

CLIENT ALERT

OFAC Revokes Several Iran-Related Licenses to Begin the Process of Re-Imposing Certain Iran-Related Sanctions Post-JCPOA

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On June 27, in accordance with [President Trump's May 8, 2018 decision](#) to withdraw from the Joint Comprehensive Plan of Action (JCPOA), the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) revoked two Iran-related General Licenses and amended the Iranian Transactions and Sanctions Regulations (ITSR), 31 C.F.R. part 560, to reflect the re-imposition of sanctions. OFAC also updated previously issued Frequently Asked Questions on the President's announcement. These actions represent the first tangible steps taken by the U.S. government to implement the May 8 announcement to end some limited primary sanctions exceptions and re-impose secondary sanctions on Iran.

Revocation of General Licenses H and I

Fulfilling one of the promises made on May 8, OFAC revoked both General License H and General License I authorizing certain transactions with Iran.

- [General License H](#) authorized U.S.-owned foreign entities to engage in transactions with the Government of Iran or any person subject to the jurisdiction of the Government of Iran. OFAC revoked General License H and replaced it with an amendment to the ITSR authorizing the wind-down, until November 4, 2018, of previously permitted activity, as described in the Final Rule published on June 28, 2018 (see 31 C.F.R. § 560.537).
- [General License I](#) authorized U.S. persons to engage in certain transactions related to the export or re-export to Iran of commercial passenger aircraft. OFAC has now revoked General License I and amended the ITSR to authorize the wind down of such transactions through August 6, 2018 (see 31 C.F.R. § 560.536).

Additional ITSR Amendments

OFAC amended the ITSR to authorize the wind-down of two previously authorized types of activity for U.S. persons.

- [Import of Carpets and Foodstuffs](#): OFAC amended 31 C.F.R. § 560.534 to authorize the wind down of transactions regarding U.S. imports of, and dealings in, certain Iranian-origin foodstuffs and carpets through August 6, 2018.
- [Credit and Brokering Services for Related Activity](#): OFAC amended 31 C.F.R. § 560.535 to authorize the wind down of transactions regarding letters of credit and brokering services relating to certain Iranian-origin foodstuffs and carpets through August 6, 2018.

OFAC also updated [JCPOA Withdrawal-Related Frequently Asked Questions \(FAQs\) 4.3, 4.4, and 4.5](#) to address these changes.

Additional Announcements Expected in the Coming Weeks

These changes give effect to some, but not all, of the changes announced by President Trump on May 8. Specifically, in the coming weeks, we expect the issuance of at least one new Executive Order to re-authorize previously terminated sanctions authorities as well as the issuance by OFAC and the U.S. Department of State of additional guidance regarding the re-implementation of primary and “secondary” sanctions that had been in effect prior to the JCPOA as well as potentially to announce additional restrictions beyond those that existed prior to the JCPOA (*e.g.*, targeting ballistic missile proliferation or potentially even expanding secondary sanctions).

We will continue to update this guidance as and when these changes are announced.

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