

## A Guide to Iran Sanctions

By

**Matthew Zweig**

The United States, the European Union, and other governments target Iran's malign activities with sanctions and other economic restrictions for that government's serious human rights abuses, its support for terrorism and other destabilizing activities, and its proliferation of weapons of mass destruction to include its nuclear program and ballistic missile development. Yet, there is now disagreement between the United States and other governments regarding the scope and depth of Iran sanctions. The Joint Comprehensive Plan of Action ([JCPOA](#)), negotiated with Iran by the United States and five other countries in 2016, that the United States withdrew from in May 2018 (sanctions were re-imposed in November 2018) is at the core of this disagreement.

The parties to the deal agreed to relax many, but not all, sanctions on Iran beginning in January 2016 in exchange for concessions by Iran regarding its nuclear weapons program. The Trump administration, however, re-implemented expansive pre-JCPOA sanctions to combat the range of Iran's malign activities and perceived shortcomings in the JCPOA. Upon entering office, the Biden administration committed to re-entering the JCPOA; and seemingly committed to providing sanctions relief for Iran as specified in [Annex II](#) of that political agreement in exchange for Iran's taking steps to come back into compliance with that agreement. Yet, this commitment raises the complex issue of what sanctions are considered "nuclear-related" as the broader Iran sanctions regime expanded significantly under the Trump administration.

This guide provides an overview of the current US sanctions regime, including what may be considered a "nuclear-related" sanction for the purposes of this exercise; sanctions imposed on Iran by the United Nations; the European Union and United Kingdom. Finally, it contains an annex that details which major statutory and non-statutory sanctions against Iran are considered nuclear, non-nuclear, or both.

**United States Sanctions.** The United States has extensive primary and secondary sanctions in place. U.S. primary sanctions on Iran are comprehensive, with few exceptions. Almost all dealings by U.S. persons involving Iran are prohibited. U.S. persons are prohibited from exporting any goods or services to Iran. Through secondary sanctions, the United States threatens non-U.S. persons with penalties if they engage in certain Iran-related dealings, even if those dealings do not touch the United States or U.S. persons. As detailed below, the Iran-related dealings targeted by secondary sanctions fall into two general categories: dealings with certain persons and dealings involving certain activities.

Under the JCPOA, the major elements of sanctions relief that the US agreed to [included](#)--

- Waiving secondary sanctions that were applied to Iran's energy sector and other economic sectors;

- Waiving sanctions against the Central Bank of Iran contained in Section 1245 of the FY2012 National Defense Authorization Act, which threatened to sanction banks of countries that did not reduce or terminate Iran oil imports
- Waiving some secondary financial sanctions, including designating foreign banks that conducted transactions with certain Iranian entities, or prohibiting trading in the Iranian rial;
- Waiving sanctions against the automotive, shipping, and shipbuilding sectors, in addition to those in the energy sector were waived or lifted; and
- Rescinding designations against hundreds of sanctioned Iranian individuals or entities—including the Central Bank of Iran, and Iranian conglomerates.

In addition to withdrawing from the agreement and reimposing the measures above, the Trump administration also issued new Executive Orders (EOs) in response to other Iranian behavior to include terrorism, ballistic missiles and conventional weapons, and human rights abuses. They expanded existing Iran-specific EOs to address Iran’s non-nuclear behavior, as well. And they expanded nuclear-related sanctions both in terms of EOs (see Annex I) and designations.

The Biden administration has made it clear that it seeks to rejoin the JCPOA if Iran comes back into compliance with the agreement, and may attempt to [provide](#) additional sanctions relief provided directly or indirectly to facilitate Iranian re-entry that was not explicitly part of the JCPOA. For example, the administration has [developed](#) a category of sanctions and sanctions designations that are “inconsistent with” the JCPOA but have not provided additional clarity on what that entails. This may fit a grey zone between those sanctions that are clearly nuclear-related and those that are not.

*Nuclear-Related Sanctions.* What may be considered a “nuclear-related” sanction is contained in [paragraph 4 of Annex II](#) of the JCPOA. First, EO [13846](#) re-imposed the sanctions either waived under applicable legislation or lifted pursuant to Annex II of the JCPOA. Most provisions were originally contained in EOs [13574](#), [13590](#), [13622](#) and [13645](#), which were altered or terminated by the Obama administration in line with the JCPOA. Also included in this retinue are the secondary financial sanctions in [CISADA](#) (Section 104(c)(2)(E)(ii)(I)) for Iran’s “proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction.”

The Iran Freedom and Counterproliferation Act ([IFCA](#)) sanctions have been largely defined as “nuclear-related” by the JCPOA. This includes sectoral sanctions on the automotive, energy, shipping, and shipbuilding sectors of Iran, including the applicability of these sanctions to natural gas. Also contained in IFCA are sanctions related to materials that can be used in Iran’s nuclear, military, or ballistic missile programs in connection with the sectors mentioned above. This legislation also imposes sanctions on the provision of insurance underwriting, insurance or reinsurance for individuals and entities operating in these sectors or on the list for WMD proliferation or terrorism, and imposing sanctions on foreign banks and financial institutions that facilitate financial transactions for Iranian SDNs. The energy and shipping sanctions in the Iran Sanctions Act are considered “nuclear-related,” as are the sanctions related to the mining, production, and transportation of uranium.

The Iran Threat Reduction and Syria Human Rights Act ([ITRA](#)) provisions that were deemed “nuclear-related” by the JCPOA included the sanctions on vessels and shipping services that transport goods that could materially contribute to the WMD proliferation or terrorism, sanctions. It also includes sanctions with respect to providing insurance, underwriting or reinsurance for the National Iranian Oil Company and the National Iranian Tanker Company, sanctions targeting Iranian sovereign debt, specialized messaging services such as SWIFT, and prohibitions on Iranian citizens seeking education in the U.S. regarding in the nuclear and energy sectors.

The application of sanctions against the Central Bank of Iran (CBI) in [Section 1245](#) of the FY 2012 NDAA would be subject to JCPOA sanctions relief as it was highlighted in multiple areas of Annex II. Importantly, Annex II gave certain assurances under other [provisions](#) of sanctions law with respect to the treatment of Iranian entities engaged in JCPOA-allowable activities, as well as a proactive licensing posture under the [Iran-Iraq Arms Nonproliferation Act](#), and other such licenses. This table does not include broader terrorism, election interference, and other non-Iran sanctions regimes. Finally, the JCPOA explicitly [permitted](#) the sale of aircraft, and the circumvention of statutory prohibitions on foreign subsidiaries of US companies doing business in Iran. A list of entities that would be delisted at various iterations within the JCPOA and the intended effects of the sanctions relief under Section 7 of Annex II, which are considered “nuclear-related” designations; but they could be re-designated under different authorities based on their conduct (i.e., support for terrorism). For purposes of this exercise, they are not necessary, and participants should focus on the EOs or statutes waived.

*Non-Nuclear Related Sanctions.* Non-nuclear related sanctions are defined as those explicitly excluded from Annex II of the JCPOA, or those that have been issued since whose underlying justification do not cite Iran’s nuclear program as a basis for their issuance. The same criteria apply to designations; if the underlying evidentiary basis for the designation is for status or conduct unrelated to the nuclear program, such designations are inherently non-nuclear.

For example, [EO 13949](#) targets persons or entities that engage in the conventional arms trade with Iran. The underlying rationale is preventing the transfers to or from Iran of destabilizing conventional weapons, and arms and related materiel. Also included in this list is [EO 13876](#), which imposes sanctions on the Supreme Leader of the Islamic Republic of Iran and the Supreme Leader’s Office. This measure is predicated on Iran’s support for terrorism, its development and acquisition of ballistic missiles, and regional destabilization. Also included in this list of EOs are older measures, such as those imposing sanctions on foreign sanctions evaders and providing support for human rights abuses.

The non-nuclear sanctions are not relegated to Executive orders, but there remain statutory sanctions that are inherently non-nuclear that will not be waived as part of the JCPOA. This includes the Comprehensive Iran Sanctions, Divestment and Accountability Act which continues in effect the prohibition on US exports to and imports from Iran, secondary financial sanctions for the IRGC and Iranian entities supporting terrorism, human rights sanctions and other measure. The Countering America’s Adversaries Through Sanctions Act ([CAATSA](#)) mandates the imposition of terrorism sanctions on the IRGC and other Iranian activities related to conventional weapons.

*Both Nuclear and Non-Nuclear Related Sanctions.* Sanctions provisions that are both nuclear and non-nuclear are those where the underlying provision was not included in the JCPOA, and whose promulgation was predicated under multiple factors, such as a combination of Iran's nuclear activities, ballistic missile development, and support for terrorism. For example, EO [13902](#) applies sanctions to the construction, mining, manufacturing, and textiles sectors of the Iranian economy. These new sectoral applications did not exist at the time that the JCPOA was agreed to although the JCPOA did list all existing sectoral sanctions in as they existed in 2016. The EO predicated the application of sanctions to these sectors on terrorism, ballistic missiles, and Iran's nuclear program and was not part of the packaged re-imposing sanctions under EO 13846.

The application of sanctions under [EO 13871](#) to the Iron, steel, aluminum, and copper sectors of the Iranian economy is a similar case. These new sectoral applications did not exist at the time that the JCPOA was agreed to although the JCPOA did list all existing sectoral sanctions in as they existed in 2016. The EO predicated the application of sanctions to these sectors on terrorism, ballistic missiles, and Iran's nuclear program and was not part of the packaged re-imposing sanctions under EO 13846. There are no designations, however, under this rubric. If a person or entity is designated under more than one authority for status or conduct, than they must fulfill the criteria for delisting under each relevant authority.

*Possible Courses of Action by the U.S.:*

- Decreasing Sanctions. The administration could provide sanctions relief based on the JCPOA Iran using its Executive authority and waivers provided in legislation. The administration may have to submit any re-entry into an agreement to the Congress under the requirements of the Iran Nuclear Agreement Review Act, but it is unlikely that a veto-proof majority necessary to prevent the administration from utilizing sanctions relief.
- Increasing Sanctions. The U.S. could increase or decrease sanctions by Executive order or legislation, or both. This could include areas that have not previously been targeted: from an extension of sectoral sanctions to a full prohibition on regular trade with Iran outside of food, medicine, and non-controlled medical devices. The Biden administration has [reportedly](#) been considering such actions in the event that negotiations over JCPOA re-entry break down.

**United Nations Sanctions.** Prior to the JCPOA, UN Security Council (UNSC) resolutions 1737, 1747, 1803, and 1929 were [imposed](#) on Iran to target Iran's WMD infrastructure and later permitted the targeting of key civilian sectors that supported that infrastructure. Through the passage of [UNSCR 2231](#) in July 2015 and its implementation in January 2016, the JCPOA provided relief to Iran from most sanctions imposed by United Nations Security Council Resolutions (UNSCRs) and by extension Member States' sanctions implementing those UNSCRs. At the same time, UNSCR 2231 established a mechanism for re-imposition of sanctions if Iran re-engaged in nuclear weapons proliferation.

UNSCR 2231 served four basic purposes:

- Formally endorsed (but not mandated the imposition) the JCPOA negotiated by the United States, China, Russia, Germany, France, the United Kingdom, and Iran.

- Lifted most UN sanctions in January 2016 once the IAEA had verified that Iran had implemented the JCPOA.
- Instituted a framework and process for the eventual lifting of all remaining restrictions (related to ballistic missile development and conventional arms sales and acquisitions by Iran)
- Provided for a sanctions dispute resolution and monitoring mechanism, and the re-imposition of UN sanctions under the JCPOA’s “snapback” framework.
- Developed a process to allow for Iran’s procurement of nuclear-related materials, goods, equipment, and technology, permitted under the JCPOA.

In September 2020, the United States [attempted](#) to trigger the “snapback” provision in UNSCR 2231 to reimpose all United Nations sanctions on Iran. The administration did so after the United Nations Security Council [declined](#) to extend the conventional arms embargo on Iran that expired in October 2020. The remaining participants in the JCPOA, however, [disputed](#) whether the United States had standing to invoke the snapback mechanism, concluding that it ceased to be a “participating state” after it withdrew from the nuclear deal in May 2018.

*Possible Courses of Action by the United Nations:*

- Decreasing Sanctions. The United Nations, acting through the Security Council, could simply allow for restrictions on Iran’s nuclear program and missile program to continue to expire. It could also take proactive measures with respect to sanctions relief under the JCPOA in a manner similar to or consistent with what Iran has been [requesting](#) from the US in terms of providing assurances on sanctions relief under future administrations.
- Increasing Sanctions. The United States, the UK or France could undertake action at the UNSC, with the understanding that the Chinese and Russians would likely veto such a measure. Separately, the International Atomic Energy Agency (IAEA), after referring Iran to the UNSC, could take independent action under its [charter](#) to suspend assistance to Iran, thereby instituting a form of sanctions that other countries could follow.

**European Union (EU) and United Kingdom (UK) Sanctions.**

Prior to the JCPOA, the EU’s maintained [extensive](#) sanctions against Iran imposed largely from 2012 until 2014 including the ban on oil and gas imports from Iran; shipping and insurance for oil and other Iranian petrochemicals; the trade in gold and other precious metals; sanctions against the CBI; banking and insurance sanctions; and other shipping and trade sanctions. The EU [relaxed](#) significant portions of its Iran-related sanctions after implementation of the JCPOA and delisted a number of individuals and entities but retained several proliferation-related measures and restrictions—such as an arms embargo and restrictive measures related to Iran’s missile program. In addition, [restrictive](#) measures imposed by the EU on Iran remain pertaining to Iran’s human rights violations, support for terrorism, and other matters (i.e., regional malign activities in Syria and Yemen).

Remaining Iran-specific prohibitions for the EU include those on the sale, supply, transfer, or procurement of arms and related materiel, and missile components. The EU’s sanctions with respect to Iran’s human rights violations include asset freeze and travel ban for listed persons and

entities; and the prohibition on the export or provision of equipment or software and related technical or financial support that can be used for internal repression.

Similarly, some UK sanctions [remain](#) in place aimed at encouraging Iran to comply with relevant UN obligations and abandon its nuclear weapons program, restrict the country's ability to develop its missile and conventional weapons programs. The UK's human rights sanctions [against](#) Iran also remain in place. They include financial sanctions and travel restrictions against individuals and entities; and prohibitions on the trade in goods and technology that may be used for internal repression, including intercepting and monitoring communications dissidents in Iran.

*The EU Blocking Statute.* In 1996, in response to the imposition of secondary sanctions on Cuba and Iran by the United States, the EU developed and codified a legal blocking [statute](#) to mitigate the impact on EU persons of the U.S. reimposition of "extraterritorial" sanctions. The European Union [extended](#) its blocking statute to cover the U.S. sanctions on Iran that were reimposed beginning in May 2018, including those that were previously suspended under the JCPOA. This statute [covers](#) persons and entities that are residents in the EU and EU nationals; legal entities incorporated in the EU; EU nationals resident abroad; Non-EU person acting in the EU in "a professional capacity"; and shipping companies domiciled outside the EU and controlled by EU nationals. IT applies only to secondary sanctions and does not likely apply to those covered under both US and EU law; nor does it compel EU companies to undertake Iran-related business or other activities. The blocking statute has not been fully exercised, as the legal remedies for EU companies harmed by Iran sanctions have never been implemented.

*Possible Courses of Action by the EU and/or UK:*

- **Decreasing Sanctions.** The EU could adhere to the JCPOA so that their remaining sanctions against Iran that are in any way related to the nuclear agreement [expire](#) in 2023. Similarly, the EU could attempt to wield the blocking statute against the United States and attempt to recover damages for EU companies, although the likelihood of a successful challenge is remote.
- **Increasing Sanctions.** The EU could rebuild the sanctions and other prohibitions that it had prior to the JCPOA, and develop a more encompassing sectoral sanctions framework comparable to the U.S. This could include blacklisting sectors of the Iranian economy broadly, and major Iranian conglomerates that operate in such sectors.

Annex--Major U.S. Iran Sanctions Statutes and Executive Orders

Statute/Executive Order	“Nuclear-Related Sanctions”	Both “Nuclear” and “Non-Nuclear”	“Non-Nuclear Sanctions”
<a href="#">13949</a> - Blocking Property of Certain Persons with Respect to the Conventional Arms Activities of Iran			The EO applies sanctions with respect to the conventional weapons trade with Iran. The underlying rationale is preventing the transfers to or from Iran of destabilizing conventional weapons and arms and related materiel.
<a href="#">13902</a> - Imposing Sanctions With Respect to Additional Sectors of Iran		Applies sanctions to the construction, mining, manufacturing, and textiles sectors of the Iranian economy. These new sectoral applications did not exist at the time that the JCPOA was agreed to although the JCPOA did list all existing sectoral sanctions in as they existed in 2016. The EO predicated the application of sanctions to these sectors on terrorism, ballistic missiles, and Iran’s nuclear program and was not part of the packaged re-imposing sanctions under EO 13846.	
<a href="#">13876</a> - Imposing Sanctions with Respect to Iran			This EO specifies that the sanctions imposed on the Supreme Leader of the Islamic Republic of Iran and the Iranian

			Supreme Leader’s Office are predicated on terrorism, ballistic missiles, and regional destabilization.
<a href="#">13871</a> - Imposing Sanctions with Respect to the Iron, Steel, Aluminum, and Copper Sectors of Iran		Applies sanctions to the Iron, steel, aluminum, and copper sectors of the Iranian economy. These new sectoral applications did not exist at the time that the JCPOA was agreed to although the JCPOA did list all existing sectoral sanctions in as they existed in 2016, although it does reference supplementing the authorities of IFCA. The EO predicated the application of sanctions to these sectors on terrorism, ballistic missiles, and Iran’s nuclear program and was not part of the packaged re-imposing sanctions under EO 13846.	
<a href="#">13846</a> - Reimposing Certain Sanctions With Respect To Iran	This EO re-imposed the sanctions either waived under applicable legislation or lifted pursuant to Annex II of the JCPOA—most provisions were originally contained in EOs 13574, 13590, 13622 and 13645.		
<a href="#">13608</a> - Prohibiting Certain Transactions With and Suspending Entry Into the United States of Foreign Sanctions Evaders With Respect to Iran and Syria (Effective Date - May 1, 2012)			Codified in the Iran Threat Reduction Act (Sec 217) the Foreign Sanctions Evaders EO is linked to individuals or entities that are attempting to evade both Iranian and Syrian sanctions. They were not waived or significantly modified as part of the JCPOA.

<p><a href="#">13606</a> - Blocking the Property and Suspending Entry Into the United States of Certain Persons With Respect to Grave Human Rights Abuses by the Governments of Iran and Syria via Information Technology (Effective Date - April 23, 2012)</p>			<p>Codified in the Iran Threat Reduction Act (Sec. 402)T, these measures are specifically linked to individuals or entities that provide IT to human rights abusers in both Iran and Syria. They were not waived or significantly modified as part of the JCPOA.</p>
<p><a href="#">13599</a> - Blocking Property of the Government of Iran and Iranian Financial Institutions (Effective Date - February 6, 2012)</p>		<p>Codified in the Iran Threat Reduction Act (Sec 217) it was modified by the JCPOA, which committed to ensuring that non-U.S. persons will not be subject to secondary sanctions solely for engaging in activity that involves persons included on the E.O. 13599 List. However, EO 13599 remained in effect with respect to prohibited conduct on the part of US persons.</p>	
<p><a href="#">13553</a> - Blocking Property of Certain Persons With Respect to Serious Human Rights Abuses By The Government of Iran and Taking Certain Other Actions (Effective Date - September 29, 2010)</p>			<p>No significant modifications due to the JCPOA</p>
<p><a href="#">13059</a> - Prohibiting Certain Transactions With Respect to Iran (Effective Date - August 20, 1997)</p>			<p>No significant modifications due to the JCPOA</p>
<p><a href="#">12959</a> - Prohibiting Certain Transactions With Respect to Iran (Effective Date - May 7, 1995)</p>			<p>No significant modifications due to the JCPOA</p>

<p><a href="#">12957</a> - Prohibiting Certain Transactions With Respect to the Development of Iranian Petroleum Resources (Effective Date - March 16, 1995)</p>			<p>No significant modifications due to the JCPOA</p>
<p><a href="#">12613</a> - Prohibiting Imports From Iran (Effective Date - October 29, 1987)</p>			<p>No significant modifications due to the JCPOA</p>
<p>Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, Public Law 111-195, As Amended Through Public Law 112-239, Enacted January 2, 2013</p>	<p>Section 104(c)(2)(E)(ii)(I)— financial sanctions regarding Iran’s “proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction.</p>		<p>Section 103: prohibition on US imports from and exports to Iran  Section 104(c)(2)(E)(ii)(i) and (II)-financial sanctions regarding Iran’s support for international terrorism, and the IRGC  Section 104(e)— requirements for domestic US financial institutions maintaining accounts for foreign financial institutions.  Sections 105, 105A, 105B, and 105C— Human rights sanctions.  Section 106: Prohibitions on USG procurement with a person that exports sensitive technology to Iran for surveillance-related activities.</p>
<p>Countering America's Adversaries Through Sanctions Act (CAATSA), Public Law 115-44</p>			<p>CAATSA was passed into law while the JCPOA was in effect; none of the provisions imposing sanctions on Iran for ballistic missiles, the IRGC, or relevant to human rights abuses</p>

			within Title I were relevant to the JCPOA. Title II: Authorizing state and local government divestment from companies that invest in Iran.
Iran Freedom and Counter-Proliferation Act of 2012 (IFCA) (Public Law 112-239)	<p>Section 1244: Imposition of sanctions on the Energy, shipping and shipbuilding sectors of Iran including the applicability of these sanctions to natural gas.</p> <p>Section 1245: Sanctions against persons that engage in transactions to or from Iran with precious metals or certain materials that could be used in the nuclear, military or ballistic missile programs, or in connection with the energy, shipping or shipbuilding sectors of Iran.</p> <p>Section 1246: Imposes sanctions with respect to the provision of underwriting services or insurance or reinsurance for persons operating in the sectors noted above or listed on the SDN list for WMD proliferation or terrorism.</p> <p>Section 1247: Imposes sanctions with respect foreign financial institutions that facilitate financial transactions on behalf of SDNs.</p>		Section 1248; Imposition of sanctions on the Islamic Republic of Iran Broadcasting
Iran Sanctions Act of 1996, as Amended, 50 U.S.C. § 1701 note	Section 5 (a): Energy-Sector sanctions contained related		Section 5(b)(1): sanctions regarding export, transfer, and

	<p>to Iran, and Iran’s shipping sector.  Section 5(b)(2): Sanctions related to the mining, production, or transportation of uranium.</p>		<p>transshipment of goods, services and technologies likely to be used for Iran’s chemical, biological, or nuclear weapons programs; or to acquire or develop destabilizing types and number of conventional weapons.  Section 5(b)(3): prohibitions on the export or transfer or retransfer of any nuclear materials, facilities or components, or goods and services that would be subject to a Nuclear Cooperation Agreement to a government who has jurisdiction over a person designated in section 5(b)(1) unless the government in question takes certain actions.</p>
<p>Iran Threat Reduction and Syria Human Rights Act of 2012  H.R. 1905 (Public Law 112-158)</p>	<p>Section 211: sanctions on vessels or shipping services to transport goods that could materially contribute to the proliferation of WMD or support for acts of terrorism.  Section 212: Sanctions with respect to the provision of underwriting services or insurance or reinsurance for NIOC or NITC  Section 213: prohibitions on the purchase of the issuance of sovereign debt  Section 220: Sanctions on specialized messaging services  Section 311: Amends ISA to expand procurement prohibitions for individuals</p>		<p>Section 219: Amended the Securities Exchange Act of 1934 to include the disclosure of information related in sanctionable activities regarding Iran.  Section 221: Placed immigration restrictions on senior officials of the IRI and family members.  Sections 301-303: Sanctions against the IRGC, and its agents and affiliates, including foreign governments that provide support to the IRGC.  Section 411: codifies sanctions contained in EO 13606 (see above)</p>

	<p>and entities that engage in transactions with the IRGC.</p> <p>Section 501: exclusion of citizens of Iran from the U.S. seeking education in the nuclear and energy sectors of Iran.</p>		<p>Section 413: Expedited consideration of requests for authorization of certain human rights, humanitarian, and democracy-promotion activities.</p> <p>Section 502: measures related to the disposition of blocked financial assets of Iran in the US.</p>
--	---	--	---