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**Frequently Asked Questions Relating to the Temporary Sanctions Relief to Implement the Joint Plan of Action between the P5 + 1 and the Islamic Republic of Iran**

**1. Q: What types of sanctions relief are provided to Iran pursuant to the Joint Plan of Action (JPOA), reached on November 24, 2013, between the P5 + 1 and the Islamic Republic of Iran?**

In the JPOA the U.S. government (USG) has committed to suspend temporarily certain sanctions involving Iran's purchase and sale of gold and other precious metals, Iran's export of petrochemical products, Iran's automotive industry, and certain associated services<sup>1</sup> regarding each of the foregoing. The JPOA also includes a commitment to establish financial channels to facilitate Iran's import of certain humanitarian goods to Iran, payment of medical expenses incurred by Iranians abroad, payments of Iran's UN obligations, and payments of \$400 million in governmental tuition assistance for Iranian students studying abroad. In addition, the JPOA includes a commitment to license certain transactions related to the safety of Iran's civil aviation industry. Finally, in the JPOA the USG has committed to pause efforts to further reduce Iran's crude oil exports and to enable Iran to access \$4.2 billion in Restricted Funds<sup>2</sup> in installments over the course of the six-month period beginning January 20, 2014, and ending July 20, 2014 (the JPOA Period). Unless otherwise noted, these relief measures do not include transactions with persons on the U.S. Treasury Department's Office of Foreign Assets Control's (OFAC) List of Specially Designated Nationals and Blocked Persons (the SDN List) (<http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>).

*The USG will continue to vigorously enforce our sanctions against Iran that are not subject to the limited relief provided pursuant to the JPOA, including by taking action against those who seek to evade or circumvent our sanctions. The USG also retains the authority to revoke this limited sanctions relief at any time if Iran fails to meet its commitments under the JPOA.*

**2. Q: How does the JPOA impact U.S. sanctions on Iran?**

Except for the limited, temporary, and reversible relief provided pursuant to the JPOA, all U.S. sanctions with respect to Iran, including financial sanctions, sanctions pertaining to the purchase of Iranian crude oil, and sanctions on investment in Iran's energy and petrochemical sectors, remain in effect with respect to U.S. and non-U.S. persons. The relief provided in the JPOA only pertains to conduct and transactions fully completed during the JPOA Period, and, with limited

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<sup>1</sup> The term "associated service" means any necessary service – including any insurance, transportation or financial service – ordinarily incident to the underlying activity for which sanctions relief has been provided pursuant to the JPOA, except in the case of Iran's exports of crude oil, for which the JPOA only references associated insurance and transportation services. Unless otherwise noted, such services may not involve persons identified on the U.S. Treasury Department's Office of Foreign Assets Control's List of Specially Designated Nationals and Blocked Persons.

<sup>2</sup> The term "Restricted Funds" refers to: (i) any existing and future revenues from the sale of Iranian petroleum or petroleum products, wherever they may be held, and (ii) any Central Bank of Iran (CBI) funds, with certain exceptions for non-petroleum CBI funds held at a foreign country's central bank. See Question 6 for a more detailed discussion of Restricted Funds.

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exceptions, involves only certain sanctions on non-U.S. persons not otherwise subject to section 560.215 of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR) (hereinafter “non-U.S. persons not otherwise subject to the ITSR”), as described in more detail in these FAQs.<sup>3</sup> U.S. persons and U.S.-owned or -controlled foreign entities continue to be generally prohibited from conducting transactions with Iran, including any transactions of the types permitted pursuant to the JPOA, unless licensed to do so by OFAC.

For additional details regarding the steps taken by the USG to temporarily relieve sanctions with respect to Iran pursuant to the JPOA, see [Guidance Relating to the Provision of Certain Temporary Sanctions Relief](#).

**3. Q: Are U.S. persons able to engage in any of the transactions with Iran outlined in the JPOA?**

U.S. persons and U.S.-owned or -controlled foreign entities continue to be generally prohibited from conducting transactions with Iran, including any transactions of the types permitted pursuant to the JPOA, unless licensed to do so by OFAC. This prohibition includes any associated services undertaken in conjunction with activities outlined in the JPOA. Except under limited circumstances such as for humanitarian transactions, the USG has a policy of not authorizing business with Iran. For additional information regarding the licensing of transactions related to the safety of flight for Iranian civil aviation see Question #10 below. U.S. persons and U.S.-owned or -controlled foreign entities may continue to engage in generally or specifically licensed humanitarian-related transactions.

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

For the JPOA Period, the USG is suspending certain sanctions on purchases by non-U.S. persons not otherwise subject to the ITSR of petrochemical products exported from Iran as well as associated services that are required to facilitate such transactions. As part of this relief, such transactions exclusively for the export of Iran’s petrochemicals may involve Iranian depository institutions<sup>4</sup> listed solely pursuant to E.O. 13599 and certain other specified Iranian entities on the SDN List (see Question #5 for a list of these petrochemical companies). Non-U.S. persons not otherwise subject to the ITSR may undertake these specific activities only during the six-month sanctions relief period without exposure to U.S. sanctions, subject to certain conditions explained in the [Guidance Relating to the Provision of Certain Temporary Sanctions Relief](#). The relief provided in the JPOA with respect to Iran’s exports of petrochemical products will expire

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<sup>3</sup> Consistent with section 218 of the Iran Threat Reduction and Syria Human Rights Act of 2012 and with 31 C.F.R. section 560.215, foreign entities that are owned or controlled by U.S. persons (“U.S.-owned or -controlled foreign entities”) are subject to the ITSR [<http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/answer.aspx#238>].

<sup>4</sup> For purposes of these FAQs, as defined in section 14(g) of Executive Order 13645, the term “Iranian depository institution” means any entity (including foreign branches), wherever located, organized under the laws of Iran or any jurisdiction within Iran, or owned or controlled by the Government of Iran, or in Iran, or owned or controlled by any of the foregoing, that is engaged primarily in the business of banking (for example, banks, savings banks, savings associations, credit unions, trust companies, and bank holding companies).

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on July 20, 2014, and any transactions, payments, deliveries, or associated services provided in connection with such exports that occur after July 20, 2014, could expose the relevant parties to potential U.S. sanctions.

Petrochemical products from Iran are defined in E.O. 13622 to include any aromatic, olefin, and synthesis gas, and any of their derivatives, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea. Examples of such products include: butene, ethylhexanol, acetic acid, acrylonitrile butadiene styrene, alachlor, ammonium nitrate, ammonium sulfate, anhydrous ammonia, argon, butachlor, C2+, C3+, C4 cut, chlorinated paraffin, chlorine, chloroacetyl chloride, citric acid, diammonium phosphate, diethanolamine, ethylene glycol, diethylene glycol, dioctyl phthalate, dodecyl benzene, ethane, ethoxylates, ethylbenzene, ethylene dichloride, ethylene glycol, ethylene oxide, heavy alkyl benzene, high density polyethylene, hydrochloric acid, isoprene, linear alkyl benzene, linear low density polyethylene, low density polyethylene, melamine, methyl tertiary butyl ether, methylene diphenyl diisocyanate, mid density polyethylene, monoethanolamine, monoethylene glycol, nitric acid, nitrogen, orthoxylene, paraxylene, pentene, perchlorine, phosphoric acid, phthalic anhydride, polybutadiene, polyethylene terephthalate, polypropylene, polystyrene, polyvinyl chloride, propylene, purified terephthalic acid, pyrolysis gasoline, raffinate, soda ash, sodium bicarbonate, sodium carbonate, sodium chloride, sodium hydroxide, sodium hypochlorite, styrene, styrene acrylonitrile copolymer, sulfur, sulfuric acid, styrene butadiene, toluene diisocyanate, triethanolamine, triethylene glycol, and vinyl chloride monomer.<sup>5</sup>

This list, however, is not exhaustive. The term “petrochemical products” does not include finished products derived from these substances, such as pipes, plastic bags, tires, and solvents; it also does not include bitumen, condensates, and other substances considered “petroleum products” under E.O. 13622.<sup>6</sup>

All other sanctions on transactions with respect to Iran's petrochemical industry, including the provision of certain goods and services described in E.O. 13590, remain in place.

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

As noted above, the USG is temporarily suspending certain sanctions on Iran's exports of petrochemical products as well as associated services that are required to facilitate such transactions. Such transactions may not involve persons on the SDN List, other than Iranian depository institutions listed solely pursuant to E.O. 13599 and the fourteen specified Iranian

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<sup>5</sup> See the Department of State's November 13, 2012, publication in the Federal Register providing an illustrative list of petrochemical products [77 FR 67726, November 13, 2012].

<sup>6</sup> E.O. 13622 defines “petroleum products” to include unfinished oils, liquefied petroleum gases, pentanes plus, aviation gasoline, motor gasoline, naphtha-type jet fuel, kerosene-type jet fuel, kerosene, distillate fuel oil, residual fuel oil, petrochemical feedstocks, special naphthas, lubricants, waxes, petroleum coke, asphalt, road oil, still gas, and miscellaneous products obtained from the processing of: crude oil (including lease condensate), natural gas, and other hydrocarbon compounds. The term does not include natural gas, liquefied natural gas, biofuels, methanol, and other non-petroleum fuels.

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entities listed below. These fourteen entities may only participate in transactions that are exclusively for the export of petrochemical products from Iran.

- Bandar Imam Petrochemical Company
- Bou Ali Sina Petrochemical Company
- Ghaed Bassir Petrochemical Products Company
- Iran Petrochemical Commercial Company
- Jam Petrochemical Company
- Marjan Petrochemical Company
- Mobin Petrochemical Company
- National Petrochemical Company
- Nouri Petrochemical Company
- Pars Petrochemical Company
- Sadaf Petrochemical Assaluyeh Company
- Shahid Tondgooyan Petrochemical Company
- Shazand Petrochemical Company
- Tabriz Petrochemical Company

Any transaction with these SDNs not for the export of petrochemical products from Iran or associated services that are required to facilitate such transactions will remain sanctionable.

**6. Q: The JPOA stipulates that U.S. sanctions related to gold and other precious metals will be suspended for six months. What does the suspension entail?**

For the JPOA Period, the USG is suspending sanctions on the sale to and purchase from Iran of gold and other precious metals<sup>7</sup> by non-U.S. persons not otherwise subject to the ITSR, as well as associated services that are required to facilitate such transactions. Such transactions may not involve persons on the SDN List, other than Iranian depository institutions listed solely pursuant to E.O. 13599 or any political subdivision, agency, or instrumentality of the Government of Iran listed solely pursuant to E.O. 13599.

Notwithstanding the foregoing, Restricted Funds may not be used to purchase gold or other precious metals, even if the transaction would otherwise be considered qualifying bilateral trade (see <http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/answer.aspx#258> for additional information regarding qualifying bilateral trade).

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<sup>7</sup> For purposes of this sanctions relief, "precious metals" includes silver (including silver plated with gold or platinum, unwrought or in semi-manufactured forms, or in powder form); gold (including gold plated with platinum, unwrought or in semi-manufactured forms, or in powder form); base metals or silver, clad with gold, not further worked than semi-manufactured; platinum, unwrought or in semi-manufactured forms, or in powder form; iridium; osmium; palladium; rhodium; ruthenium; base metals, silver or gold, clad with platinum, not further worked than semi-manufactured; waste and scrap of precious metal or of metal clad with precious metals, other waste and scrap containing precious metal or precious-metal compounds, of a kind used principally for the recovery of precious metal.

**7. Q: The JPOA stipulates that U.S. sanctions related to Iran's automotive industry will be suspended for six months. What does the suspension entail?**

For the JPOA Period, the USG is suspending sanctions on the sale, supply, or transfer to Iran of goods (including complete knock-down kits, or CKDs) and services (including shipping, warranty, insurance, and maintenance services) used in connection with the automotive sector<sup>8</sup> by non-U.S. persons not otherwise subject to the ITSR, as well as associated services that are required to facilitate such transactions. Such transactions may not involve any person on the SDN List, other than Iranian depository institutions listed solely pursuant to E.O. 13599.

**8. Q: The JPOA provides that the P5+1 will enable the repatriation of \$4.2 billion of Iranian revenue held abroad. How will this provision be implemented?**

The P5 + 1 and Iran have agreed on a process to authorize or facilitate the release in installments over the JPOA Period the specified \$4.2 billion of Iran's Restricted Funds, and the USG is working with our partners and relevant foreign financial institutions (FFIs) to implement this provision. Unless an FFI is notified directly in writing by the USG that an installment release is not sanctionable, any release or receipt of these installments would expose an FFI to U.S. sanctions.

The installments will be authorized for release on the schedule below, contingent on Iran fulfilling its commitments in the JPOA.

- February 1st - \$550 million
- March 1st - \$450 million (contingent on the IAEA confirming that Iran has completed dilution of half of the stockpile of near-20% enriched uranium it is required to dilute)
- March 7th - \$550 million
- April 10th - \$550 million
- April 15th - \$450 million (contingent on the IAEA confirming that Iran has completed dilution of its entire stockpile of near-20% enriched uranium it is required to dilute)
- May 14th - \$550 million
- June 17th - \$550 million
- July 20th - \$550 million (contingent on the IAEA confirming that Iran has fulfilled all of its commitments)

**9. Q: What does the channel to facilitate humanitarian-related transactions do?**

Transactions for the sale of food, agricultural commodities, medicine, and medical devices to Iran by non-U.S. persons not otherwise subject to the ITSR are not generally sanctionable, so long as such transactions do not involve persons designated in connection with Iran's proliferation of weapons of mass destruction (WMD) or WMD delivery systems, or Iran's

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<sup>8</sup> E.O. 13645 defines the term "automotive sector of Iran" to mean the manufacturing or assembling in Iran of light and heavy vehicles including passenger cars, trucks, buses, minibuses, pick-up trucks, and motorcycles, as well as original equipment manufacturing and after-market parts manufacturing relating to such vehicles.

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support for international terrorism. For prior OFAC guidance on the sale of certain humanitarian-related goods to Iran, see [http://www.treasury.gov/resource-center/sanctions/Programs/Documents/hum\\_exp\\_iran.pdf](http://www.treasury.gov/resource-center/sanctions/Programs/Documents/hum_exp_iran.pdf) and [http://www.treasury.gov/resource-center/sanctions/Programs/Documents/iran\\_guidance\\_med.pdf](http://www.treasury.gov/resource-center/sanctions/Programs/Documents/iran_guidance_med.pdf).

In furtherance of the JPOA, the P5 + 1 and Iran are establishing a mechanism to further facilitate the purchase of, and payment for, the export of food, agricultural commodities, medicine, and medical devices to Iran, as well as medical expenses incurred abroad by Iranians. FFIs whose involvement is sought by Iran in hosting this new mechanism will be contacted directly by the USG and provided specific guidance. Please note that transactions for the export of food, agricultural commodities, medicine, and medical devices to Iran are not required to be processed through this new mechanism.

**10. Q: The JPOA provides that the U.S. will license (i) the supply and installation in Iran of spare parts for safety of flight for Iranian civil aviation and associated services and (ii) safety related inspections and repairs in Iran as well as associated services. What does this entail?**

OFAC is issuing a new Statement of Licensing Policy on Activities Related to the Safety of Iran's Civil Aviation Industry (SLP) explaining how it intends to license the supply and installation of spare parts to ensure the safe operation of Iranian commercial passenger aircraft (including transactions with Iran Air) and associated services and safety related inspections and repairs. U.S. persons, U.S.-owned or -controlled foreign entities, and persons involved in the export of U.S.-origin goods that are interested in providing such parts and services should review the SLP to determine if their contemplated transaction is consistent with its provisions and, if so, apply for a specific license from OFAC. In addition, sanctions on the conduct of activities of a type covered by the SLP by non-U.S. persons not otherwise subject to the ITSR have been temporarily suspended.

Applicants for specific licenses pursuant to the SLP will be required to provide complete details of all transactions for which authorization is sought, including U.S. Department of Commerce Export Control Classification Numbers for all U.S.-origin goods and technology to be exported or re-exported to Iran. Any parts or services provided to Iran pursuant to licenses issued consistent with the SLP, and payments relating thereto, must be provided within the JPOA Period. Applications for specific licenses may be submitted online at: <http://www.treasury.gov/resource-center/sanctions/Pages/licensing.aspx>, or alternatively by mail or courier pursuant to section 501.801 of the Reporting, Procedures and Penalties Regulations, 31 C.F.R. Part 501, to the Office of Foreign Assets Control, U.S. Department of the Treasury, Treasury Annex, 1500 Pennsylvania Avenue, N.W. Washington, D.C. 20220.

**11. Q: What does the pause in the reduction of imports in Iranian crude oil mean?**

The core architecture for oil sanctions on Iran remains in place under all statutes and Executive orders. For the JPOA Period, however, the USG will not seek further reductions from the current purchasers of Iranian crude oil – China, India, Japan, the Republic of Korea, Taiwan, and Turkey – so that they can maintain their current average level of imports from Iran, but they may

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not increase their average quantities of Iranian crude oil imports during that period. All other U.S. sanctions on Iran's energy sector – including sanctions on providing goods and services to, or investment in, the energy sector – remain fully in force.

**12. Q: If contracts related to activities for which sanctions relief has been provided pursuant to the JPOA are entered into during the six-month period, and such contracts terminate after the period ends, will transactions or other activities undertaken pursuant to those contracts after the end of the six months be sanctionable?**

Yes. The temporary suspension of sanctions applies only to activities that are initiated and completed entirely within the JPOA Period, and not to activities undertaken before or after that period, even if they are undertaken pursuant to contracts entered into during the JPOA Period. Any conduct for which sanctions have been suspended pursuant to the JPOA that occurs after July 20, 2014, will not qualify for relief pursuant to the JPOA.

For example, if a contract is entered into on January 25, 2014, for the sale of CKDs to be delivered to Iran on July 25, 2014, the delivery of such CKDs after July 20, 2014, could be sanctionable because it falls outside of the six-month relief period. Similarly, any payments relating to such CKDs received outside of the six-month relief period could be sanctionable.

**13. Q: Will payment received during the six-month period of the JPOA for activity covered by the JPOA that took place prior to start of the suspension of sanctions benefit from the sanctions relief?**

Transactions related to sanctionable conduct that began prior to January 20, 2014, and for which a temporary suspension of sanctions has been provided pursuant to the JPOA, would still have exposure to U.S. sanctions.

**14. Q: How does the temporary relief provided by the JPOA affect the provision of insurance for transactions involving Iran?**

To the extent that the provision of insurance or reinsurance is an associated service of an activity for which the JPOA provides temporary relief, the provision of that insurance or reinsurance during the JPOA Period would not be sanctionable. Otherwise, sanctions on the provision of insurance or reinsurance for certain types of activities involving Iran remain in place.

**15. Q. Are transactions with Tidewater Middle East Co. still sanctionable?**

Yes. Transactions with Tidewater Middle East Co. remain sanctionable, even if they are related to activities for which a temporary suspension of sanctions has otherwise been provided pursuant to the JPOA (for additional information see <http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/answer.aspx#315>).

