subsection (b); or

(2) to apply to assets other than the assets described in subsection (b), or to preempt State law, including the Uniform Commercial Code, except as expressly provided in subsection (a)(1).

(d) **DEFINITIONS.**—In this section.

(1) **BLOCKED ASSET.**—The term “blocked asset”—

(A) means any asset seized or frozen by the United States under section 5(b) of the Trading With the Enemy Act (50 U.S.C. App. 5(b)) or under section 202 or 203 of the International Emergency Economic Powers Act (50 U.S.C. 1701 and 1702); and

(B) does not include property that—

(i) is subject to a license issued by the United States Government for final payment, transfer, or disposition by or to a person subject to the jurisdiction of the United States in connection with a transaction for which the issuance of the license has been specifically required by a provision of law other than the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) or the United Nations Participation Act of 1945 (22 U.S.C. 287 et seq.); or

(ii) is property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations, or that enjoys equivalent privileges

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and immunities under the laws of the United States, and is being used exclusively for diplomatic or consular purposes.

(2) FINANCIAL ASSET; SECURITIES INTERMEDIARY.—The terms “financial asset” and “securities intermediary” have the meanings given those terms in the Uniform Commercial Code, but the former includes cash.

(3) IRAN.—The term “Iran” means the Government of Iran, including the central bank or monetary authority of that Government and any agency or instrumentality of that Government.

(4) PERSON.—

(A) IN GENERAL.—The term “person” means an individual or entity.

(B) ENTITY.—The term “entity” means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization.

(5) TERRORIST PARTY.—The term “terrorist party” has the meaning given that term in section 201(d) of the Terrorism Risk Insurance Act of 2002 (28 U.S.C. 1610 note).

(6) UNITED STATES.—The term “United States” includes all territory and waters, continental, or insular, subject to the jurisdiction of the United States.

(e) TECHNICAL CHANGES TO THE FOREIGN SOVEREIGN IMMUNITIES ACT.—

(1) TITLE 28, UNITED STATES CODE.—Section 1610 of title 28, United States Code, is amended—

(A) in subsection (a)(7), by inserting after “section 1605A” the following: “or section 1605(a)(7) (as such section was in effect on January 27, 2008)”; and

(B) in subsection (b)—

(i) in paragraph (2)—

(I) by striking “(5), 1605(b), or 1605A” and inserting “(5) or 1605(b)”; and

(II) by striking the period at the end and inserting “, or”; and

(ii) by adding after paragraph (2) the following:

“(3) the judgment relates to a claim for which the agency or instrumentality is not immune by virtue of section 1605A of this chapter or section 1605(a)(7) of this chapter (as such section was in effect on January 27, 2008), regardless of whether the property is or was involved in the act upon which the claim is based.”

(2) TERRORISM RISK INSURANCE ACT OF 2002.—Section 201(a) of the Terrorism Risk Insurance Act of 2002 (28 U.S.C. 1610 note) is amended by striking “section 1605(a)(7)” and inserting “section 1605A or 1605(a)(7) (as such section was in effect on January 27, 2008)”.

SEC. 503. TECHNICAL CORRECTIONS TO SECTION 1245 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2012.

(a) EXCEPTION FOR SALES OF AGRICULTURAL COMMODITIES.—

(1) IN GENERAL.—Section 1245(d)(2) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(2)) is amended—

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(A) in the paragraph heading, by inserting "AGRICULTURAL COMMODITIES," after "SALES OF"; and

(B) in the text, by inserting "agricultural commodities," after "sale of".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect as if included in the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1298)

(b) REPORT OF ENERGY INFORMATION ADMINISTRATION.—

(1) IN GENERAL.—Section 1245(d)(4)(A) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(A)) is amended—

(A) by striking "60 days after the date of the enactment of this Act, and every 60 days thereafter" and inserting "October 25, 2012, and the last Thursday of every other month thereafter"; and

(B) by striking "60-day period" and inserting "2-month period".

(2) EFFECTIVE DATE.—The amendments made by paragraph

(1) shall take effect on September 1, 2012.

**SEC. 504. EXPANSION OF SANCTIONS UNDER SECTION 1245 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2012.**

(a) IN GENERAL.—Section 1245 of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a), as amended by section 503, is further amended—

(1) in subsection (d)—

(A) in paragraph (3), by striking "a foreign financial institution owned or controlled by the government of a foreign country, including"; and

(B) in paragraph (4)(D)—

(i) by striking "Sanctions imposed" and inserting the following:

"(i) IN GENERAL.—Sanctions imposed";

(ii) in clause (i), as designated by clause (i) of this subparagraph—

(I) by striking "a foreign financial institution" and inserting "a financial transaction described in clause (ii) conducted or facilitated by a foreign financial institution";

(II) by striking "institution has significantly" and inserting "institution—

"(I) has significantly reduced";

(III) by striking the period at the end and inserting "; or"; and

(IV) by adding at the end the following:

"(II) in the case of a country that has previously received an exception under this subparagraph, has, after receiving the exception, reduced its crude oil purchases from Iran to zero."; and

(iii) by adding at the end the following:

"(ii) FINANCIAL TRANSACTIONS DESCRIBED.—A financial transaction conducted or facilitated by a foreign financial institution is described in this clause if—

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“(I) the financial transaction is only for trade in goods or services between the country with primary jurisdiction over the foreign financial institution and Iran; and

“(II) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.”;

(2) in subsection (h)—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following:

“(3) SIGNIFICANT REDUCTIONS.—The terms ‘reduce significantly’, ‘significant reduction’, and ‘significantly reduced’, with respect to purchases from Iran of petroleum and petroleum products, include a reduction in such purchases in terms of price or volume toward a complete cessation of such purchases.”; and

(3) by adding at the end the following:

“(i) TERMINATION.—The provisions of this section shall terminate on the date that is 30 days after the date on which the President submits to Congress the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)).”.

(b) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) of subsection (a) shall apply with respect to financial transactions conducted or facilitated on or after the date that is 180 days after the date of the enactment of this Act.

**SEC. 505. REPORTS ON NATURAL GAS EXPORTS FROM IRAN.**

(a) REPORT BY ENERGY INFORMATION ADMINISTRATION.—Not later than 60 days after the date of the enactment of this Act, the Administrator of the Energy Information Administration shall submit to the President and the appropriate congressional committees a report on the natural gas sector of Iran that includes—

(1) an assessment of exports of natural gas from Iran;

(2) an identification of the countries that purchase the most natural gas from Iran;

(3) an assessment of alternative supplies of natural gas available to those countries;

(4) an assessment of the impact a reduction in exports of natural gas from Iran would have on global natural gas supplies and the price of natural gas, especially in countries identified under paragraph (2); and

(5) such other information as the Administrator considers appropriate.

(b) REPORT BY PRESIDENT.—

(1) IN GENERAL.—Not later than 60 days after receiving the report required by subsection (a), the President shall, relying on information in that report, submit to the appropriate congressional committees a report that includes—

(A) an assessment of—

(i) the extent to which revenues from exports of natural gas from Iran are still enriching the Government of Iran;

(ii) whether a sanctions regime similar to the sanctions regime imposed with respect to purchases of

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petroleum and petroleum products from Iran pursuant to section 1245 of the National Defense Authorization Act for Fiscal Year 2012, as amended by sections 503 and 504, or other measures could be applied effectively to exports of natural gas from Iran;

(iii) the geostrategic implications of a reduction in exports of natural gas from Iran, including the impact of such a reduction on the countries identified under subsection (a)(2);

(iv) alternative supplies of natural gas available to those countries; and

(v) the impact a reduction in exports of natural gas from Iran would have on global natural gas supplies and the price of natural gas and the impact, if any, on swap arrangements for natural gas in place between Iran and neighboring countries; and

(B) specific recommendations with respect to measures designed to limit the revenue received by the Government of Iran from exports of natural gas; and

(C) any other information the President considers appropriate

(2) FORM OF REPORT.—Each report required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

**SEC. 506. REPORT ON MEMBERSHIP OF IRAN IN INTERNATIONAL ORGANIZATIONS.**

Not later than 180 days after the date of the enactment of this Act, and not later than September 1 of each year thereafter, the Secretary of State shall submit to the appropriate congressional committees a report listing the international organizations of which Iran is a member and detailing the amount that the United States contributes to each such organization on an annual basis

**SEC. 507. SENSE OF CONGRESS ON EXPORTATION OF GOODS, SERVICES, AND TECHNOLOGIES FOR AIRCRAFT PRODUCED IN THE UNITED STATES.**

It is the sense of Congress that licenses to export or reexport goods, services, or technologies for aircraft produced in the United States should be provided only in situations in which such licenses are truly essential and in a manner consistent with the laws and foreign policy goals of the United States

**TITLE VI—GENERAL PROVISIONS**

**SEC. 601. IMPLEMENTATION; PENALTIES.**

(a) IMPLEMENTATION.—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out—

(1) sections 211, 212, 213, 217, 218, 220, 312, and 411, subtitle A of title III, and title VII;

(2) section 104A of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by section 312; and

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(3) sections 105A and 105B of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by subtitle A of title IV.

(b) PENALTIES.—

(1) IN GENERAL.—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of a provision specified in paragraph (2) of this subsection, or an order or regulation prescribed under such a provision, to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

(2) PROVISIONS SPECIFIED.—The provisions specified in this paragraph are the following:

(A) Sections 211, 212, 213, and 220, subtitle A of title III, and title VII.

(B) Sections 105A and 105B of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by subtitle A of title IV.

**SEC. 602. APPLICABILITY TO CERTAIN INTELLIGENCE ACTIVITIES.**

Nothing in this Act or the amendments made by this Act shall apply to the authorized intelligence activities of the United States.

**SEC. 603. APPLICABILITY TO CERTAIN NATURAL GAS PROJECTS.**

(a) EXCEPTION FOR CERTAIN NATURAL GAS PROJECTS.—Nothing in this Act or the amendments made by this Act shall apply to any activity relating to a project—

(1) for the development of natural gas and the construction and operation of a pipeline to transport natural gas from Azerbaijan to Turkey and Europe;

(2) that provides to Turkey and countries in Europe energy security and energy independence from the Government of the Russian Federation and other governments with jurisdiction over persons subject to sanctions imposed under this Act or amendments made by this Act; and

(3) that was initiated before the date of the enactment of this Act pursuant to a production-sharing agreement, or an ancillary agreement necessary to further a production-sharing agreement, entered into with, or a license granted by, the government of a country other than Iran before such date of enactment.

(b) TERMINATION OF EXCEPTION.—

(1) IN GENERAL.—The exception under subsection (a) shall not apply with respect to a project described in that subsection on or after the date on which the President certifies to the appropriate congressional committees that—

(A) the percentage of the equity interest in the project held by or on behalf of an entity described in paragraph (2) has increased relative to the percentage of the equity interest in the project held by or on behalf of such an entity on January 1, 2002; or

(B) an entity described in paragraph (2) has assumed an operational role in the project.

(2) ENTITY DESCRIBED.—An entity described in this paragraph is—



- (A) an entity—
- (i) owned or controlled by the Government of Iran or identified under section 560.304 of title 31, Code of Federal Regulations (relating to the definition of the Government of Iran); or
  - (ii) organized under the laws of Iran or with the participation or approval of the Government of Iran;
- (B) an entity owned or controlled by an entity described in subparagraph (A); or
- (C) a successor entity to an entity described in subparagraph (A)

**SEC. 604. RULE OF CONSTRUCTION WITH RESPECT TO USE OF FORCE AGAINST IRAN AND SYRIA.**

Nothing in this Act or the amendments made by this Act shall be construed as a declaration of war or an authorization of the use of force against Iran or Syria.

**SEC. 605. TERMINATION.**

(a) **IN GENERAL.**—The provisions of sections 211, 212, 213, 218, 220, 221, and 501, title I, and subtitle A of title III shall terminate on the date that is 30 days after the date on which the President makes the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)).

(b) **AMENDMENT TO TERMINATION DATE OF COMPREHENSIVE IRAN SANCTIONS, ACCOUNTABILITY, AND DIVESTMENT ACT OF 2010.**—Section 401(a)(2) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)(2)) is amended by inserting “, and verifiably dismantled its,” after “development of”.

**TITLE VII—SANCTIONS WITH RESPECT TO HUMAN RIGHTS ABUSES IN SYRIA**

**SEC. 701. SHORT TITLE.**

This title may be cited as the “Syria Human Rights Accountability Act of 2012”.

**SEC. 702. IMPOSITION OF SANCTIONS WITH RESPECT TO CERTAIN PERSONS WHO ARE RESPONSIBLE FOR OR COMPLICIT IN HUMAN RIGHTS ABUSES COMMITTED AGAINST CITIZENS OF SYRIA OR THEIR FAMILY MEMBERS.**

(a) **IN GENERAL.**—The President shall impose sanctions described in subsection (c) with respect to each person on the list required by subsection (b).

(b) **LIST OF PERSONS WHO ARE RESPONSIBLE FOR OR COMPLICIT IN CERTAIN HUMAN RIGHTS ABUSES.**—

(1) **IN GENERAL.**—Not later than 120 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a list of persons who are officials of the Government of Syria or persons acting on behalf of that Government that the President determines, based on credible evidence, are responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, the commission of serious human rights abuses against citizens

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of Syria or their family members, regardless of whether such abuses occurred in Syria.

(2) **UPDATES OF LIST.**—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—

(A) not later than 300 days after the date of the enactment of this Act and every 180 days thereafter; and

(B) as new information becomes available.

(3) **FORM OF REPORT; PUBLIC AVAILABILITY.**—

(A) **FORM.**—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(B) **PUBLIC AVAILABILITY.**—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.

(4) **CONSIDERATION OF DATA FROM OTHER COUNTRIES AND NONGOVERNMENTAL ORGANIZATIONS.**—In preparing the list required by paragraph (1), the President shall consider credible data already obtained by other countries and nongovernmental organizations, including organizations in Syria, that monitor the human rights abuses of the Government of Syria.

(c) **SANCTIONS DESCRIBED.**—The sanctions described in this subsection are sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), including blocking of property and restrictions or prohibitions on financial transactions and the exportation of property, subject to such regulations as the President may prescribe.

**SEC. 703. IMPOSITION OF SANCTIONS WITH RESPECT TO THE TRANSFER OF GOODS OR TECHNOLOGIES TO SYRIA THAT ARE LIKELY TO BE USED TO COMMIT HUMAN RIGHTS ABUSES.**

(a) **IN GENERAL.**—The President shall impose sanctions described in section 702(c) with respect to—

(1) each person on the list required by subsection (b);

and

(2) any person that—

(A) is a successor entity to a person on the list;

(B) owns or controls a person on the list, if the person that owns or controls the person on the list had actual knowledge or should have known that the person on the list engaged in the activity described in subsection (b)(2) for which the person was included in the list; or

(C) is owned or controlled by, or under common ownership or control with, the person on the list, if the person owned or controlled by, or under common ownership or control with (as the case may be), the person on the list knowingly engaged in the activity described in subsection (b)(2) for which the person was included in the list.

(b) **LIST.**—

(1) **IN GENERAL.**—Not later than 120 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a list of persons that the President determines have knowingly engaged in an activity described in paragraph (2) on or after such date of enactment.

(2) **ACTIVITY DESCRIBED** —

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(A) IN GENERAL.—A person engages in an activity described in this paragraph if the person—

(i) transfers, or facilitates the transfer of, goods or technologies described in subparagraph (C) to Syria; or

(ii) provides services with respect to goods or technologies described in subparagraph (C) after such goods or technologies are transferred to Syria.

(B) APPLICABILITY TO CONTRACTS AND OTHER AGREEMENTS.—A person engages in an activity described in subparagraph (A) without regard to whether the activity is carried out pursuant to a contract or other agreement entered into before, on, or after the date of the enactment of this Act.

(C) GOODS OR TECHNOLOGIES DESCRIBED.—Goods or technologies described in this subparagraph are goods or technologies that the President determines are likely to be used by the Government of Syria or any of its agencies or instrumentalities to commit human rights abuses against the people of Syria, including—

(i) firearms or ammunition (as those terms are defined in section 921 of title 18, United States Code), rubber bullets, police batons, pepper or chemical sprays, stun grenades, electroshock weapons, tear gas, water cannons, or surveillance technology; or

(ii) sensitive technology.

(D) SENSITIVE TECHNOLOGY DEFINED.—

(i) IN GENERAL.—For purposes of subparagraph (C), the term “sensitive technology” means hardware, software, telecommunications equipment, or any other technology, that the President determines is to be used specifically—

(I) to restrict the free flow of unbiased information in Syria; or

(II) to disrupt, monitor, or otherwise restrict speech of the people of Syria.

(ii) EXCEPTION.—The term “sensitive technology” does not include information or informational materials the exportation of which the President does not have the authority to regulate or prohibit pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

(3) SPECIAL RULE TO ALLOW FOR TERMINATION OF SANCTIONABLE ACTIVITY.—The President shall not be required to include a person on the list required by paragraph (1) if the President certifies in writing to the appropriate congressional committees that—

(A) the person is no longer engaging in, or has taken significant verifiable steps toward stopping, the activity described in paragraph (2) for which the President would otherwise have included the person on the list; and

(B) the President has received reliable assurances that the person will not knowingly engage in any activity described in paragraph (2) in the future.

(4) UPDATES OF LIST.—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—

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(A) not later than 300 days after the date of the enactment of this Act and every 180 days thereafter; and

(B) as new information becomes available

(5) FORM OF REPORT; PUBLIC AVAILABILITY.—

(A) FORM.—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(B) PUBLIC AVAILABILITY.—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.

**SEC. 704. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS WHO ENGAGE IN CENSORSHIP OR OTHER FORMS OF REPRESSION IN SYRIA.**

(a) IN GENERAL.—The President shall impose sanctions described in section 702(c) with respect to each person on the list required by subsection (b).

(b) LIST OF PERSONS WHO ENGAGE IN CENSORSHIP.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a list of persons that the President determines have engaged in censorship, or activities relating to censorship, in a manner that prohibits, limits, or penalizes the legitimate exercise of freedom of expression by citizens of Syria.

(2) UPDATES OF LIST.—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—

(A) not later than 300 days after the date of the enactment of this Act and every 180 days thereafter; and

(B) as new information becomes available.

(3) FORM OF REPORT; PUBLIC AVAILABILITY.—

(A) FORM.—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(B) PUBLIC AVAILABILITY.—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.

**SEC. 705. WAIVER.**

The President may waive the requirement to include a person on a list required by section 702, 703, or 704 or to impose sanctions pursuant to any such section if the President—

(1) determines that such a waiver is in the national security interests of the United States; and

(2) submits to the appropriate congressional committees a report on the reasons for that determination.

**SEC. 706. TERMINATION.**

(a) IN GENERAL.—The provisions of this title and any sanctions imposed pursuant to this title shall terminate on the date on which the President submits to the appropriate congressional committees—

(1) the certification described in subsection (b); and

(2) a certification that—

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(A) the Government of Syria is democratically elected and representative of the people of Syria; or

(B) a legitimate transitional government of Syria is in place

(b) CERTIFICATION DESCRIBED.—A certification described in this subsection is a certification by the President that the Government of Syria—

(1) has unconditionally released all political prisoners,

(2) has ceased its practices of violence, unlawful detention, torture, and abuse of citizens of Syria engaged in peaceful political activity;

(3) has ceased its practice of procuring sensitive technology designed to restrict the free flow of unbiased information in Syria, or to disrupt, monitor, or otherwise restrict the right of citizens of Syria to freedom of expression;

(4) has ceased providing support for foreign terrorist organizations and no longer allows such organizations, including Hamas, Hezbollah, and Palestinian Islamic Jihad, to maintain facilities in territory under the control of the Government of Syria; and

(5) has ceased the development and deployment of medium- and long-range surface-to-surface ballistic missiles;

(6) is not pursuing or engaged in the research, development, acquisition, production, transfer, or deployment of biological, chemical, or nuclear weapons, and has provided credible assurances that it will not engage in such activities in the future; and

(7) has agreed to allow the United Nations and other international observers to verify that the Government of Syria is not engaging in such activities and to assess the credibility of the assurances provided by that Government.

(c) SUSPENSION OF SANCTIONS AFTER ELECTION OF DEMOCRATIC GOVERNMENT.—If the President submits to the appropriate congressional committees the certification described in subsection (a)(2), the President may suspend the provisions of this title and any sanctions imposed under this title for not more than 180 days to allow time for a certification described in subsection (b) to be submitted.

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*



PUBLIC LAW 112-239—JAN. 2, 2013

NATIONAL DEFENSE AUTHORIZATION ACT  
FOR FISCAL YEAR 2013

Public Law 112-239  
112th Congress

An Act

Jan. 2, 2013  
[H.R. 4310]

To authorize appropriations for fiscal year 2013 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

National Defense  
Authorization  
Act for Fiscal  
Year 2013.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “National Defense Authorization Act for Fiscal Year 2013”.

**SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.**

(a) **DIVISIONS.**—This Act is organized into four divisions as follows:

- (1) Division A—Department of Defense Authorizations.
- (2) Division B—Military Construction Authorizations.
- (3) Division C—Department of Energy National Security Authorizations and Other Authorizations.
- (4) Division D—Funding Tables.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title.  
Sec. 2. Organization of Act into divisions; table of contents.  
Sec. 3. Congressional defense committees.

**DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS**

**TITLE I—PROCUREMENT**

**Subtitle A—Authorization of Appropriations**

Sec. 101. Authorization of appropriations.

**Subtitle B—Army Programs**

- Sec. 111. Multiyear procurement authority for Army CH-47 helicopters.  
Sec. 112. Reports on airlift requirements of the Army.

**Subtitle C—Navy Programs**

- Sec. 121. Extension of Ford class aircraft carrier construction authority.  
Sec. 122. Multiyear procurement authority for Virginia class submarine program.  
Sec. 123. Multiyear procurement authority for Arleigh Burke class destroyers and associated systems.  
Sec. 124. Limitation on availability of amounts for second Ford class aircraft carrier.  
Sec. 125. Refueling and complex overhaul of the U.S.S. Abraham Lincoln.  
Sec. 126. Designation of mission modules of the Littoral Combat Ship as a major defense acquisition program.  
Sec. 127. Report on Littoral Combat Ship designs.  
Sec. 128. Comptroller General review of Littoral Combat Ship program.  
Sec. 129. Sense of Congress on importance of engineering in early stages of shipbuilding.

- Sec. 1223. Report on efforts to promote the security of Afghan women and girls during the security transition process.
- Sec. 1224. Sense of Congress commending the Enduring Strategic Partnership Agreement between the United States and Afghanistan.
- Sec. 1225. Consultations with Congress on a bilateral security agreement with Afghanistan.
- Sec. 1226. Completion of transition of United States combat and military and security operations to the Government of Afghanistan.
- Sec. 1227. Extension and modification of authority for reimbursement of certain coalition nations for support provided to United States military operations.
- Sec. 1228. Extension and modification of Pakistan Counterinsurgency Fund.

Subtitle C—Matters Relating to Iran

- Sec. 1231. Report on United States capabilities in relation to China, North Korea, and Iran.
- Sec. 1232. Report on military capabilities of Gulf Cooperation Council members.
- Sec. 1233. Sense of Congress with respect to Iran.
- Sec. 1234. Rule of construction.

Subtitle D—Iran Sanctions

- Sec. 1241. Short title.
- Sec. 1242. Definitions.
- Sec. 1243. Sense of Congress relating to violations of human rights by Iran.
- Sec. 1244. Imposition of sanctions with respect to the energy, shipping, and ship-building sectors of Iran.
- Sec. 1245. Imposition of sanctions with respect to the sale, supply, or transfer of certain materials to or from Iran.
- Sec. 1246. Imposition of sanctions with respect to the provision of underwriting services or insurance or reinsurance for activities or persons with respect to which sanctions have been imposed.
- Sec. 1247. Imposition of sanctions with respect to foreign financial institutions that facilitate financial transactions on behalf of specially designated nationals.
- Sec. 1248. Impositions of sanctions with respect to the Islamic Republic of Iran Broadcasting.
- Sec. 1249. Imposition of sanctions with respect to persons engaged in the diversion of goods intended for the people of Iran.
- Sec. 1250. Waiver requirement related to exceptional circumstances preventing significant reductions in crude oil purchases.
- Sec. 1251. Statute of limitations for civil actions regarding terrorist acts.
- Sec. 1252. Report on use of certain Iranian seaports by foreign vessels and use of foreign airports by sanctioned Iranian air carriers.
- Sec. 1253. Implementation; penalties.
- Sec. 1254. Applicability to certain natural gas projects.
- Sec. 1255. Rule of construction.

Subtitle E—Satellites and Related Items

- Sec. 1261. Removal of satellites and related items from the United States Munitions List.
- Sec. 1262. Report on licenses and other authorizations to export certain satellites and related items.
- Sec. 1263. Report on country exemptions for licensing of exports of certain satellites and related items.
- Sec. 1264. End-use monitoring of certain satellites and related items.
- Sec. 1265. Interagency review of modifications to Category XV of the United States Munitions List.
- Sec. 1266. Rules of construction.
- Sec. 1267. Definitions.

Subtitle F—Other Matters

- Sec. 1271. Additional elements in annual report on military and security developments involving the People's Republic of China.
- Sec. 1272. NATO Special Operations Headquarters.
- Sec. 1273. Sustainability requirements for certain capital projects in connection with overseas contingency operations.
- Sec. 1274. Administration of the American, British, Canadian, and Australian Armies' Program.
- Sec. 1275. United States participation in Headquarters Eurocorps.
- Sec. 1276. Department of Defense participation in European program on multilateral exchange of air transportation and air refueling services.



Sec. 1228. Extension and modification of Pakistan Counterinsurgency Fund.

Subtitle C—Matters Relating to Iran

Sec. 1231. Report on United States capabilities in relation to China, North Korea, and Iran.

Sec. 1232. Report on military capabilities of Gulf Cooperation Council members.

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Sec. 1234. Rule of construction.

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Sec. 1244. Imposition of sanctions with respect to the energy, shipping, and shipbuilding sectors of Iran.

Sec. 1245. Imposition of sanctions with respect to the sale, supply, or transfer of certain materials to or from Iran.

Sec. 1246. Imposition of sanctions with respect to the provision of underwriting services or insurance or reinsurance for activities or persons with respect to which sanctions have been imposed.

Sec. 1247. Imposition of sanctions with respect to foreign financial institutions that facilitate financial transactions on behalf of specially designated nationals.

Sec. 1248. Impositions of sanctions with respect to the Islamic Republic of Iran Broadcasting.

Sec. 1249. Imposition of sanctions with respect to persons engaged in the diversion of goods intended for the people of Iran.

Sec. 1250. Waiver requirement related to exceptional circumstances preventing significant reductions in crude oil purchases.

Sec. 1251. Statute of limitations for civil actions regarding terrorist acts.

Sec. 1252. Report on use of certain Iranian seaports by foreign vessels and use of foreign airports by sanctioned Iranian air carriers.

Sec. 1253. Implementation; penalties.

Sec. 1254. Applicability to certain natural gas projects.

Sec. 1255. Rule of construction.

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Sec. 1275. United States participation in Headquarters Eurocorps.

Sec. 1276. Department of Defense participation in European program on multilateral exchange of air transportation and air refueling services.

Sec. 1277. Prohibition on use of funds to enter into contracts or agreements with Rosoboronexport.

Sec. 1278. Sense of Congress on Iron Dome short-range rocket defense system.

Sec. 1279. Bilateral defense trade relationship with India.

Sec. 1280. United States Advisory Commission on Public Diplomacy.

Sec. 1281. Sense of Congress on sale of aircraft to Taiwan.

Sec. 1282. Briefings on dialogue between the United States and the Russian Federation on nuclear arms, missile defense systems, and long-range conventional strike systems.

Sec. 1283. Sense of Congress on efforts to remove or apprehend Joseph Kony from the battlefield and end the atrocities of the Lord's Resistance Army.

(3) An evaluation of United States military capabilities and posture in the region and an analysis of the capacity of the United States Armed Forces to augment the military capabilities of Gulf Cooperation Council members.

(4) A description of the United States Government's ongoing efforts to foster regional cooperation through ongoing bilateral and multilateral strategic security dialogues.

(5) A summary of Gulf Cooperation Council operational and training requests to the United States Government and the associated actions taken by the United States Government.

(c) **SUBMISSION TO CONGRESS.**—The report required under subsection (a) shall be submitted to the appropriate congressional committees not later than 180 days after the date of the enactment of this Act.

(d) **APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.**—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Relations of the Senate; and

(2) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Affairs of the House of Representatives.

**SEC. 1233. SENSE OF CONGRESS WITH RESPECT TO IRAN.**

It is the sense of Congress that the United States should be prepared to take all necessary measures, including military action if required, to prevent Iran from threatening the United States, its allies, or Iran's neighbors with a nuclear weapon.

**SEC. 1234. RULE OF CONSTRUCTION.**

Nothing in this Act shall be construed as authorizing the use of force against Iran.

## Subtitle D—Iran Sanctions

**SEC. 1241. SHORT TITLE.**

This subtitle may be cited as the “Iran Freedom and Counter-Proliferation Act of 2012”.

**SEC. 1242. DEFINITIONS.**

(a) **IN GENERAL.**—In this subtitle:

(1) **AGRICULTURAL COMMODITY.**—The term “agricultural commodity” has the meaning given that term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

(2) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means—

(A) the committees specified in section 14(2) of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note); and

(B) the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.

(3) **COAL.**—The term “coal” means metallurgical coal, coking coal, or fuel coke.

(4) **CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.**—The terms “correspondent account” and “payable-

22 USC 8784  
note.

Iran Freedom  
and Counter-  
Proliferation Act  
of 2012.  
President.  
22 USC 8801  
note.  
22 USC 8801.

through account” have the meanings given those terms in section 5318A of title 31, United States Code.

(5) FOREIGN FINANCIAL INSTITUTION.—The term “foreign financial institution” has the meaning of that term as determined by the Secretary of the Treasury pursuant to section 104(i) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(i)).

(6) GOOD.—The term “good” has the meaning given that term in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)).

(7) IRANIAN FINANCIAL INSTITUTION.—The term “Iranian financial institution” has the meaning given that term in section 104A(d) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513b(d)).

(8) IRANIAN PERSON.—The term “Iranian person” means—

(A) an individual who is a citizen or national of Iran; and

(B) an entity organized under the laws of Iran or otherwise subject to the jurisdiction of the Government of Iran.

(9) KNOWINGLY.—The term “knowingly”, with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

(10) MEDICAL DEVICE.—The term “medical device” has the meaning given the term “device” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(11) MEDICINE.—The term “medicine” has the meaning given the term “drug” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(12) SHIPPING.—The term “shipping” refers to the transportation of goods by a vessel and related activities.

(13) UNITED STATES PERSON.—The term “United States person” has the meaning given that term in section 101 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8511).

(14) VESSEL.—The term “vessel” has the meaning given that term in section 3 of title 1, United States Code.

(b) DETERMINATIONS OF SIGNIFICANCE.—For purposes of this subtitle, in determining if financial transactions or financial services are significant, the President may consider the totality of the facts and circumstances, including factors similar to the factors set forth in section 561.404 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling).

**SEC. 1243. SENSE OF CONGRESS RELATING TO VIOLATIONS OF HUMAN RIGHTS BY IRAN.** 22 USC 8802.

(a) FINDING.—Congress finds that the interests of the United States and international peace are threatened by the ongoing and destabilizing actions of the Government of Iran, including its massive, systematic, and extraordinary violations of the human rights of its own citizens.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the United States should—

(1) deny the Government of Iran the ability to continue to oppress the people of Iran and to use violence and executions against pro-democracy protestors and regime opponents;

(2) fully and publicly support efforts made by the people of Iran to promote the establishment of basic freedoms that build the foundation for the emergence of a freely elected, open, and democratic political system;

(3) help the people of Iran produce, access, and share information freely and safely via the Internet and through other media; and

(4) defeat all attempts by the Government of Iran to jam or otherwise obstruct international satellite broadcast signals.

22 USC 8803.

**SEC. 1244. IMPOSITION OF SANCTIONS WITH RESPECT TO THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS OF IRAN.**

(a) **FINDINGS.**—Congress makes the following findings:

(1) Iran's energy, shipping, and shipbuilding sectors and Iran's ports are facilitating the Government of Iran's nuclear proliferation activities by providing revenue to support proliferation activities.

(2) The United Nations Security Council and the United States Government have expressed concern about the proliferation risks presented by the Iranian nuclear program.

(3) The Director General of the International Atomic Energy Agency (in this section referred to as the "IAEA") has in successive reports (GOV/2012/37 and GOV/2011/65) identified possible military dimensions of Iran's nuclear program.

(4) The Government of Iran continues to defy the requirements and obligations contained in relevant IAEA Board of Governors and United Nations Security Council resolutions, including by continuing and expanding uranium enrichment activities in Iran, as reported in IAEA Report GOV/2012/37.

(5) United Nations Security Council Resolution 1929 (2010) recognizes the "potential connection between Iran's revenues derived from its energy sector and the funding of Iran's proliferation sensitive nuclear activities".

(6) The National Iranian Tanker Company is the main carrier for the Iranian Revolutionary Guard Corps-designated National Iranian Oil Company and a key element in the petroleum supply chain responsible for generating energy revenues that support the illicit nuclear proliferation activities of the Government of Iran.

(b) **DESIGNATION OF PORTS AND ENTITIES IN THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS OF IRAN AS ENTITIES OF PROLIFERATION CONCERN.**—Entities that operate ports in Iran and entities in the energy, shipping, and shipbuilding sectors of Iran, including the National Iranian Oil Company, the National Iranian Tanker Company, the Islamic Republic of Iran Shipping Lines, and their affiliates, play an important role in Iran's nuclear proliferation efforts and all such entities are hereby designated as entities of proliferation concern.

(c) **BLOCKING OF PROPERTY OF ENTITIES IN ENERGY, SHIPPING, AND SHIPBUILDING SECTORS.**—

(1) **BLOCKING OF PROPERTY.**—

Effective date.  
Time period.

(A) **IN GENERAL.**—On and after the date that is 180 days after the date of the enactment of this Act, the President shall block and prohibit all transactions in all property and interests in property of any person described in paragraph (2) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(B) **EXCEPTION.**—The requirement to block and prohibit all transactions in all property and interests in property under subparagraph (A) shall not include the authority to impose sanctions on the importation of goods.

(2) **PERSONS DESCRIBED.**—A person is described in this paragraph if the President determines that the person, on or after the date that is 180 days after the date of the enactment of this Act—

Determination.

(A) is part of the energy, shipping, or shipbuilding sectors of Iran;

(B) operates a port in Iran; or

(C) knowingly provides significant financial, material, technological, or other support to, or goods or services in support of any activity or transaction on behalf of or for the benefit of—

(i) a person determined under subparagraph (A) to be a part of the energy, shipping, or shipbuilding sectors of Iran;

(ii) a person determined under subparagraph (B) to operate a port in Iran; or

(iii) an Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in paragraph (3)).

(3) **IRANIAN FINANCIAL INSTITUTIONS DESCRIBED.**—An Iranian financial institution described in this paragraph is an Iranian financial institution that has not been designated for the imposition of sanctions in connection with—

(A) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(B) Iran's support for international terrorism; or

(C) Iran's abuses of human rights.

(d) **ADDITIONAL SANCTIONS WITH RESPECT TO THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS OF IRAN.**—

(1) **SALE, SUPPLY, OR TRANSFER OF CERTAIN GOODS AND SERVICES.**—

(A) **IN GENERAL.**—Except as provided in this section, the President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) with respect to a person if the President determines that the person knowingly, on or after the date that is 180 days after the date of the enactment of this Act, sells, supplies, or transfers to or from Iran goods or services described in paragraph (3).

Determination.

(B) **EXCEPTION.**—The requirement to impose sanctions under subparagraph (A) shall not include the authority to impose sanctions relating to the importation of goods

Effective date. Time period.	<p>under paragraph (8)(A) or (12) of section 6(a) of the Iran Sanctions Act of 1996, and any sanction relating to the importation of goods shall not count for purposes of the requirement to impose sanctions under subparagraph (A).</p> <p>(2) FACILITATION OF CERTAIN TRANSACTIONS.—Except as provided in this section, the President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines knowingly, on or after the date that is 180 days after the date of the enactment of this Act, conducts or facilitates a significant financial transaction for the sale, supply, or transfer to or from Iran of goods or services described in paragraph (3).</p> <p>(3) GOODS AND SERVICES DESCRIBED.—Goods or services described in this paragraph are significant goods or services used in connection with the energy, shipping, or shipbuilding sectors of Iran, including the National Iranian Oil Company, the National Iranian Tanker Company, and the Islamic Republic of Iran Shipping Lines.</p> <p>(e) HUMANITARIAN EXCEPTION.—The President may not impose sanctions under this section with respect to any person for conducting or facilitating a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Iran or for the provision of humanitarian assistance to the people of Iran.</p> <p>(f) EXCEPTION FOR AFGHANISTAN RECONSTRUCTION.—The President may provide for an exception from the imposition of sanctions under this section for reconstruction assistance or economic development for Afghanistan—</p>
Determination.	<p>(1) to the extent that the President determines that such an exception is in the national interest of the United States; and</p>
Notification. Deadline.	<p>(2) if the President submits to the appropriate congressional committees a notification of and justification for the exception not later than 15 days before issuing the exception.</p>
	<p>(g) APPLICABILITY OF SANCTIONS TO PETROLEUM AND PETROLEUM PRODUCTS.—</p> <p>(1) IN GENERAL.—Except as provided in paragraph (2), this section shall apply with respect to the purchase of petroleum or petroleum products from Iran only if, at the time of the purchase, a determination of the President under section 1245(d)(4)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that the price and supply of petroleum and petroleum products produced in countries other than Iran is sufficient to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran is in effect.</p> <p>(2) EXCEPTION FOR CERTAIN COUNTRIES.—</p> <p>(A) EXPORTATION.—This section shall not apply with respect to the exportation of petroleum or petroleum products from Iran to a country to which the exception under section 1245(d)(4)(D)(i) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(D)(i)) applies at the time of the exportation of the petroleum or petroleum products.</p> <p>(B) FINANCIAL TRANSACTIONS.—</p>

(i) **IN GENERAL.**—This section shall not apply with respect to a financial transaction described in clause (ii) conducted or facilitated by a foreign financial institution if, at the time of the transaction, the exception under section 1245(d)(4)(D)(i) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(D)(i)) applies to the country with primary jurisdiction over the foreign financial institution.

(ii) **FINANCIAL TRANSACTIONS DESCRIBED.**—A financial transaction conducted or facilitated by a foreign financial institution is described in this clause if—

(I) the financial transaction is only for trade in goods or services—

(aa) not otherwise subject to sanctions under the law of the United States; and

(bb) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(II) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(h) **APPLICABILITY OF SANCTIONS TO NATURAL GAS.**—

(1) **SALE, SUPPLY, OR TRANSFER.**—Except as provided in paragraph (2), this section shall not apply to the sale, supply, or transfer to or from Iran of natural gas.

(2) **FINANCIAL TRANSACTIONS.**—This section shall apply to a foreign financial institution that conducts or facilitates a financial transaction for the sale, supply, or transfer to or from Iran of natural gas unless—

(A) the financial transaction is only for trade in goods or services—

(i) not otherwise subject to sanctions under the law of the United States; and

(ii) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(B) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(i) **WAIVER.**—

(1) **IN GENERAL.**—The President may waive the imposition of sanctions under this section for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

Time periods.

(A) determines that such a waiver is vital to the national security of the United States; and

Determination.

(B) submits to the appropriate congressional committees a report providing a justification for the waiver.

Reports.

(2) **FORM OF REPORT.**—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex.

**SEC. 1245. IMPOSITION OF SANCTIONS WITH RESPECT TO THE SALE, SUPPLY, OR TRANSFER OF CERTAIN MATERIALS TO OR FROM IRAN.**

22 USC 8804.

(a) **SALE, SUPPLY, OR TRANSFER OF CERTAIN MATERIALS.**—

(1) **IN GENERAL.**—The President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) with respect to a person if the President determines that the person knowingly, on or after the date that is 180 days after the date of the enactment of this Act, sells, supplies, or transfers, directly or indirectly, to or from Iran—

(A) a precious metal;

(B) a material described in subsection (d) determined pursuant to subsection (e)(1) to be used by Iran as described in that subsection;

(C) any other material described in subsection (d) if—

(i) the material is—

(I) to be used in connection with the energy, shipping, or shipbuilding sectors of Iran or any sector of the economy of Iran determined pursuant to subsection (e)(2) to be controlled directly or indirectly by Iran's Revolutionary Guard Corps;

(II) sold, supplied, or transferred to or from an Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)); or

(III) determined pursuant to subsection (e)(3) to be used in connection with the nuclear, military, or ballistic missile programs of Iran; or

(ii) the material is resold, retransferred, or otherwise supplied—

(I) to an end-user in a sector described in subclause (I) of clause (i);

(II) to a person described in subclause (II) of that clause; or

(III) for a program described in subclause (III) of that clause.

(2) **EXCEPTION.**—The requirement to impose sanctions under paragraph (1) shall not include the authority to impose sanctions relating to the importation of goods under paragraph (8)(A) or (12) of section 6(a) of the Iran Sanctions Act of 1996, and any sanction relating to the importation of goods shall not count for purposes of the requirement to impose sanctions under paragraph (1).

(b) **IRANIAN FINANCIAL INSTITUTIONS DESCRIBED.**—An Iranian financial institution described in this subsection is an Iranian financial institution that has not been designated for the imposition of sanctions in connection with—

(1) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(2) Iran's support for international terrorism; or

(3) Iran's abuses of human rights.

(c) **FACILITATION OF CERTAIN TRANSACTIONS.**—The President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines knowingly, on or after the date that is 180 days after the date of the enactment of this Act,



conducts or facilitates a significant financial transaction for the sale, supply, or transfer to or from Iran of materials the sale, supply, or transfer of which would subject a person to sanctions under subsection (a).

(d) MATERIALS DESCRIBED.—Materials described in this subsection are graphite, raw or semi-finished metals such as aluminum and steel, coal, and software for integrating industrial processes.

(e) DETERMINATION WITH RESPECT TO USE OF MATERIALS.—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees and publish in the Federal Register a report that contains the determination of the President with respect to—

Deadlines.  
Federal Register,  
publication.  
Reports.

(1) whether Iran is—

(A) using any of the materials described in subsection (d) as a medium for barter, swap, or any other exchange or transaction; or

(B) listing any of such materials as assets of the Government of Iran for purposes of the national balance sheet of Iran;

(2) which sectors of the economy of Iran are controlled directly or indirectly by Iran’s Revolutionary Guard Corps; and

(3) which of the materials described in subsection (d) are used in connection with the nuclear, military, or ballistic missile programs of Iran.

(f) EXCEPTION FOR PERSONS EXERCISING DUE DILIGENCE.—The President may not impose sanctions under subsection (a) or (c) with respect to a person if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not sell, supply, or transfer to or from Iran materials the sale, supply, or transfer of which would subject a person to sanctions under subsection (a) or conduct or facilitate a financial transaction for such a sale, supply, or transfer.

Determination.

(g) WAIVER.—

(1) IN GENERAL.—The President may waive the imposition of sanctions under this section for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

Time periods.

(A) determines that such a waiver is vital to the national security of the United States; and

Determination.

(B) submits to the appropriate congressional committees a report providing a justification for the waiver.

Reports.

(2) FORM OF REPORT.—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex.

(h) NATIONAL BALANCE SHEET OF IRAN DEFINED.—For purposes of this section, the term “national balance sheet of Iran” refers to the ratio of the assets of the Government of Iran to the liabilities of that Government.

**SEC. 1246. IMPOSITION OF SANCTIONS WITH RESPECT TO THE PROVISION OF UNDERWRITING SERVICES OR INSURANCE OR REINSURANCE FOR ACTIVITIES OR PERSONS WITH RESPECT TO WHICH SANCTIONS HAVE BEEN IMPOSED.**

22 USC 8805.

(a) IMPOSITION OF SANCTIONS.—

Determination.  
Effective date.  
Time period.

(1) IN GENERAL.—Except as provided in this section, the President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) with respect to a person if the President determines that the person knowingly, on or after the date that is 180 days after the date of the enactment of this Act, provides underwriting services or insurance or reinsurance—

(A) for any activity with respect to Iran for which sanctions have been imposed under this subtitle, the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the Iran Sanctions Act of 1996, the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.), the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8701 et seq.), the Iran, North Korea, and Syria Nonproliferation Act (Public Law 106-178; 50 U.S.C. 1701 note), or any other provision of law relating to the imposition of sanctions with respect to Iran;

(B) to or for any person—

(i) with respect to, or for the benefit of any activity in the energy, shipping, or shipbuilding sectors of Iran for which sanctions are imposed under this subtitle;

(ii) for the sale, supply, or transfer to or from Iran of materials described in section 1245(d) for which sanctions are imposed under this subtitle; or

(iii) designated for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) in connection with—

(I) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction; or

(II) Iran's support for international terrorism;

or

(C) to or for any Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)).

(2) EXCEPTION.—The requirement to impose sanctions under paragraph (1) shall not include the authority to impose sanctions relating to the importation of goods under paragraph (8)(A) or (12) of section 6(a) of the Iran Sanctions Act of 1996, and any sanction relating to the importation of goods shall not count for purposes of the requirement to impose sanctions under paragraph (1).

(b) IRANIAN FINANCIAL INSTITUTIONS DESCRIBED.—An Iranian financial institution described in this subsection is an Iranian financial institution that has not been designated for the imposition of sanctions in connection with—

(1) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(2) Iran's support for international terrorism; or

(3) Iran's abuses of human rights.

(c) HUMANITARIAN EXCEPTION.—The President may not impose sanctions under subsection (a) for the provision of underwriting

services or insurance or reinsurance for a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Iran or for the provision of humanitarian assistance to the people of Iran.

(d) **EXCEPTION FOR UNDERWRITERS AND INSURANCE PROVIDERS EXERCISING DUE DILIGENCE.**—The President may not impose sanctions under subparagraph (A) or (C) or clause (i) or (ii) of subparagraph (B) of subsection (a)(1) with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not underwrite or enter into a contract to provide insurance or reinsurance for an activity described in subparagraph (A) of that subsection or to or for any person described in subparagraph (C) or clause (i) or (ii) of subparagraph (B) of that subsection.

Determination.

(e) **WAIVER.**—

(1) **IN GENERAL.**—The President may waive the imposition of sanctions under subsection (a) for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

Time periods.

(A) determines that such a waiver is vital to the national security of the United States; and

Determination.

(B) submits to the appropriate congressional committees a report providing a justification for the waiver.

Reports.

(2) **FORM OF REPORT.**—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex.

**SEC. 1247. IMPOSITION OF SANCTIONS WITH RESPECT TO FOREIGN FINANCIAL INSTITUTIONS THAT FACILITATE FINANCIAL TRANSACTIONS ON BEHALF OF SPECIALLY DESIGNATED NATIONALS.**

22 USC 8806.

(a) **IN GENERAL.**—Except as provided in this section, the President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines has, on or after the date that is 180 days after the date of the enactment of this Act, knowingly facilitated a significant financial transaction on behalf of any Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)).

Determination.  
Effective date.  
Time period.

(b) **IRANIAN FINANCIAL INSTITUTIONS DESCRIBED.**—An Iranian financial institution described in this subsection is an Iranian financial institution that has not been designated for the imposition of sanctions in connection with—

(1) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(2) Iran's support for international terrorism; or

(3) Iran's abuses of human rights.

(c) **HUMANITARIAN EXCEPTION.**—The President may not impose sanctions under subsection (a) with respect to any person for conducting or facilitating a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Iran or for the provision of humanitarian assistance to the people of Iran.

## (d) APPLICABILITY OF SANCTIONS TO PETROLEUM AND PETROLEUM PRODUCTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), subsection (a) shall apply with respect to a financial transaction for the purchase of petroleum or petroleum products from Iran only if, at the time of the transaction, a determination of the President under section 1245(d)(4)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that the price and supply of petroleum and petroleum products produced in countries other than Iran is sufficient to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran is in effect.

## (2) EXCEPTION FOR CERTAIN COUNTRIES.—

(A) IN GENERAL.—Subsection (a) shall not apply with respect to a financial transaction described in subparagraph (B) conducted or facilitated by a foreign financial institution if, at the time of the transaction, the exception under section 1245(d)(4)(D)(i) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(D)(i)) applies to the country with primary jurisdiction over the foreign financial institution.

(B) FINANCIAL TRANSACTIONS DESCRIBED.—A financial transaction conducted or facilitated by a foreign financial institution is described in this subparagraph if—

(i) the financial transaction is only for trade in goods or services—

(I) not otherwise subject to sanctions under the law of the United States; and

(II) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(ii) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(e) APPLICABILITY OF SANCTIONS TO NATURAL GAS.—Subsection (a) shall apply to a foreign financial institution that conducts or facilitates a financial transaction for the sale, supply, or transfer to or from Iran of natural gas unless—

(1) the financial transaction is only for trade in goods or services—

(A) not otherwise subject to sanctions under the law of the United States; and

(B) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(2) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

## (f) WAIVER.—

(1) IN GENERAL.—The President may waive the imposition of sanctions under subsection (a) for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

(A) determines that such a waiver is vital to the national security of the United States; and

Time periods.

Determination.

(B) submits to the appropriate congressional committees a report providing a justification for the waiver. Reports.

(2) FORM OF REPORT.—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex.

**SEC. 1248. IMPOSITIONS OF SANCTIONS WITH RESPECT TO THE ISLAMIC REPUBLIC OF IRAN BROADCASTING.** 22 USC 8807.

(a) FINDINGS.—Congress makes the following findings:

(1) The Islamic Republic of Iran Broadcasting has contributed to the infringement of individuals' human rights by broadcasting forced televised confession and show trials.

(2) In March 2012, the European Council imposed sanctions on the President of the Islamic Republic of Iran Broadcasting, Ezzatollah Zargami, for broadcasting forced confessions of detainees and a series of "show trials" in August 2009 and December 2011 that constituted a clear violation of international law with respect to the right to a fair trial and due process.

(b) IMPOSITION OF SANCTIONS.—

(1) IN GENERAL.—The President shall, after the date of the enactment of this Act—

(A) impose sanctions described in section 105(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514(c)) with respect to the Islamic Republic of Iran Broadcasting and the President of the Islamic Republic of Iran Broadcasting, Ezzatollah Zargami; and

Ezzatollah  
Zargami.

(B) include the Islamic Republic of Iran Broadcasting and the President of the Islamic Republic of Iran Broadcasting, Ezzatollah Zargami, on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury.

(2) EXCEPTION.—The requirement to impose sanctions under paragraph (1)(A) shall not include the authority to impose sanctions on the importation of goods.

(3) APPLICATION OF CERTAIN PROVISIONS.—Sections 105(d) and 401(b) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514(d) and 8551(b)) shall apply with respect to sanctions imposed under paragraph (1)(A) to the same extent that such sections apply with respect to the imposition of sanctions under section 105(a) of that Act (22 U.S.C. 8514(a)).

**SEC. 1249. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS ENGAGED IN THE DIVERSION OF GOODS INTENDED FOR THE PEOPLE OF IRAN.**

(a) IN GENERAL.—Title I of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8511 et seq.) is amended by inserting after section 105B the following:

**"SEC. 105C. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS ENGAGED IN THE DIVERSION OF GOODS INTENDED FOR THE PEOPLE OF IRAN.** 22 USC 8514c.

"(a) IMPOSITION OF SANCTIONS.—

“(1) IN GENERAL.—The President shall impose sanctions described in section 105(c) with respect to each person on the list required by subsection (b).

“(2) EXCEPTION.—The requirement to impose sanctions under paragraph (1) shall not include the authority to impose sanctions on the importation of goods.

“(b) LIST OF PERSONS WHO ENGAGE IN DIVERSION.—

“(1) IN GENERAL.—As relevant information becomes available, the President shall submit to the appropriate congressional committees a list of persons that the President determines have, on or after the date of the enactment of the Iran Freedom and Counter-Proliferation Act of 2012, engaged in corruption or other activities relating to—

“(A) the diversion of goods, including agricultural commodities, food, medicine, and medical devices, intended for the people of Iran; or

“(B) the misappropriation of proceeds from the sale or resale of such goods.

“(2) FORM OF REPORT; PUBLIC AVAILABILITY.—

“(A) FORM.—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

“(B) PUBLIC AVAILABILITY.—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.

“(c) GOOD DEFINED.—In this section, the term ‘good’ has the meaning given that term in section 1242(a) of the Iran Freedom and Counter-Proliferation Act of 2012.”.

(b) WAIVER.—Section 401(b)(1) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(b)(1)) is amended—

(1) by striking “or 105B(a)” and inserting “105B(a), or 105C(a)”; and

(2) by striking “or 105B(b)” and inserting “105B(b), or 105C(b)”.

(c) CLERICAL AMENDMENT.—The table of contents for the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 is amended by inserting after the item relating to section 105B the following:

“Sec. 105C. Imposition of sanctions with respect to persons engaged in the diversion of goods intended for the people of Iran.”.

**SEC. 1250. WAIVER REQUIREMENT RELATED TO EXCEPTIONAL CIRCUMSTANCES PREVENTING SIGNIFICANT REDUCTIONS IN CRUDE OIL PURCHASES.**

Section 1245(d)(5)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(5)(B)) is amended—

(1) in clause (i), by striking “; and” and inserting a semicolon;

(2) by redesignating clause (ii) as clause (iii); and

(3) by inserting after clause (i) the following new clause:

“(ii) certifying that the country with primary jurisdiction over the foreign financial institution otherwise subject to the sanctions faced exceptional circumstances that prevented the country from being able

Determination.  
Effective date.

Web posting.

to reduce significantly its purchases of petroleum and petroleum products from Iran; and”.

**SEC. 1251. STATUTE OF LIMITATIONS FOR CIVIL ACTIONS REGARDING TERRORIST ACTS.**

(a) **IN GENERAL.**—Section 2335 of title 18, United States Code, is amended—

(1) in subsection (a), by striking “4 years” and inserting “10 years”; and

(2) in subsection (b), by striking “4-year period” and inserting “10-year period”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to any civil action arising under section 2333 of title 18, United States Code, that is pending on, or commenced on or after, the date of the enactment of this Act.

(c) **SPECIAL RULE RELATING TO CERTAIN ACTS OF INTERNATIONAL TERRORISM.**—Notwithstanding section 2335 of title 18, United States Code, as amended by subsection (a), a civil action under section 2333 of such title resulting from an act of international terrorism that occurred on or after September 11, 2001, and before the date that is 4 years before the date of the enactment of this Act, may be maintained if the civil action is commenced during the 6-year period beginning on such date of enactment.

Applicability.  
18 USC 2335  
note.

Time period.  
18 USC 2335  
note.

**SEC. 1252. REPORT ON USE OF CERTAIN IRANIAN SEAPORTS BY FOREIGN VESSELS AND USE OF FOREIGN AIRPORTS BY SANCTIONED IRANIAN AIR CARRIERS.**

22 USC 8808.

(a) **IN GENERAL.**—Not later than 180 days after the date of the enactment of this Act, and annually thereafter through 2016, the President shall submit to the appropriate congressional committees a report that contains—

(1) a list of large or otherwise significant vessels that have entered seaports in Iran controlled by the Tidewater Middle East Company during the period specified in subsection (b) and the owners and operators of those vessels; and

(2) a list of all airports at which aircraft owned or controlled by an Iranian air carrier on which sanctions have been imposed by the United States have landed during the period specified in subsection (b).

(b) **PERIOD SPECIFIED.**—The period specified in this subsection is—

(1) in the case of the first report submitted under subsection (a), the 180-day period preceding the submission of the report; and

(2) in the case of any subsequent report submitted under that subsection, the year preceding the submission of the report.

(c) **FORM OF REPORT.**—Each report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

**SEC. 1253. IMPLEMENTATION; PENALTIES.**

22 USC 8809.

(a) **IMPLEMENTATION.**—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this subtitle.

(b) **PENALTIES.**—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S. C. 1705) shall apply to a person that violates,

Applicability.

attempts to violate, conspires to violate, or causes a violation of this subtitle or regulations prescribed under this subtitle to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

(c) APPLICATION OF CERTAIN PROVISIONS OF IRAN SANCTIONS ACT OF 1996.—The following provisions of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) shall apply with respect to the imposition of sanctions under sections 1244(d), 1245(a), and 1246(a) to the same extent that such provisions apply with respect to the imposition of sanctions under section 5(a) of the Iran Sanctions Act of 1996, and, as appropriate, instead of sections 1244(i), 1245(g), and 1246(e) of this Act:

- (1) Paragraphs (1)(A), (2)(A), and (2)(B)(i) of section 4(c).
- (2) Subsections (c), (d), and (f) of section 5.
- (3) Section 8.
- (4) Section 11.
- (5) Section 12.
- (6) Section 13(b).

22 USC 8810.

**SEC. 1254. APPLICABILITY TO CERTAIN NATURAL GAS PROJECTS.**

Nothing in this subtitle or the amendments made by this subtitle shall apply with respect to any activity relating to a project described in subsection (a) of section 603 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8783) to which the exception under that section applies at the time of the activity.

22 USC 8811.

**SEC. 1255. RULE OF CONSTRUCTION.**

Nothing in this subtitle or the amendments made by this subtitle shall be construed to limit sanctions imposed with respect to Iran under any other provision of law or to limit the authority of the President to impose additional sanctions with respect to Iran.

## Subtitle E—Satellites and Related Items

**SEC. 1261. REMOVAL OF SATELLITES AND RELATED ITEMS FROM THE UNITED STATES MUNITIONS LIST.**

(a) REPEAL.—

(1) IN GENERAL.—Section 1513 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261; 112 Stat. 2174; 22 U.S.C. 2778 note) is amended by striking subsection (a).

(2) CONFORMING AMENDMENT.—Subsection (c) of such section is amended by striking “(1) Subsection (a)” and all that follows through “(2) The amendments” and inserting “The amendments”.

President.

(b) ADDITIONAL DETERMINATION AND REPORT.—Accompanying but separate from the submission to Congress of the first notification after the date of the enactment of this Act under section 38(f) of the Arms Export Control Act (22 U.S.C. 2778(f)) relating to the removal of satellites and related items from the United States Munitions List, the President shall also submit to Congress—

(1) a determination by the President that the removal of such satellites and items from the United States Munitions List is in the national security interests of the United States; and