

CLIENT ALERT

New Certification of Iran Sanctions Compliance - for You and Your Subsidiaries

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On September 29, 2010, the [FAR Council published an Interim Rule](#) with request for comment implementing the requirement in the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 ("CISADA") that every contractor certify that neither it, nor any entity owned or controlled by the contractor, engages in any activity for which sanctions could be imposed under section 5 of CISADA, including, for example, sales of goods, services, or technology that could directly and significantly facilitate the maintenance or expansion of Iran's domestic production of refined petroleum products. While the CISADA sanctions extend to both U.S. and foreign persons -- and the FAR Council has extended the certification requirement as broadly as possible to include procurements of commercial items, COTS items, and those below the simplified acquisition threshold -- to avoid any conflict with the U.S.'s commitments under the WTO Agreement on Government Procurement and other free trade agreements, contractors furnishing only "designated country" end products under a contract subject to the Trade Agreements Act are exempted from the certification requirement.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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